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## **Central China Securities Co., Ltd.**

*(a joint stock company incorporated in 2002 in Henan Province, the People's Republic of China with limited liability under the Chinese corporate name “中原证券股份有限公司” and carrying on business in Hong Kong as “中州证券”)*

**(Stock Code: 01375)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Central China Securities Co., Ltd. (the “**Company**”) hereby announces the audited annual results of the Company and its subsidiaries for the year ended 31 December 2025. This annual results 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 information to accompany preliminary announcements of annual results and has been reviewed by the audit committee under the Board.

The Company’s 2025 annual report will be published and available for viewing on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk), the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and the website of the Company at [www.ccnew.com](http://www.ccnew.com) on or before 30 April 2026.

By order of the Board of  
**Central China Securities Co., Ltd.**  
**ZHANG Qiuyuun**  
*Chairlady*

Henan, the PRC  
27 March 2026

*As at the date of this announcement, the Directors of the Company are Ms. Zhang Qiuyun, Mr. Li Wengqiang, Mr. Feng Ruofan, Mr. Tang Jin, Mr. Tian Shengchun, Ms. Zhu Junhong, Mr. Chen Zhiyong\*, Mr. Wang Hui\*, Mr. Wang Huixuan\*, Mr. Du Xiaotang\*.*

\* *Independent Non-executive Director of the Company*

## IMPORTANT NOTICE

The Board, Directors, and senior management of the Company warrant the truthfulness, accuracy and completeness of contents of the annual report and that there is no false representation, misleading statement contained herein or material omission from this report, for which they will assume joint and several liabilities.

All Directors of the Company have attended the meeting of the Board.

The annual financial statements for 2025 prepared by the Company in accordance with the China Accounting Standard for Business Enterprises have been audited by ShineWing Certified Public Accountants (Special General Partnership), with standard unqualified audit report issued to the Company.

Ms. Zhang Qiuyun, head of the Company, Mr. Guo Liangyong, the person in charge of accounting affairs and Ms. Han Xihua, the head of the accounting department, warrant that the financial statements set out in this annual report are true, accurate and complete.

The profit distribution proposal or proposal for conversion of capital reserve into share capital for the Reporting Period adopted by the Board by way of resolution: the Company's profit distribution plan as considered and approved by the Board is to distribute: a cash dividend of RMB0.22 (tax inclusive) for every 10 shares. Calculated based on the total share capital of the Company of 4,642,884,700 shares as of 31 December 2025, the total cash dividend amounted to RMB102,143,463.40 (tax inclusive). No capital reserves will be converted into share capital and no bonus shares will be distributed by the Company. Such proposed profit distribution plan is subject to the approval of the general meeting of the Company. For 2025, the Company has declared cumulative cash dividend of RMB0.30 per 10 shares (tax inclusive).

The forward-looking statements in this report including future plans and development strategies do not constitute a substantive commitment of the Company to investors. Investors and related persons should understand the difference among plans, forecasts and commitments and be aware of investment risks.

There was no appropriation of funds of the Company by the controlling shareholder(s) or its/related/connected parties for non-operating purposes during the Reporting Period.

The Company had made no guarantee to external parties against the stipulated decision-making process during the Reporting Period.

There is no such situation in which more than half of the Directors cannot warrant the truthfulness, accuracy and completeness of this report disclosed by the Company.

This report has been prepared by the Company in both Chinese and English. In the event of any discrepancies between the English version and the Chinese version of this report, the Chinese version shall prevail.

In this report, the discrepancies in the decimal place between the sum of the amount of each sub-item and the grand total are due to rounding to the nearest integer.

## MATERIAL RISK ALERT

The Company's primary business operations are closely tied to domestic and international economic conditions and the state of the capital market. Changes in the domestic and international economic landscape, fluctuations in the capital market, and adjustments to industry regulatory policies can all directly or indirectly impact the Company's operating results.

The risks confronted by the Company in its operations mainly include: policy risk with adverse impact on the operation of securities companies due to changes in national macroeconomic policies and the regulatory measures, laws and regulations related to the securities industry, regulatory policies and trading rules, etc.; market risk causing losses to the Company due to changes in market prices (interest rates, exchange rates, stock prices, commodity prices, etc.); credit risk resulting from losses due to defaults by financing parties, counterparties or issuers; liquidity risk that the Company cannot obtain sufficient funds in time at a reasonable cost to meet the maturing debts, fulfill other payment obligations and meet the capital needs of normal business; operational risk resulting from losses caused by imperfect or faulty internal procedures, personnel, information technology systems and external events; reputational risk that the Company's actions or external events, and staff's violations of integrity regulations, professional ethics, business norms, industry rules and regulations, etc., leading to negative evaluations of the Company by investors, issuers, regulators, self-regulatory organizations, the public, the media, etc., thus damaging the Company's brand value and affecting its normal operations; compliance risk of the Company being legally held accountable, subject to supervisory measures, given self-discipline penalties or suffering from loss of property or reputation arising from violation of laws, regulations or rules by the operation and management or licensed practices; information technology risk impacting the Company's normal business and further leading to direct or indirect losses due to software and hardware failures, communication failures, security loopholes in the information technology system and insufficient emergency management capability of disaster recovery systems.

The Company has established and continuously improved its internal control system, compliance and comprehensive risk management system by establishing a mechanism for risk identification, assessment, monitoring, response and reporting, and implementing risk management throughout the entire process of business decision-making to ensure that the risks borne by the Company are aligned with its overall strategic development objectives. For the relevant risks faced by the Company in its operation, please refer to the relevant contents in (IV) "Potential risks" of VII. "COMPANY'S DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT" under Section 3 "REPORT OF THE BOARD OF DIRECTORS" of this report.

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## DOCUMENTS AVAILABLE FOR INSPECTION

The annual report with the signature of the legal representative of the Company.

A copy of the financial report signed and sealed by the legal representative, the person in charge of financial affairs, and head of the accounting department of the Company.

Original copies of all documents and announcements of the Company disclosed on websites designated by the CSRC during the Reporting Period.

Annual reports published in other securities markets.

Other relevant materials.

# SECTION 1 DEFINITIONS

## I. DEFINITIONS

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

### Definition of common terms

Company, Parent Company or Central China Securities	Central China Securities Co., Ltd.
Group	the Company and its subsidiaries
Board	the board of the directors of the Company
Director(s)	director(s) of the Company
Supervisory Committee	the supervisory committee of the Company
Supervisor(s)	supervisor(s) of the Company
this report	this annual report
SSE	Shanghai Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
SSE Composite Index	composite stock price index of the SSE
SZSE Component Index	component stock price index of the Shenzhen Stock Exchange
Wind Info	Wind Information Co., Ltd. (萬得信息技術股份有限公司)
IPO	the initial public offering
A Shares	domestic listed ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the SSE
H Shares	overseas listed foreign ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Hong Kong Stock Exchange
Reporting Period/the Period	the period from 1 January 2025 to 31 December 2025
End of the Reporting Period/end of the Period	31 December 2025
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)

## SECTION 1 DEFINITIONS

PRC or China	the People's Republic of China
Henan Bureau of the CSRC	Henan Branch of the China Securities Regulatory Commission (中國證券監督管理委員會河南監管局)
New Third Board or NEEQ	National Equities Exchange and Quotations for medium and small-sized enterprises
Henan Investment Group	Henan Investment Group Co., Ltd. (河南投資集團有限公司)
Anyang Iron & Steel Group	Anyang Iron & Steel Group Co., Ltd. (安陽鋼鐵集團有限責任公司)
Pingmei Shenma	China Pingmei Shenma Holdings Group Co., Ltd. (中國平煤神馬控股集團有限公司)
Anyang Economic Development	Anyang Economic Development Group Co., Ltd. (安陽經濟開發集團有限公司)
Jiangsu SOHO Holdings	Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)
Shenhuo Group	Henan Sunho Group Co., Ltd. (河南神火集團有限公司)
Shenzhen Rising	Shenzhen Rising Investment Development Co., Ltd. (深圳市廣晟投資發展有限公司)
Jiaozuo Economic Development	Jiaozuo Economic and Technological Development Co., Ltd. (焦作市經濟技術開發有限公司)
Hebi Construction and Investment	Hebi Investment Group Co., Ltd. (鶴壁投資集團有限公司)
Henan Securities	Henan Securities Co., Ltd. (河南證券有限責任公司)
Central China Futures	Central China Futures Co., Ltd. (中原期貨股份有限公司)
ZDKY Venture Capital	Zhongding Kaiyuan Venture Capital Management Co., Ltd. (中鼎開源創業投資管理有限公司)
Central China Blue Ocean or CCBO	Central China Blue Ocean Investment Management Co., Ltd. (中州藍海投資管理有限公司)
Central China International	Central China International Financial Holdings Company Limited (中州國際金融控股有限公司)
Equity Exchange Co.	Central China Equity Exchange Co., Ltd. (中原股權交易中心股份有限公司)
Articles of Association	the prevailing valid Articles of Association of the Company

## SECTION 1 DEFINITIONS

Company Law	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
Securities Law	the Securities Law of the PRC (《中華人民共和國證券法》)
RMB	Renminbi, the lawful currency of the PRC, with the basic unit of "yuan"
HK\$	Hong Kong dollars and cents, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
%	per cent

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### I. INFORMATION ABOUT THE COMPANY

Chinese name of the Company	中原证券股份有限公司
Chinese abbreviation of the Company	中原证券
Foreign name of the Company	Central China Securities Co., Ltd.
Foreign abbreviation of the Company	CCSC
Legal representative of the Company	Zhang Qiuyun
General manager of the Company	Li Zhaoxin

#### Registered capital and net capital of the Company

Unit: Yuan Currency: RMB

	At the end of the Reporting Period	At the end of last year
Registered capital	4,642,884,700.00	4,642,884,700.00
Net capital	10,320,320,633.28	9,468,635,644.80

#### Qualifications for each individual business of the Company

The business scope of the Company includes: securities brokerage; securities investment consulting; financial advisory related to securities trading and securities investment activities; securities underwriting and sponsorship; securities proprietary business; securities asset management; margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.

The Company possesses the following business qualifications:

1. Business qualifications approved or authorised by the CSRC:

Qualification for sponsoring institution for securities issuance and listing, qualification for IPO inquiry and placement business, qualification for stock lead underwriter business, qualification for sponsoring broker business, qualification for qualified investor business of block trading system, qualification for entrusted asset management business of NEEQ business, qualification for online securities entrustment business, qualification for open-end securities investment fund agency sales business, qualification for providing intermediary introduction business for futures companies, qualification for margin financing and securities lending business, qualification for bond pledge-style quotation repurchase business, qualification for financial advisory for merger and acquisition and restructuring of listed companies, qualification for sponsoring institution for equity division reform, and qualification for entrusted investment management business.

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

2. Business qualifications approved by the exchange:

Qualification for agreed repurchase securities trading business, IPO price inquiry and placement business, stock pledge repurchase business, recommendation business and transfer business of the National Equities Exchange and Quotations, stock option brokerage business of the SSE, Hong Kong Stock Connect business of the SSE, Hong Kong Stock Connect business under Shenzhen-Hong Kong Stock Connect of the SZSE, SSE membership, SZSE membership, "SSE 50ETF" participation in brokerage business, SSE treasury bond repurchase transaction qualification, warrant trading qualification, and first-class dealer qualification for the Integrated Electronic Platform for Fixed Income Securities of the SSE.

3. Business qualifications approved by the Securities Association of China:

Qualification for underwriting of private placement bonds for small and medium-sized enterprises, pilot qualification for Internet securities business, membership of the Securities Association of China, pilot qualification for OTC market business and qualification for IPO inquiry targets.

4. Business qualifications approved by the PBOC:

National interbank lending business qualification and interbank bond trading qualification.

5. Other business qualifications:

Qualification for foreign exchange business, qualification for agency sale of financial products (approved by the Henan Bureau of the CSRC), qualification for registration of securities pledge as an agent, qualification for securities refinancing and securities lending business, qualification for market-making business in the inter-institutional private equity product quotation system, qualification for underwriting of debt financing instruments of non-financial enterprises in the inter-bank market, qualification for settlement participant of China Securities Depository and Clearing Corporation Limited, qualification for sponsoring brokerage business in the agency system, qualification for market-making business in the National Equities Exchange and Quotations, and qualification for asset securitization.

6. The subsidiaries have the following business qualifications:

Central China Futures: qualification for commodity futures brokerage business, qualification for financial futures brokerage business.

Central China International: Qualification for securities trading business, qualification for advising on securities business, and qualification for advising on corporate financing business.

ZDKY Venture Capital: Private equity investment fund, private equity investment FOF fund, venture capital fund and venture capital investment FOF fund.

Central China Blue Ocean: Direct investment business.

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### II. CONTACT PERSONS AND CONTACT METHODS

	<b>Secretary to the Board</b>	<b>Representative of securities affairs</b>
Name	Guo Liangyong	Xu Changyu
Address	10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China (Postcode: 450018)	10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China (Postcode: 450018)
Tel.	0371-69177590 (Acceptance time: trading day 9:00-11:30 13:00-17:00)	0371-69177590 (Acceptance time: trading day 9:00-11:30 13:00-17:00)
Email address	zyzqdm@ccnew.com	zyzqzd@ccnew.com

### III. BASIC PROFILE

Registered address of the Company	10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China
Change of the Company's registered address	None
Office address of the Company	10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China
Postcode of the office address of the Company	450018
Website of the Company	<a href="https://www.ccnew.com">https://www.ccnew.com</a>
Email address	investor@ccnew.com
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Enquiry index for changes during the Reporting Period	None

### IV. INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Media name and websites for disclosure of the Company's annual report	China Securities Journal: <a href="https://www.cs.com.cn/">https://www.cs.com.cn/</a> Shanghai Securities News: <a href="https://www.cnstock.com/">https://www.cnstock.com/</a> Securities Times: <a href="http://www.stcn.com/">http://www.stcn.com/</a> Securities Daily: <a href="http://www.zqrb.cn/">http://www.zqrb.cn/</a> Economic Information Daily: <a href="https://www.jjckb.cn/">https://www.jjckb.cn/</a>
Website of stock exchange for disclosure of the Company's annual report	<a href="https://www.sse.com.cn">https://www.sse.com.cn</a>
Website designated by the Hong Kong Stock Exchange for disclosure of the Company's annual report	<a href="https://www.hkexnews.hk">https://www.hkexnews.hk</a>
Place for inspection of the Company's annual report	10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### V. SHARES OF THE COMPANY

#### SHARES OF THE COMPANY

Class of Shares	Stock Exchange of Listing	Stock Name	Stock Code	Stock Name Before Change
A Shares	SSE	中原证券	601375	N/A
H Shares	Hong Kong Stock Exchange	中州证券	01375	N/A

### VI. OTHER INFORMATION OF THE COMPANY

#### (I) History of the Company, mainly including the restructuring and reorganization, capital increase and share expansion in previous years, etc.

On 25 October 2002, according to the CSRC's Reply Concerning Approval of Opening of Central China Securities Co., Ltd. (Zheng Jian Ji Gou Zi 2002 No. 326) (《關於同意中原证券股份有限公司開業的批覆》(證監機構字[2002]326號)), Henan Finance Securities Company Limited and the Securities branch of Anyang Trust & Investment Company Limited merged and reorganised into one, which later joined other qualified companies to form Central China Securities Co., Ltd. after increase in capital and share. The Company was registered with Henan Administration for Industry and Commerce on 8 November 2002, with a registered capital of RMB1,033.79 million. After incorporation, the Company, according to CSRC's reply concerning approval of opening, acquired the securities branch and securities services department (which were originally under Henan Securities) and other securities-related assets.

On 15 January 2008, as approved by the CSRC, the Company's registered capital changed from RMB1,033,790,000 to RMB2,033,515,700.

On 10 June 2008, Henan Investment Group was approved by the CSRC to receive 196,704,200 shares of the Company (accounting for 9.673% of the Company's registered capital) held by Henan Construction Investment Corporation and 715,253,600 shares of the Company (accounting for 35.173% of the Company's registered capital) held by Henan Economic and Technology Development Co., Ltd., after which Henan Investment Group holds 911,957,800 shares of the Company in aggregate (accounting for 44.846% of the Company's registered capital).

On 22 September 2011, the CSRC approved that Bohai Industrial Investment Fund Management Co., Ltd. (on behalf of Bohai Industrial Investment Fund) was qualified to hold more than 5% of equity of Central China Securities Co., Ltd. as a shareholder and to receive 608,000,000 shares (accounting for 29.899% of the Company's registered capital) of the Company held by Xuji Group Corporation.

On 25 June 2014, the Company issued and listed 598,100,000 H Shares on the main board of the Hong Kong Stock Exchange with a par value of RMB1 per share at the allocation price of HK\$2.51 per H Share (stock abbreviation: 中州證券; stock code: 01375). According to the Reply Concerning Management and Transfer of State-owned Equities of Central China Securities Co., Ltd. (Guo Zi Chan Quan 2013 No. 1070) (《關於中原证券股份有限公司國有股權管理及國有股轉持有關問題的批覆》(國資產權[2013]1070號)) by State-owned Assets Supervision and Administration Commission of the State Council, after the Company completed this issuance, state-owned shareholders Henan Investment Group, Anyang Iron & Steel Group, Pingmei Shenma, Anyang Economic Development, Jiangsu SOHO Holdings, Shenhua Group, Jiaozuo Economic and Technology Development, Shenzhen Rising and Hebi Construction and Investment transferred their respective 40,994,778 shares, 8,842,345 shares, 3,738,231 shares, 2,432,074 shares, 1,348,575 shares, 884,166 shares, 678,113 shares, 449,525 shares and 442,193 shares (59,810,000 shares in total) to National Council for Social Security Fund. On 28 October 2014, the Company completed the industrial and commercial change registration of registered capital at Henan Administration for Industry and Commerce, and the registered capital increased to RMB2,631,615,700.

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

On 3 August 2015, the Company completed the non-public issuance of 592,119,000 H shares, with a par value of RMB1 per share at the issue price of HK\$4.28 per H share. On 14 August 2015, the Company completed the industrial and commercial change registration of registered capital at Henan Administration for Industry and Commerce, with the share capital of the Company increased to RMB3,223,734,700.

On 18 November 2016, the Company issued no more than 700,000,000 ordinary shares with a par value of RMB1 per share. According to the Implementing Measures for the Transfer of Some State-owned Shares from the Domestic Securities Market to the National Social Security Fund (Cai Qi 2009 No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)) and the Reply Concerning Proposal for Management of State-owned Equities and Transfer of State-owned Shares in Relation to the Issuance of A Shares by Central China Securities Co., Ltd. (Yu Guo Zi Chan Quan 2015 No. 26) (《關於中原證券股份有限公司發行A股國有股權管理方案及國有股轉持的批覆》(豫國資產權[2015]26號)) by the Henan SASAC, based on the 700,000,000 shares to be issued under this issuance, state-owned shareholders Henan Investment Group, Anyang Iron & Steel Group, Pingmei Shenma, Anyang Economic Development, Jiangsu SOHO Holdings, Shenhua Group, Jiaozuo Economic and Technology Development, Shenzhen Rising and Hebi Construction and Investment transferred their respective 47,979,175 shares, 10,348,840 shares, 4,375,124 shares, 2,846,433 shares, 1,578,336 shares, 1,034,804 shares, 793,645 shares, 526,112 shares and 517,531 shares (70,000,000 shares in total) to National Council for Social Security Fund.

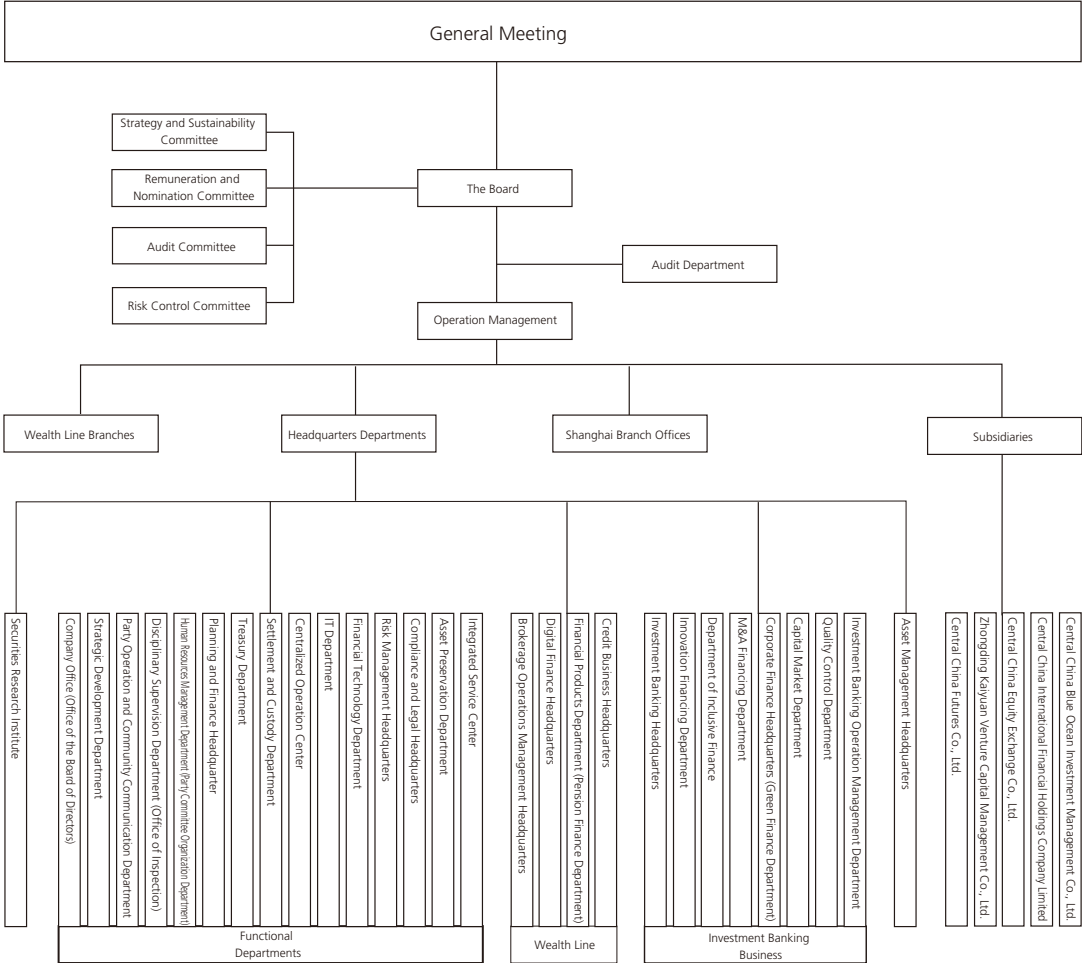
On 3 January 2017, the Company's A shares were listed on the Shanghai Stock Exchange. On 16 February 2017, the Company completed the industrial and commercial change registration of registered capital at Henan Administration for Industry and Commerce, with the share capital of the Company increased to RMB3,923,734,700.

From 12 February 2018, the Company repurchased certain H shares by means of on-market share buyback, which was completed on 18 May 2018. The Company has repurchased 54,664,000 H shares on a cumulative basis. On 11 July 2018, the Company completed the procedures of industrial and commercial change registration and obtained the business license reissued by the Henan Administration for Industry and Commerce. The registered capital changed to RMB3,869,070,700.

On 30 July 2020, the Company completed the non-public issuance of 773,814,000 A shares with a nominal value of RMB1 per share and at an issue price of RMB4.71 per A share. On 4 September 2020, the Company completed the industrial and commercial change registration of registered capital at Henan Administration for Industry and Commerce, with the share capital of the Company increased to RMB4,642,884,700.

# SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

## (II) Status of the Company’s organizational structure



## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### (III) Number and network of branch offices of the Company

As of the end of the Reporting Period, the Company had 31 branch offices, as detailed below:

No.	Branch Offices	Address	Date of incorporation	Person in charge	Contact number
1	Central China Securities Co., Ltd. Zhengzhou Branch Office	3F, Business Building, Jingwei Apartment, No. 30 Weier Road, Jinshui District, Zhengzhou City, Henan Province	10/3/2011	Wang Tianpeng	0371-61916188
2	Central China Securities Co., Ltd. Zhengzhou Internet Branch Office	Section C, Floor 10, Building 1, No. 15 Jingsan Road, Jinshui District, Zhengzhou City, Henan Province	25/2/2009	Wang Jing	0371-60515919
3	Central China Securities Co., Ltd. Nanyang Branch Office	Room 101, 1/F and Room 301, 3/F, Unit 1, Tower 15, Building 15, Yulongyuan, No. 366, North Section of Dushan Avenue, Nanyang City, Henan Province	20/5/2003	Song Yitao	0377-63229828
4	Central China Securities Co., Ltd. Pingdingshan Branch Office	Floor 28, Building 1, Jiatian Xintiandi, No. 26 Middle Jianshe Road, Xinhua District, Pingdingshan City, Henan Province	30/6/2015	Wang Nan	0375-4801728
5	Central China Securities Co., Ltd. Luohe Branch Office	No. 101, Building 7, Jinse Huafu Junyuan, Huanghe Road, Yancheng District, Luohe City, Henan Province	9/6/2003	Lv Yaodong	0395-3183866
6	Central China Securities Co., Ltd. Puyang Branch Office	No. 203 Middle Jianshe Road, Puyang City, Henan Province	21/4/2014	Zhang Yunpeng	0393-8151517
7	Central China Securities Co., Ltd. Anyang Branch Office	(Room 509, Floors 1,2,3,6 and 5, CCS Securities Building) 162 Hongqi Road, Beiguan District, Anyang City, Henan Province	8/5/2003	Chen Lei	0372-2095699

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Branch Offices	Address	Date of incorporation	Person in charge	Contact number
8	Central China Securities Co., Ltd. Xinxiang Branch Office	No. 250 Renmin Road, Xinxiang City, Henan Province	29/4/2003	Wang Lin	0373-2068736
9	Central China Securities Co., Ltd. Hebi Branch Office	Southeast Corner, Intersection of Qibin Avenue and Xinghe Street, Qibin District, Hebi City, Henan Province	26/5/2004	Jie Jiwu	0392-3299909
10	Central China Securities Co., Ltd. Xuchang Branch Office	No. 669 Yingchang Avenue, Weidu District, Xuchang City, Henan Province	12/6/2014	Song Fei	0374-2160177
11	Central China Securities Co., Ltd. Xinyang Branch Office	Room 101, 1/F and Room 201-204, 2/F, Annex Building, Building 3, Chenyu International Harbor, Xinliu Avenue, Yangshan New Area, Xinyang City, Henan Province	26/7/2006	Xu Hongjian	0376-6210378
12	Central China Securities Co., Ltd. Jiaozuo Branch Office	No. 1838 Middle Jiefang Road, Jiaozuo City, Henan Province	2/6/2003	Su Wenfeng	0391-3288118
13	Central China Securities Co., Ltd. Kaifeng Branch Office	1F, Building 1, Area C, Longcheng Jinxiu Garden, Jiyong Street, Kaifeng City, Henan Province	11/8/2006	Zhu Yan	0371-23899816
14	Central China Securities Co., Ltd. Yellow River Golden Triangle Demonstration Area Branch Office	2F, Building 4-6, Jinxiuhuating, Daling Road, Sanmenxia City, Henan Province	20/11/2013	Pang Haojie	0398-2830400
15	Central China Securities Co., Ltd. Shangqiu Branch Office	Jinsui International Trade Building, Northeast Corner to the Shang-shaped Sculpture, Nanjing Road, Suiyang District, Shangqiu City, Henan Province	24/4/2014	Ding Qingming	0370-2580966
16	Central China Securities Co., Ltd. Zhoukou Branch Office	3F (facing the street), Office Building of Henan Netcom Zhoukou Branch, No. 81 Middle Section of Qiyi Road, Zhoukou City, Henan Province	26/4/2006	Ma Guang	0394-8288680

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Branch Offices	Address	Date of incorporation	Person in charge	Contact number
17	Central China Securities Co., Ltd. Luoyang Branch Office	No. 30 West Kaixuan Road, Xigong District, Luoyang City, Henan Province	28/11/2013	Gao Jingxian	0379-63915178
18	Central China Securities Co., Ltd. Zhumadian Branch Office	No. 196 Jiefang Road, Zhumadian City, Henan Province	23/4/2003	Cheng Xiwen	0396-2989099
19	Central China Securities Co., Ltd. Shanghai 1st Branch Office	Rooms 301-318, No. 261 West Dalian Road, Hongkou District, Shanghai	29/8/2003	Chen Xiaogang	021-65223638
20	Central China Securities Co., Ltd. Shenzhen Branch Office	Rooms 701-712 (708) Zhuoyue Times Square Building, 4068 Yitian Road, Fu'an Community, Futian Subdistrict, Futian District, Shenzhen City, Guangdong Province	14/5/2015	Xiong Peili	0755-83801055
21	Central China Securities Co., Ltd. Beijing Branch Office	909, 9/F, Building 53, 14 Jiuxianqiao Road, Chaoyang District, Beijing	15/4/2004	Xia Qun	010-58671099
22	Central China Securities Co., Ltd. Sichuan Branch Office	No. 4, 2F, Block 13, No. 1000 Jincheng Avenue, Chengdu Hi-Tech Industrial Development Zone, Chengdu City, Sichuan Province	3/2/2017	Ren Li	028-86051566
23	Central China Securities Co., Ltd. Jiangsu Branch Office	Unit 08, Zone A, 5/F, Phase II, Xindi Center, Room 1, 168 Lushan Road, Jianye District, Nanjing City, Jiangsu Province	5/9/2017	Tang Yu	025-83696336
24	Central China Securities Co., Ltd. Shandong Branch Office	Rooms 909-912, Building 6, Block 1, China Resources Land Plaza, Yaojia Subdistrict, Lixia District, Jinan City, Shandong Province	25/2/2011	Kong Qingli	0531-86962752
25	Central China Securities Co., Ltd. Shandong 1st Branch	Floor 3, 17-8 Xianxialing Road, Office Laoshan District, Qingdao City, Shandong Province	4/2/2004	Ji Zhenduo	0532-88970289

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Branch Offices	Address	Date of incorporation	Person in charge	Contact number
26	Central China Securities Co., Ltd. Hunan Branch Office	Rooms 2554, 2555, 2556&2557, Building 2, Dongying Commercial Plaza, No. 730 Yuanda 1st Road, Furong District, Changsha City, Hunan Province	11/1/2011	Zhu Guojun	0731-84598699
27	Central China Securities Co., Ltd. Shaanxi Branch Office	Floor 23, Building 7, Relocation Area, Tang West Market Complex Project, 9 South Second Ring Road West Section, Lianhu District, Xi'an City, Shaanxi Province	19/4/2011	Zhen Rongxing	029-86351800
28	Central China Securities Co., Ltd. Zhejiang Branch Office	Room 1702, 17/F, No.37, Sanxin Road, Sijiqing Subdistrict, Shangcheng District, Hangzhou City, Zhejiang Province	10/8/2004	Li Kaihui	0571-28007760
29	Central China Securities Co., Guangzhou Branch Office	Room 2401, No. 395 Linjiang Avenue, Tianhe District, Guangzhou City, Guangdong Province (Location: Self-edited 02) (office only)	27/11/2014	Zeng Hao	020-87580229
30	Central China Securities Co., Ltd. Hubei Branch Office	Rooms 12, 13 and 14, 7F, Starlight, South Lake, Intersection of South Luoshi Road and Wenhui Road, Hongshan District, Wuhan City, Hubei Province	9/1/2014	Duan Ruixing	027-87737178
31	Central China Securities, Ltd. Shanghai Branch Office	Floor 22-23, Building T1, No. 1788 and 1800 Century Avenue, Free Trade Zone, China (Shanghai)	2/7/2009	Zhao Yajing	021-50588666

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### (IV) Number and network of securities branches of the Company

As of the end of the Reporting Period, the Company had 68 branches. They are in 7 provinces, autonomous regions and municipalities, including 1 in Shanghai, 1 in Hunan Province, 2 in Jiangsu Province, 1 in Shandong Province, 1 in Hebei Province, 1 in Shanxi Province and 61 in Henan Province. See the following table for details:

No.	Securities branch	Address	Person in charge
1	Central China Securities Co., Ltd. Zhengzhou Huanghe Road Securities Branch	2F, West Wing Building, No. 11 Huanghe Road, Jinshui District, Zhengzhou City, Henan Province	Jia Yingkui
2	Central China Securities Co., Ltd. Zhengzhou Tongbai Road Securities Branch	No. 43 Tongbai Road, Zhongyuan District, Zhengzhou City, Henan Province	Chang Hongxin
3	Central China Securities Co., Ltd. Zhengzhou Zijingshan Road Securities Branch	2F, Commercial Annex 3, 1–2F, Building 1, No. 182 Zijingshan Road, Guancheng Hui District, Zhengzhou City, Henan Province	Zhao Shengchang
4	Central China Securities Co., Ltd. Zhengzhou Jingsan Road Securities Branch	No. 25 Jingsan Road, Jinshui District, Zhengzhou City, Henan Province	Jiang Huijun
5	Central China Securities Co., Ltd. Zhengzhou Weier Road Securities Branch	3F, Business Building, Jingwei Apartment, No. 30 Weier Road, Jinshui District, Zhengzhou City, Henan Province	Dong Baojun
6	Central China Securities Co., Ltd. Zhengzhou Business Inner Ring Road Securities Branch	2F, No. 11 Business Inner Ring Road, Zhengzhou Section (Eastern Zhengzhou), Pilot Free Trade Zone, Henan Province	Wu Xinzhong
7	Central China Securities Co., Ltd. Xinzheng Xinhua Road Securities Branch	Rooms 112–113, Unit 1, Building 2, Bishuilantian South District, Zhonghua Road, Xinzheng City, Henan Province	Dong Lei
8	Central China Securities Co., Ltd. Xinmi West Avenue Securities Branch	1F, No. 501 Changle Road, Qingping Subdistrict, Xinmi City, Zhengzhou City, Henan Province	Zhou Yuan
9	Central China Securities Co., Ltd. Gongyi Songshan Road Securities Branch	No. 119–8 Songshan Road, Gongyi City, Henan Province	Shi Jianguo
10	Central China Securities Co., Ltd. Zhongmou Guanghui Street Securities Branch	Shop on 1F (facing the street), Southeast of the intersection of Guanghui Street and Wansheng Road, Zhongmou County, Zhengzhou City, Henan Province	Huang Junwei

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Securities branch	Address	Person in charge
11	Central China Securities Co., Ltd. Dengfeng Shaolin Avenue Securities Branch	Floor 2, No. 168 Yangcheng Road, Songyang Subdistrict, Dengfeng County-level City, Zhengzhou City, Henan Province	Qu Bo
12	Central China Securities Co., Ltd. Dengzhou Xinhua Road Securities Branch	No. 17 East Xinhua Road, Dengzhou City, Henan Province	Zhang Hui
13	Central China Securities Co., Ltd. Nanyang Renmin Road Securities Branch	No. 170 Renmin Road, Nanyang City, Henan Province	Zhang Wandong
14	Central China Securities Co., Ltd. Nanyang Wuyi Road Securities Branch	A2 Zone, Daqing District Integrated Service Building, South to the East Wuyi Road, Guanzhuang District, Nanyang City, Henan Province	Zhao Xiaoyu
15	Central China Securities Co., Ltd. Xixia Renmin Road Securities Branch	Intersection of Baiyu Road and Renmin Road, Xixia County, Henan Province	Wang Hui
16	Central China Securities Co., Ltd. Pingdingshan Guangming Road Securities Branch	Shop 106+206, 1-2F, No. 6 Jinghua Jinyu Lanwan, Southwest Corner of Intersection of Guangming Road and Zhannan Road, Zhanhe District, Pingdingshan City, Henan Province	Shi Lin
17	Central China Securities Co., Ltd. Pingdingshan Jianshe Road Securities Branch	37 Middle Jianshe Road (Renmin Plaza), Weidong District, Pingdingshan City, Henan Province	Li Guangxi
18	Central China Securities Co., Ltd. Ruzhou Chengyuan Road Securities Branch	1-2F, West side of the Chengyuan Road, Ruzhou City, Henan Province	Li Jiangong
19	Central China Securities Co., Ltd. Baofeng Zhongxing Road Securities Branch	Shop 111, Dongcheng International Residential Community, Zhongxing Road, Chengguan Town, Baofeng County, Henan Province	Jiao Dezhi
20	Central China Securities Co., Ltd. Luohe Changjiang Road Securities Branch	No. 29 Changjiang Road, Yuanhui District, Luohe City, Henan Province	Zhou Ping
21	Central China Securities Co., Ltd. Linying Xincheng Road Securities Branch	Rooms 109, 110, 209, 210, Building 9, Hongji Xingfuli, Chengguan Town, Linying County, Luohe City, Henan Province	Shen Guangtian

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Securities branch	Address	Person in charge
22	Central China Securities Co., Ltd. Puyang Kaizhou Road Securities Branch	1F, China Unicom Building, Southwest of the intersection of Zhongyuan Road and Kaizhou Road, Puyang City, Henan Province	Liu Chaolong
23	Central China Securities Co., Ltd. Puyang Zhongyuan Road Securities Branch	No. 18 Zhongyuan Road, Puyang City, Henan Province	Song Yuejin
24	Central China Securities Co., Ltd. Qingfeng Chaoyang Road Securities Branch	No. 240 Chaoyang Road, Qingfeng County, Puyang City, Henan Province	Zhang Jian
25	Central China Securities Co., Ltd. Puyang County Yumin Road Securities Branch	East to Middle Yumin Road, Puyang County, Henan Province	Wang Xiangxin
26	Central China Securities Co., Ltd. Anyang Zhonghua Road Securities Branch	Room 03, Floor 3, Building 7, Guangsha Xinyuan, Wenfeng District, Anyang City, Henan Province	Jiang Hua
27	Central China Securities Co., Ltd. Anyang Wenming Avenue Securities Branch	Room 3, Commercial Outlet, Unit 2, Building G2, North Gate of Yucuiyuan Community, Southwest Corner of Intersection of Wenming Avenue and Zhongzhou Road, Long'an District, Anyang City, Henan Province	Chen Limin
28	Central China Securities Co., Ltd. Linzhou Hongqiqu Avenue Securities Branch	Shops 102 and 103, Building 1, Ziyunyueting, southeast corner of the intersection of Zhenlin Road and Hongqiqu Avenue, Kaiyuan Subdistrict, Linzhou City, Anyang City, Henan Province	Wu Xinsheng
29	Central China Securities Co., Ltd. Hua County Wenming Road Securities Branch	Shop 102, Building 8, Huangtong Shijicheng, Hua County New Area, Anyang City, Henan Province	Fu Hongbin
30	Central China Securities Co., Ltd. Tangyin Renmin Road Securities Branch	Shop 7, Building 2, Area A of Shangri-La, Renmin Road, Baiying Township, Tangyin County, Anyang City, Henan Province	Pei Haixia
31	Central China Securities Xinxiang East Renmin Road Securities Branch	Shop 1201, Building 1, Tianan Mingdi, No. 166 Muye Avenue (Middle), Hongmen Town, Hongqi District, Xinxiang City, Henan Province	Qiu Fei

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Securities branch	Address	Person in charge
32	Central China Securities Co., Ltd. Changyuan Shanhai Avenue Securities Branch	Shop 116, Building 11, Weihua Shijicheng, Shanhai Avenue, Changyuan County-level City, Xinxiang City, Henan Province	Shen Changjun
33	Central China Securities Co., Ltd. Hui County Gongcheng Avenue Securities Branch	North to East Gongcheng Avenue, Hui County, Henan Province	Wei Dong
34	Central China Securities Co., Ltd. Weihui Bigan Avenue Securities Branch	No. 152 Bigan Avenue, Weihui County-level City, Xinxiang City, Henan Province	Zhang Li
35	Central China Securities Co., Ltd. Xinxiang Pingyuan Demonstration Area Securities Branch	Shop 53, Commercial Street, Binhu Phase II, Longyuan Subdistrict, Pingyuan Urban-rural Integration Demonstration Area, Xinxiang City, Henan Province	Zhang Lefei
36	Central China Securities Co., Ltd. Xun County Huanghe Road Securities Branch	200m East to the North of the Intersection of Huanghe Road and Liyang Road, Xun County, Henan Province	He Yanjiang
37	Central China Securities Co., Ltd. Qi County Qihe Road Securities Branch	306 Qihe Road, Qi County, Henan Province	Jia Yuan
38	Central China Securities Co., Ltd. Xuchang Balong Road Securities Branch	Future East Coast Huacheng, South Balong Road, Xuchang City, Henan Province	Li Jianxin
39	Central China Securities Co., Ltd. Changge Chenshi Road Securities Branch	Intersection of Chenshi Road and Tianping Road, Changge City, Henan Province	Ma Wenhao
40	Central China Securities Co., Ltd. Yuzhou Fudong Road Securities Branch	Middle Fudong Road, Yuzhou City, Xuchang City, Henan Province	Li Yan
41	Central China Securities Co., Ltd. Xiangcheng Zhongxin Road Securities Branch	East Zhongxin Road, Xiangcheng County (opposite to the Bureau of Finance), Henan Province	Qiao Guangjun
42	Central China Securities Co., Ltd. Gushi Chongwen Road Securities Branch	Rooms 204 & 205, 2/F, Unit 1 and Rooms 101 & 102, 1/F, Unit 1, Tower (018)1-18, Building 18, District II, Richu Dongfang, Gushi County, Xinyang City, Henan Province	Li Mingbao

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Securities branch	Address	Person in charge
43	Central China Securities Co., Ltd. Guangshan Guanghui Avenue Securities Branch	Fortune Plaza at the Intersection of Guanghui Avenue and Guangming Avenue, Zishui Subdistrict, Guangshan County, Henan Province	Hu Haohan
44	Central China Securities Co., Ltd. Mengzhou East Heyong Avenue Securities Branch	No. 8 East Heyong Avenue, Mengzhou City, Henan Province	Yan Lei
45	Central China Securities Co., Ltd. Qinyang North Jianshe Road Securities Branch	Shops 7, 8, and 12, Building 6, Chengshi Garden, Qinyang City, Jiaozuo City, Henan Province	Zhang Weihua
46	Central China Securities Co., Ltd. Jiyuan City Jiyuan Avenue Securities Branch	Shop 14 of the Street Shops from West to East, Commercial and Residential Building 1, Area A, Jishui Garden, South side of Xueyuan Road, Jiyuan City, Henan Province	Yuan Fang
47	Central China Securities Co., Ltd. Lankao Yulu Avenue Securities Branch	East to North Yulu Avenue, Lankao County, Henan Province	Duan Lei
48	Central China Securities Co., Ltd. Lingbao Hangu Road Securities Branch	Intersection of Hangu Road and Jingshan Road, Lingbao City, Henan Province	Zhang Xueyun
49	Central China Securities Co., Ltd. Mianchi County Huanghe Road Securities Branch	Shop 06, Building 1, Xinhua International Community, Middle Huanghe Road, Mianchi County, Henan Province	Xu Jiao
50	Central China Securities Co., Ltd. Shangqiu Headquarters Port Securities Branch	Shop 118, Building 5, Jianye Headquarters Port, East of Xueyuan Road and West of Zhongzhou Road, Minxin Subdistrict, Demonstration Area, Shangqiu City, Henan Province	Zhong Yahui
51	Central China Securities Co., Ltd. Yongcheng Zhongyuan Road Securities Branch	Intersection of Zhongyuan Road and Guangming Road, Dongcheng District, Yongcheng City, Henan Province	Zhang Zhongmin
52	Central China Securities Co., Ltd. Yucheng Songshan Road Securities Branch	1–2F, Shops 109–110, Building 5, Royal Pearl River, North to Songshan Road, Chengguan Town, Yucheng County, Henan Province	Jiang Yangyang

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Securities branch	Address	Person in charge
53	Central China Securities Co., Ltd. Zhecheng Weilai Avenue Securities Branch	Shop 116, West Garden, Jinsha Mansion, Weilai Avenue, Zhecheng County, Shangqiu City, Henan Province	Wei Jie
54	Central China Securities Co., Ltd. Luyi Zhenyuan Avenue Securities Branch	No. 428 Zhenyuan Avenue, Weizhen Subdistrict Office, Luyi County, Zhoukou City, Henan Province	Zhang Yang
55	Central China Securities Co., Ltd. Xihua Qinghua Road Securities Branch	No. 396 Qinghua Road (West of Qinghua Road and South of Jianshe Road, Wacheng Subdistrict), Xihua County, Henan Province	Li Ming
56	Central China Securities Co., Ltd. Shenqiu Jixiang Road Securities Branch	South of East Jixiang Road, Huaidian Town, Shenqiu County, Henan Province	Li Yong
57	Central China Securities Co., Ltd. Luoyang Kaiyuan Avenue Securities Branch	Building 1, No. 260 Kaiyuan Avenue, Luoyang City, Henan Province	Zhang Ruiping
58	Central China Securities Co., Ltd. Luoyang West Zhongzhou Road Securities Branch	Shop 1, Floor 1, Building 4, 034 Neighborhood, West Zhongzhou Road, Jianxi District, Luoyang City, Henan Province	Wang Haiyun
59	Central China Securities Co., Ltd. Yichuan East Renmin Road Securities Branch	3F, Building 1, Shengfu Jiayuan, North of Renmin East Road, Binhe New District, Yichuan County, Luoyang City, Henan Province	Chen Yi
60	Central China Securities Co., Ltd. Xin'an Jianhe Avenue Securities Branch	No. 897, Jianhe Avenue, Xincheng District, Xin'an County, Luoyang City, Henan Province	Liu Shaohua
61	Central China Securities Co., Ltd. Xiping Xiping Avenue Securities Branch	No. 158 Xiping Avenue, Xiping County, Henan Province	Zhang Xiaoming
62	Central China Securities Co., Ltd. Shanghai Yangpu District Yinhang Road Securities Branch	Room 602, 1286 Yinhang Road, Yangpu District, Shanghai	Wang Wei
63	Central China Securities Co., Ltd. Jinan Yuhan Road Securities Branch	2F, South Tower, Building 1, No. 89, Yuhan Road, Shizhong District, Jinan City, Shandong Province	Yang Chen

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

No.	Securities branch	Address	Person in charge
64	Central China Securities Co., Ltd. Shijiazhuang Zhongshan West Road Securities Branch	Shop 2A003, 2F Zhongdian Information Plaza, No. 356 Zhongshan West Road, Qiaoxi District, Shijiazhuang City, Hebei Province	Zhao Chenguang
65	Central China Securities Co., Ltd. Jishou Century Avenue Securities Branch	Room 106, Building 62, China Railway Real Estate Shijishanshui Phase II, Qianzhou Century Avenue, Jishou City, Hunan Province	Xiang Qingfeng
66	Central China Securities Co., Ltd. Zhangjiagang Jiannong Road Securities Branch	No. 18 Jiannong Road, Yangshe Town, Zhangjiagang City, Jiangsu Province	Zhang Tao
67	Central China Securities Co., Ltd. Yuncheng North Huidong Road Securities Branch	1F, Tianyu Commercial Building, No. 9 North Huidong Road, Yuncheng City, Shanxi Province	Tang Feng
68	Central China Securities Co., Ltd. Taicang Taiping South Road Securities Branch	No. 19-3 Taiping South Road, Chengxiang Town, Taicang City, Jiangsu Province	Gu Yajun

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### (V) Number and network of other branches

### VII. OTHER RELEVANT MATERIALS

Accounting firm engaged by the Company (domestic)	Name	ShineWing Certified Public Accountants (Special General Partnership), Public Interest Entity Auditor recognised in accordance with the Financial Reporting Council Ordinance
	Office address	F9, Tower A, Fuhua Mansion, 8 Chaoyangmen North Street, Dongcheng District, Beijing
	Names of signing accountants	Cui Weiwei, Qi Xiaorui
Legal adviser as to PRC laws	Beijing Junzhi Law Firm	
Legal advisors as to Hong Kong Laws	Jingtian & Gongcheng LLP	
A Share Registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch	
H Share Registrar	Computershare Hong Kong Investor Services Limited	
Code of unified social credit	91410000744078476K	

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### VIII. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST THREE YEARS

#### (I) Principal accounting data

Unit: Yuan Currency: RMB

Principal accounting data	2025	2024		Increase/Decrease as compared with the corresponding period of last year (%)	2023	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Operating income	1,962,941,008.85	1,392,409,795.91	1,689,925,164.42	40.97	1,670,335,685.08	1,968,016,572.87
Profit before tax	596,647,087.55	235,293,786.69	235,293,786.69	153.58	212,248,563.49	212,248,563.49
Net profit attributable to shareholders of the parent company	455,818,683.40	245,847,400.51	245,847,400.51	85.41	211,601,553.51	211,601,553.51
Net profit attributable to shareholders of the parent company after deducting nonrecurring profit and loss	474,817,919.53	209,918,233.37	209,918,233.37	126.19	195,874,295.18	195,874,295.18
Net cash flows from operating activities	7,380,771,947.00	4,168,168,660.39	4,168,168,660.39	77.07	-467,298,168.05	-467,298,168.05
Other comprehensive income	-15,887,371.81	14,354,440.33	14,354,440.33	-210.68	771,826.05	771,826.05

	At the end of 2025	At the end of 2024		Increase/Decrease as compared with the corresponding period of last year (%)	At the end of 2023	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Total assets	58,427,316,073.62	51,614,348,080.07	51,614,348,080.07	13.20	51,701,683,772.46	51,701,683,772.46
Total liabilities	43,839,354,028.29	37,331,529,726.77	37,331,529,726.77	17.43	37,551,184,086.55	37,551,184,086.55
Accounts payable to brokerage clients	21,702,396,171.66	16,476,010,375.54	16,476,010,375.54	31.72	11,538,050,603.00	11,538,050,603.00
Equity attributable to shareholders of the parent company	14,384,324,225.18	14,060,235,023.57	14,060,235,023.57	2.31	13,902,762,596.08	13,902,762,596.08
Total equity	14,587,962,045.33	14,282,818,353.30	14,282,818,353.30	2.14	14,150,499,685.91	14,150,499,685.91
Total share capital	4,642,884,700.00	4,642,884,700.00	4,642,884,700.00	0.00	4,642,884,700.00	4,642,884,700.00
Net assets per share attributable to shareholders of the parent company (RMB/share)	3.10	3.03	3.03	2.31	2.99	2.99

In accordance with the Accounting Treatment Implementation Q&A for Standard Warehouse Receipt Transactions issued by the Ministry of Finance in July 2025, the Company has retrospectively adjusted the comparable period data for the items "Investment gains" and "Other business income" under "Operating income" as well as "Other business costs" and "Impairment losses on other assets" under "Operating expenses" in the consolidated financial statements for the corresponding period. The accounting treatment has no material impact on the Group's consolidated financial statements.

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### (II) Principal financial indicators

Unit: Yuan Currency: RMB

Principal financial indicators	2025	2024		Increase/ Decrease as compared with the corresponding period of last year (%)	2023	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (RMB/share)	0.0982	0.0530	0.0530	85.28	0.0456	0.0456
Diluted earnings per share (RMB/share)	0.0982	0.0530	0.0530	85.28	0.0456	0.0456
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.1023	0.0452	0.0452	126.33	0.0422	0.0422
Weighted average return on net assets (%)				Increased by 1.44 percentage points		
	3.20	1.76	1.76		1.53	1.53
Weighted average return on net assets after deducting non-recurring profit or loss (%)	3.34	1.50	1.50	Increased by 1.84 percentage points	1.42	1.42

Explanation on principal accounting data and financial indicators of the Company for the last three years at the end of the Reporting Period

Weighted average return on net assets and earnings per share are calculated in accordance with the requirements of Rules Governing Information Preparation and Disclosure by Companies Publicly Issuing Securities No. 9-Calculation and Disclosure of Weighted Average Return on Net Assets and Earnings Per Share.

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### (III) Net capital and risk control indicators of the parent company

Unit: Yuan Currency: RMB

Item	At the end of the Reporting Period	At the end of last year
Net capital	10,320,320,633.28	9,468,635,644.80
Net assets	14,450,489,306.44	14,537,389,844.78
Sum of various risk provisions	2,644,075,137.49	3,305,157,670.69
Total on-and-off balance sheet assets	37,650,744,439.64	38,165,150,984.59
Risk coverage rate (%)	390.32	286.48
Capital leverage rate (%)	25.15	22.66
Liquidity coverage ratio (%)	201.57	300.34
Net stable funding ratio (%)	226.41	211.77
Net capital/net assets (%)	71.42	65.13
Net capital/liabilities (%)	48.00	47.93
Net assets/liabilities (%)	67.21	73.59
Proprietary equity securities and security derivatives/net capital (%)	4.86	4.57
Proprietary fixed-income securities/net capital (%)	185.66	197.73
Amount of financing (including securities lending)/net capital (%)	107.01	100.79

Note: During the Reporting Period, all major risk control indicators including the Company's net capital met the regulatory requirements. In accordance with the Regulations on the Calculation Standards of Risk Control Indicators of Securities Companies(CSRC Announcement[2024] No.13, effective from 1 January 2025), the Company recalculated the risk control indicators at the end of the previous year.

## IX. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST FIVE YEARS

### Earnings

Unit: Yuan Currency: RMB

Item	2025	2024	2023	2022	2021
Operating income	1,962,941,008.85	1,392,409,795.91	1,670,335,685.08	1,794,373,461.68	2,911,843,705.04
Operating cost	1,324,976,027.51	1,188,383,774.04	1,461,063,246.38	1,678,824,136.69	2,201,311,624.31
Profit before tax	596,647,087.55	235,293,786.69	212,248,563.49	113,199,663.56	718,215,361.99
Net profit attributable to shareholders of the parent company	455,818,683.40	245,847,400.51	211,601,553.51	106,577,985.92	513,210,337.25

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### Assets

Unit: Yuan Currency: RMB

Item	As at the end of 2025	As at the end of 2024	As at the end of 2023	As at the end of 2022	As at the end of 2021
Total assets	58,427,316,073.62	51,614,348,080.07	51,701,683,772.46	50,182,639,547.46	53,748,323,524.71
Total liabilities	43,839,354,028.29	37,331,529,726.77	37,551,184,086.55	35,975,265,974.01	39,604,243,601.31
Accounts payable to brokerage clients	21,702,396,171.66	16,476,010,375.54	11,538,050,603.00	11,849,666,807.82	12,571,797,812.48
Equity attributable to shareholders of the parent company	14,384,324,225.18	14,060,235,023.57	13,902,762,596.08	13,757,829,045.04	13,681,883,165.28
Total share capital	4,642,884,700.00	4,642,884,700.00	4,642,884,700.00	4,642,884,700.00	4,642,884,700.00

### Key financial indicators

Item	2025	2024	2023	2022	2021
Basic earnings per share (RMB/share)	0.0982	0.0530	0.0456	0.0230	0.1105
Diluted earnings per share (RMB/share)	0.0982	0.0530	0.0456	0.0230	0.1105
Weighted average return on net assets (%)	3.20	1.76	1.53	0.78	3.78

Item	As at the end of 2025	As at the end of 2024	As at the end of 2023	As at the end of 2022	As at the end of 2021
Gearing ratio <sup>(1)</sup> (%)	60.28	59.35	64.77	62.94	65.65
Net assets per share attributable to shareholders of the parent company (RMB/ share)	3.10	3.03	2.99	2.96	2.95

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

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### X. PRINCIPAL FINANCIAL DATA FOR 2025 (BY QUARTER)

Unit: Yuan    Currency: RMB

	Q1 (January to March)	Q2 (April to June)	Q3 (July to September)	Q4 (October to December)
Operating income	401,029,592.04	520,325,154.17	518,075,114.31	523,511,148.33
Net profit attributable to shareholders of the listed company	102,963,370.01	157,344,995.66	129,145,289.62	66,365,028.11
Net profit attributable to shareholders of the listed company after deducting non- recurring profit and loss	98,629,837.52	154,592,149.11	129,721,026.97	91,874,905.93
Net cash flows from operating activities	1,130,811,300.22	-502,896,882.99	4,869,241,004.41	1,883,616,525.36

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### XI. ITEMS AND AMOUNTS OF NON-RECURRING PROFIT AND LOSS

Unit: Yuan Currency: RMB

Non-recurring profit and loss items	The amount of 2025	Note (if applicable)	The amount of 2024	The amount of 2023
Profits and loss on disposal of noncurrent assets, including the write-off of provision for impairment of assets	1,927,228.88		2,306,066.86	-1,610,620.77
Government subsidies that are included in the current profit and loss, except for those that are closely related to the Company's normal business operations, in compliance with national policies and regulations, and in accordance with established standards, and have a continuing effect on the Company's profit or loss	10,925,544.50		13,270,434.35	20,830,183.98
Profit or loss from contingencies irrelevant to the Company's normal business operations	-46,454,062.70	Provisions primarily accrued for contract disputes	0.00	0.00
Other non-operating income and expenses other than the above items	5,219,314.61		31,989,439.22	1,991,815.30
Less: amount of impact of income tax	-7,094,349.26		11,633,184.25	5,302,844.63
Amount of impact of minority shareholders' equity (after tax)	-2,288,389.32		3,589.04	181,275.55
<b>Total</b>	<b>-18,999,236.13</b>		<b>35,929,167.14</b>	<b>15,727,258.33</b>

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### XII. ITEMS MEASURED AT FAIR VALUE

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change during the Period	Amount of impact on the current profit
Financial assets held for trading	17,629,247,370.42	17,117,977,734.01	-511,269,636.41	476,324,193.87
Derivative financial instruments	14,130,180.68	0.00	-14,130,180.68	8,197,722.66
Other debt investments	114,330,970.55	3,145,918,204.30	3,031,587,233.75	15,229,833.47
Financial liabilities held for trading	578,887,667.66	950,463,348.74	371,575,681.08	-23,000,821.68
Total	18,336,596,189.31	21,214,359,287.05	2,877,763,097.74	476,750,928.32

### XIII. OTHERS

#### (1) Accounting data for key items in consolidated financial statements

Unit : Yuan Currency: RMB

Item	As at 31 December 2025	As at 31 December 2024	Range of increase or decrease (%)
Cash and bank balances	19,288,837,976.68	14,400,984,039.97	33.94
Clearing settlement funds	3,401,684,665.84	4,531,325,343.18	-24.93
Margin accounts receivable	10,937,435,576.51	9,326,761,787.66	17.27
Derivative financial assets	0.00	16,126,760.68	-100.00
Accounts receivables	126,783,514.23	331,013,831.49	-61.70
Financial assets held under resale agreements	709,036,883.79	1,445,001,679.44	-50.93
Financial assets held for trading	17,117,977,734.01	17,629,247,370.42	-2.90
Debt investments	73,734,853.74	49,846,701.66	47.92
Other debt investments	3,145,918,204.30	114,330,970.55	2,651.59
Short-term loans	0.00	7,008,341.66	-100.00
Due to banks and other financial institutions	3,030,308,361.12	3,962,603,712.35	-23.53
Financial liabilities held for trading	950,463,348.74	578,887,667.66	64.19
Derivative financial liabilities	0.00	1,996,580.00	-100.00
Financial assets sold under repurchase agreements	7,017,190,370.59	5,289,084,372.35	32.67
Accounts payable to brokerage clients	21,702,396,171.66	16,476,010,375.54	31.72
Employee benefits payable	564,881,872.79	433,567,876.54	30.29
Taxes payable	97,272,732.09	41,403,810.37	134.94
Accounts payable	133,056,959.21	205,338,964.19	-35.20
Contract liabilities	904,428.60	2,400,665.20	-62.33
Provisions	46,454,062.70	0.00	N/A
Bonds payable	7,121,278,049.37	6,112,729,880.19	16.50
Other liabilities	280,626,971.32	202,678,184.19	38.46
Share capital	4,642,884,700.00	4,642,884,700.00	0.00
Capital reserve	6,260,352,113.85	6,260,122,106.33	0.00
Undistributed profits	704,588,798.17	358,503,723.78	96.54

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

Item	FY 2025	FY 2024	Range of increase or decrease (%)
Net interest income	411,861,828.04	244,705,312.27	68.31
Investment banking net income	24,283,643.18	56,282,928.18	-56.85
Investment income (loss stated with "-")	678,164,707.44	507,905,625.93	33.52
Investment income from associates and joint ventures	80,296,229.00	59,105,673.19	35.85
Gains on changes in fair value (loss stated with "-")	-123,470,748.28	-198,814,850.10	N/A
Gains on foreign exchange (loss stated with "-")	50,280.04	-1,455,640.68	N/A
Other operating income	6,351,048.26	13,699,856.79	-53.64
Loss on impairment of credit	80,762,574.10	19,811,034.92	307.66
Other assets impairment losses	25,980,012.60	12,113,303.94	114.48
Other operating costs	2,156,367.32	1,052,041.38	104.97
Non-operating income	8,163,237.70	36,707,776.37	-77.76
Non-operating expenses	49,481,131.49	5,440,011.55	809.58
Income tax expenses	146,222,293.33	13,400,146.28	991.20
Profit and loss attributable to minority shareholders	-5,393,889.18	-23,953,760.10	N/A
Other comprehensive income after tax	-15,887,371.81	14,354,440.33	-210.68

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### (2) Accounting data for key items in financial statements of parent company

Unit: Yuan Currency: RMB

Item	As at 31 December 2025	As at 31 December 2024	Range of increase or decrease (%)
Cash and bank balances	17,680,161,459.80	12,486,371,278.43	41.60
Clearing settlement funds	2,893,948,670.28	3,647,427,636.26	-20.66
Margin accounts receivable	10,913,055,534.17	9,245,318,527.54	18.04
Derivative financial assets	0.00	16,126,760.68	-100.00
Refundable deposits	179,719,231.21	437,965,250.69	-58.96
Accounts receivables	4,024,832.95	39,231,018.74	-89.74
Financial assets held under resale agreements	646,306,663.17	1,434,997,153.41	-54.96
Financial assets held for trading	14,949,656,598.27	15,466,228,022.06	-3.34
Other debt investments	3,145,918,204.30	114,330,970.55	2,651.59
Long-term equity investments	3,637,233,054.38	4,426,207,083.94	-17.83
Other assets	86,950,244.78	128,569,621.92	-32.37
Short-term financing instruments payable	2,848,812,864.41	3,257,399,734.85	-12.54
Due to banks and other financial institutions	3,030,308,361.12	3,962,603,712.35	-23.53
Financial liabilities held for trading	492,320,856.43	223,811,867.81	119.97
Derivative financial liabilities	0.00	1,996,580.00	-100.00
Financial assets sold under repurchase agreements	6,990,962,069.91	5,289,084,372.35	32.18
Accounts payable to brokerage clients	19,402,893,123.44	14,340,297,512.20	35.30
Employee benefits payable	532,655,841.49	403,186,877.16	32.11
Taxes payable	86,985,139.88	38,162,336.61	127.93
Accounts payable	132,748,831.00	203,320,096.93	-34.71
Contract liabilities	547,169.78	2,039,339.59	-73.17
Provisions	29,382,500.00	0.00	N/A
Bonds payable	7,121,278,049.37	6,122,735,578.82	16.31
Deferred income tax liabilities	428,557.62	1,820,602.39	-76.46
Share capital	4,642,884,700.00	4,642,884,700.00	0.00
Capital reserve	6,606,160,370.84	6,606,160,370.84	0.00
Other comprehensive income	-5,722,398.49	5,508,599.81	-203.88

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

Item	FY 2025	FY 2024	Range of increase or decrease(%)
Net interest income	393,773,947.57	204,184,232.24	92.85
Net fee income from brokerage business	758,625,473.96	568,344,887.37	33.48
Investment banking net income	20,272,664.61	49,607,745.29	-59.13
Investment income (loss stated with "-")	611,436,760.96	211,291,489.07	189.38
Gains on changes in fair value (loss stated with "-")	-81,916,991.29	22,110,503.58	-470.49
Gains on foreign exchange (loss stated with "-")	-291,273.30	-27,001.79	N/A
Other operating income	3,336,020.76	15,917,164.94	-79.04
Gains from asset disposal (loss stated with "-")	2,476,579.88	484,035.41	411.65
Loss on impairment of credit	5,940,765.40	-9,079,773.06	N/A
Other assets impairment losses	588,974,029.56	150,000,000.00	292.65
Non-operating income	753,819.07	3,239,502.96	-76.73
Non-operating expenses	32,139,617.64	4,444,800.74	623.08
Income tax expenses	95,178,345.28	-14,607,339.53	N/A
Other comprehensive income after tax	-11,230,998.30	4,005,739.95	-380.37

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### I. REVIEW OF BUSINESS

#### (I) Business review

During the Reporting Period, the Group achieved operating income of RMB1.963 billion, representing a year-on-year increase of 40.97%. Among them, wealth management business was RMB1,056 million, an increase of RMB241 million, primarily due to an increase in revenue from securities brokerage business during the Current Period; Income from proprietary business was RMB160 million, an increase of RMB245 million, primarily due to an increase in investment business income during the Current Period; Income from headquarters and others was RMB16 million, an increase of RMB102 million, primarily due to an increase in income from equity center investment funds during the Current Period; Income from credit business was RMB462 million, an increase of RMB50 million, primarily due to an increase in interest income from financing business during the Current Period; Income from investment management business was RMB171 million, an increase of RMB17 million, primarily due to an increase in income from investment funds of subsidiaries during the Current Period; Income from overseas business was RMB2 million, a decrease of RMB26 million, primarily due to a decrease in investment income from financial products held by Central China International during the Current Period; Income from futures business was RMB81 million, a decrease of RMB26 million, primarily due to a decrease in revenue from futures brokerage business during the Current Period; Income from investment banking business was RMB20 million, a decrease of RMB28 million, primarily due to a decrease in revenue from securities underwriting and sponsorship during the Current Period.

During the Reporting Period, the Group recorded an operating cost of RMB1.325 billion, representing a year-on-year increase of 11.49%. Among them, the business and administrative expenses were RMB1,203 million, an increase of RMB60 million, primarily due to an increase in staff costs caused by increased income under the efficiency-linkage mechanism during the Current Period; Credit impairment loss was RMB81 million, an increase of RMB61 million, primarily due to additional impairment provisions accrued based on the progress of asset disposal and changes in value of existing risk projects during the Current Period.

During the Reporting Period, the Group achieved net profit attributable to shareholders of the parent company of RMB456 million, an increase of RMB210 million, primarily due to an increase in income from securities brokerage business, investment business, credit business, etc. during the Current Period.

#### (II) Major risks and uncertainties

Major risks faced by the Company include: credit risk, market risk, liquidity risk, reputation risk, operational risk, compliance risk and information technology risk, etc. For the major risks faced by and counter-measures taken by the Group, please refer to (IV) "Potential risks" of VII. "COMPANY'S DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT" in this section.

#### (III) Material subsequent events

For material subsequent events, please refer to XIV. "EVENTS AFTER THE BALANCE SHEET DATE" under Section 8 "FINANCIAL REPORT" in this report.

#### (IV) Future development and forward-looking

For the prospects of the Company's future development, please refer to VII. "COMPANY'S DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT" in this section.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (V) Environmental policies and performance

The company firmly implemented the major requirement of “strengthening ecological and environmental protection”, thoroughly studied and applied the guiding principles of the work conference on the ecological and environmental protection, actively built a new model of green development, and continuously improved the quality and efficiency of green financial services, thereby contributing financial support to the green transformation and high-quality development of the economy.

The Company always upholds a high sense of social responsibility and environmental protection awareness, and strictly abides by the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》) and other laws and regulations. The Company formulated a comprehensive emergency plan for environmental incident risks to identify, investigate and effectively prevent various environmental risks, and improved its ability to respond to environmental emergencies through regular emergency drills, so as to protect the green and sustainable development of the Company. In addition, to promote the digital management of physical assets, the Company established a cloud warehouse for physical assets, dynamically grasped the Company’s idle assets, set up a cloud warehouse sharing platform, fully communicated and strengthened allocation, made optimal use of materials, reduced costs and increased efficiency, and continuously optimized resource allocation. For vehicles that are inefficient and idle with high use cost, they will be disposed of in the form of public auction or scrapping, and revitalized or optimized in time.

The Company’s water consumption is mainly purchased tap water and drinking water. The Company understands the importance of focusing on sustainable development and strives to reduce the impact on the environment by carefully managing energy consumption and resource utilization. To conserve water, employees are reminded to conserve water by posting water conservation signs inside the restrooms. Use infrared-sensing faucets and urinals, and repair dripping faucets or other leaking devices immediately to minimize water use.

The Company attaches great importance to water and electricity saving, effectively uses electric lights and electrical equipment, and reduces office energy consumption by strengthening daily water and electricity saving management, such as replacing and installing LED energy-saving lamps in all offices, reminding employees to save electricity at the power switch, and turning off the lights after leaving work. In addition, the Company strengthened lighting inspections in public areas, especially arranging full-time personnel to carry out inspections at night, and turning off non-essential lighting. The Company posted publicity signs on electricity and water conservation in the office areas to guide employees to save energy and reduce emissions.

### (VI) Compliance with relevant laws and regulations with significant impact

The Company strictly complies with domestic and overseas laws and regulations as well as industry standards such as the Hong Kong Listing Rules, SFO and the Company Law, Securities Law and the Regulations on the Supervision and Administration of Securities Companies of the PRC.

### (VII) Material relationship with employees, customers and suppliers

The Company provides services for the various institutional and individual customers engaged in a number of industries. The Company’s clients include large, small and medium enterprises, high-net-worth clients and retail customers. Major customers are located in Chinese Mainland. In 2025, the revenue contributed by the top five customers of the Company accounted for less than 5% of the operating revenue. No customer has a material relationship with the Company.

Due to the nature of the business, the Company does not have a major supplier. The aggregate purchase amount attributable to the five largest suppliers of the Company was less than 30%. No employee has a material relationship with the Company.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### II. PARTICULARS OF THE BUSINESS ENGAGED BY THE COMPANY DURING THE REPORTING PERIOD

The Company is principally engaged in the wealth management business, investment banking business, investment management business, proprietary trading business, credit business, futures business, and overseas business, etc.

The wealth management business of the Company is comprised of securities brokerage business, investment advisory business and consignment sales of financial products. The Company earns revenue through customers' commissions and other service charges, etc.

The investment banking business of the Company mainly includes the underwriting and sponsorship business of equity securities, the underwriting business of bond products, and the financial advisory business regarding mergers, acquisitions and restructuring, and business for the New Third Board. The Company obtains the corresponding returns such as underwriting fee, sponsorship fee and financial advisory fee by providing the aforesaid financial services to customers.

The Company's investment management business is comprised of asset management business, private fund management business, and alternative investment business.

The scope of investment of the proprietary trading business of the Company includes publicly offered stocks, bonds, funds, derivatives and other financial products approved by the CSRC. The Company obtains investment revenues through investment in the above-mentioned products.

The credit business of the Company is comprised of the Company providing customers with financing services such as margin trading and securities lending, securities repurchase, and securities-backed lending. The Company earns revenue through charging interest.

The Company's futures business covers futures brokerage business and risk management business. The Company earns revenue through transaction and delivery fees through the futures brokerage business, and income by a risk management subsidiary to conduct market making business.

The business scope of the Company's overseas business covers capital market services, including securities brokerage, advising on securities, margin financing, investment banking, and proprietary investment, etc.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### III. THE SITUATION OF THE INDUSTRY IN WHICH THE COMPANY OPERATES DURING THE REPORTING PERIOD

In April 2025, the Politburo of the Communist Party of China Central Committee proposed to “sustain the stability and vitality of the capital market”. This fully affirms the central leadership’s recognition of the crucial role the capital market in consolidating the sustained economic recovery and withstanding external shocks. Ensuring the stable operation of the capital market has become the primary policy tone. In July 2025, the Politburo of the Communist Party of China Central Committee proposed to “enhance the attractiveness and inclusiveness of the domestic capital market, and consolidate the momentum of its stabilization and recovery.” Notably, “attractiveness” is reflected in the influx of more medium-to-long-term funds, such as long-term capital, patient capital, and strategic capital into the market, while “inclusiveness” is demonstrated by deepening comprehensive reforms in capital market investment and financing to better serve technological innovation and the development of new quality productive forces. Guided by these top-level policies, the A-share market initiated an index-based rally in the third quarter of 2025, with the STAR Market and ChiNext emerging as the core leading forces of the uptrend. Market trading activity significantly increased, and wealth effects notably strengthened.

In October 2025, the “Recommendations of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan (2026–2030) for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》)”, adopted at the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China, proposed to “enhance the institutional inclusiveness and adaptability of the capital market, and improve the coordinated functions of investment and financing in the capital market,” as well as to “proactively develop direct financing such as equity and bonds, and steadily advance futures, derivatives, and asset securitization”. This has charted the course and provided fundamental guidance for advancing all tasks related to the reform, development, and stability of the capital market. During the “15th Five-Year Plan” period, the capital market will further deepen comprehensive reforms around improving the coordinated functions of investment and financing and continue to enhance the inclusiveness, adaptability, attractiveness, and competitiveness of its institutions as an effort to embrace a new picture for the high-quality development of the capital market, contributing to building China into a financial powerhouse and advancing the Chinese modernization drive. Securities firms will continue to follow up on the “five major tasks”, including science and technology finance, green finance, inclusive finance, pension finance, and digital finance, as their strategic guide. Specifically, they will take targeted measures to enhance their core competitiveness to serve the high-quality development of the real economy from a higher position and with greater capacity.

According to consolidated financial reports disclosed by listed securities firms, the total operating revenue of 42 listed securities firms rose by 42.55% year on year in the first three quarters of 2025, and net profit attributable to parent companies rose by 62.38% year on year. Among these, benefiting from the index-driven rally in the third quarter, risk preference and trading activity in the equity market saw a significant boost. Average daily trading volume, total trading volume, and the balance of margin financing and short selling scored record highs across the market. Retail brokerage, margin financing and short selling, and directional equity trading businesses drove a significant year-on-year increase in the operating performance of listed securities firms. Investment banking showed marginal improvement after three consecutive years of decline, while fixed-income directional businesses and asset management experienced a year-on-year decline. In the first three quarters, small and medium-sized securities firms maintained their high volatility in operating results. The overall stability of leading securities firms and their growth momentum amid the market recovery remained significantly stronger than that of small and medium-sized firms. The weighted average return on equity of some small and medium-sized securities firms lagged notably behind that of leading securities firms, highlighting the urgent need for these businesses to upgrade and enhance their capital utilization rate across all segments. In the fourth quarter, the equity market shifted to sideways consolidation, while the fixed-income market continued to trend weakly. Overall, listed securities firms faced relatively greater year-on-year pressure on operating results. The annual performance growth for 2025 was narrow compared to the first three quarters, with the results of equity directional businesses expected to determine the overall operating results of listed securities firms.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### IV. DISCUSSION AND ANALYSIS ON BUSINESS OPERATION

#### (I) Overall business performance and the implementation of action plan of “Improving Quality, Increasing Efficiency and Enhancing Returns”

2025 marked the conclusion of the 14th Five-Year Plan and served as a critical year for formulating the 15th Five-Year Plan. Amid a complex and volatile external economic landscape as well as the opportunities and challenges in industry development, the Company has consistently adhered to the fundamental principle of serving the real economy through finance. The Company has earnestly implemented major capital market policies, including the new “National Nine Articles”, aligning with the significant requirements of “Two Highs and Four Focuses”, focusing on Henan’s “1+2+4+N” target task system (i.e., one target, the overall tasks of “Two Highs”, the major requirements of “Four Focuses”, and “N” representing a series of work requirements for the implementation of “1+2+4” tasks), continuously strengthening the functional role as a “strategic carrier in Henan’s capital market”, diligently advancing the “five major tasks”, steadily improving operational quality and efficiency, and persistently driving management enhancements. These efforts have enabled a positive and upward development trajectory.

Operating results reached a four-year high. During the Reporting Period, the Company achieved “dual growth” in both revenue and profit, with net profit attributable to the parent company hitting a nearly four-year high. Embracing the era of “Big Wealth Management”, our wealth management business integrated brokerage, asset management, and futures services to establish a new “Wealth Central China” service system covering the entire customer lifecycle. This initiative effectively captured market opportunities, driving reasonable growth in scale and meaningful improvements in quality. The balance of margin financing and short selling exceeded RMB10 billion, and average daily customer assets increased by 30% compared to the end of the previous year. The investment returns of fixed-income products managed by our Asset Management Division have consistently ranked among the top tier compared to peer bank wealth management products and public bond funds. They were honored with the “Golden Hazelnut” – Awards for Outstanding Fixed-Income Asset Management Plans of Securities Firms (券商優秀固收資管計劃金榛子獎). Following the “risk control first” principle, the Shanghai proprietary business has strengthened investment research support and scientifically optimized the allocation of equity investments, achieving stable returns. Subsidiaries, focusing on their principal responsibilities and operations, have synergized their efforts to drive an increase in overall profits.

Functional role continues to enhance. The Company has comprehensively established a development philosophy centered on serving Henan, persistently strengthened the “Three Investment Linkage”, and provided high-standard services to support the development of the regional capital market. The Company organized events such as the Henan “Mergers and Acquisitions Conference (併購重組大會)”, the “Dedicated Matchmaking Session for Overseas Financing of Henan Enterprises (豫企海外融資專場對接會)”, and the “High-Quality Development Conference for the Bond Market (債券市場高質量發展大會)”. Publications including the Henan Capital Market White Paper (《河南資本市場白皮書》) and the Henan Listed Companies Mergers and Acquisitions Report (河南上市公司併購重組報告) were released, aiming to invigorate the local capital market. Throughout the year, the Company served listed companies of Henan, local government platforms, “Little Giant” technology enterprises, and small and medium-sized enterprises, facilitating RMB11.753 billion in financing. The number and proportion of Henan enterprises under our continuous supervision on the New Third Board have consistently ranked first in the province for multiple consecutive years. The Company supported “Shijia Photons” in completing a critical industrial chain merger and acquisition. Technology companies in which the Company participated as investors, such as MetaX and Moore Threads, have been intensively listed in the capital market. Focusing on key industrial chains such as advanced manufacturing, the Company completed 25 thematic research reports covering approximately half of the listed companies in the province. The Company successfully launched and operated the “Specialized, Advanced, Special, and New (SASN)” board, achieving a breakthrough in the “green channel” for the provincial fourth board market, achieving a landmark breakthrough in the “green channel” mechanism linking the Third and Fourth Board and facilitating two Fourth Board listed enterprises in successfully entering the New Third Board through “green channel”.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

Effective enhancement of management and governance effectiveness. The Company steadily advanced the reform of the Supervisory Committee, completed the transition of the Audit Committee's functions, and improved the performance efficiency of all governance bodies. The "Five Determinations" reform yielded substantial results. The headquarters organizational structure was streamlined and restructured, personnel deployment was increasingly aligned with frontline business needs, and the proportion of front-office staff in branches exceeded 70%. The Company optimized and refined the comprehensive "selection, cultivation, management, and utilization" talent development system, launching five major training programs, including the "Zhiding Zhongyuan (執鼎中原)" series, to accelerate the development of a high-quality, professional young talent team. The Company implemented a "challenge-based selection (揭榜掛帥)" mechanism, reinforcing a clear merit-based approach to talent utilization that emphasizes "practical performance and tangible results". The Company strengthened the principle of "managing business must include managing compliance, risks and internal control", vigorously promoted unified compliance and risk control management, and significantly improved internal control effectiveness. The Company continuously upgraded the "Caishengbao" (財升寶) APP, enabling over 90% of business processes to be conducted directly online. The Company centrally launched a wealth management business system, an institutional customer management platform, a human resources management platform, and an intelligent office platform, effectively empowering the quality and efficiency of management and services.

The shareholder return mechanism has been steadily improved. The Company has consistently upheld the principle of "investor-centricity" and is committed to establishing a "long-term, stable, and sustainable" value return mechanism. We translate our commitment into concrete actions to effectively enhance shareholder returns. For 2025, the Company has further solidified its regularized dividend mechanism comprising both "Interim and Final" Dividends. Building on the Interim Dividend of RMB 0.08 (tax inclusive) per 10 shares already distributed, the Company proposes a Final Dividend of RMB 0.22 (tax inclusive) per 10 shares. Subject to approval at the general meeting, the total dividend for the year is expected to amount to RMB 139 million, representing a payout ratio of 30.56% of net profit. This underscores our unwavering commitment to sharing the fruits of our growth with investors.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (II) Analysis of principal business

#### 1. Wealth management business

##### *Market environment*

In 2025, major A-share indices achieved significant gains, with growth-oriented indices notably outperforming and indices with higher weightings posting relatively moderate increases. Specifically, the Shanghai Composite Index rose by 18.41%, marking its largest gain in nearly six years. Market activity significantly improved, with multiple core indicators substantially higher than in 2024. Notably, the total A-share trading volume reached RMB420.26 trillion, up 63% year on year. New A-share account openings on the Shanghai Stock Exchange totaled 27.44 million, up 10% year on year. The balance of margin financing and short selling was RMB2.52 trillion, up 36% year on year. At the historic juncture concluding the 14th Five-Year Plan and launching the 15th Five-Year Plan, wealth management businesses of securities firms actively advanced the deep transformation of their brokerage businesses from traditional models toward a value-driven approach centered on “asset allocation + integrated services”. The buy-side investment advisory model accelerated comprehensively, and AI empowered the entire service process, driving the industry into a new high-quality development track characterized by greater specialization, diversification, and technological integration. **(Source: East Money Choice)**

##### *Operational measures and performance*

In 2025, the Company business adhered to the main theme of high-quality development, deeply implemented the client-centric business philosophy, and fully executed the Company’s strategic plans. Focusing on retail clients and core business lines, and taking “service enhancement, professional empowerment and technology-driven innovation” as key pillars, the Company steadily advanced the integrated mechanism of “resource coordination, process optimization and cost reduction & efficiency enhancement”. The Company continued to deepen the wealth management transformation and precisely addressed clients’ diversified and personalized needs for asset preservation and appreciation.

In terms of service enhancement, the Company strengthened the brand building of “Wealth Central China”, and established the brand mission of “channeling financial vitality to nurture the real economy and safeguarding people’s prosperity through professional services (以金融活水灌溉實體經濟·以專業服務守護百姓幸福)”. The Company improved the brand service system, built a standardized service process covering the entire client lifecycle, and intensively implemented intensive operation for long-tail clients. The Company organized more than 2,000 high-end client seminars and wealth management lectures, expanded cooperation with internet platforms, continuously consolidated the retail client base, enhanced client stickiness and brand influence, and strived to build differentiated competitive advantages. In terms of professional empowerment, the Company continuously enriched the supply of investment advisory products, optimized market-oriented trading strategies, established a diversified asset allocation service system, and improved the service product matrix. The Company provided customized wealth management solutions with precision, and steadily promoted the transformation from product sales to advisory value-added services, with its core competitiveness continuously enhanced. In terms of technology-driven innovation, the Company accelerated the application of digital and intelligent tools in business scenarios, launching quantitative service tools, an intelligent investment advisory system and an intelligent investment advisory assistant. The Company built a comprehensive client profiling system and implemented 140 core business scenario strategies, establishing a digital and intelligent operation system driven by client demand, supported by platforms and powered by data, which effectively improved the service efficiency and operational effectiveness of branches.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

During the Reporting Period, the Company's Caishengbao APP ranked 23rd among domestic securities firms in terms of Internet operation metrics including DAU and MAU. It won the 2025 Junding Award (君鼎獎) for APP Pioneer in China's Securities Industry by Securities Times. Meanwhile, the Company's channel cooperation and investment advisory team were awarded the Best Channel Cooperation Award and Best Investment Advisory Team Award respectively at the 2025 "Wealth Management Huazun Award (華尊獎)" by the CLS (財聯社). The brand influence and industry recognition of the Company have been continuously improved. **(Source: Qianfan.analysis.cn)**

### **Outlook for 2026**

In 2026, in response to the industry opportunities from the resurgence of capital market activity and the deepening transformation of wealth management, the Company's securities brokerage business will fully implement the Company's strategic plans. Guided by the core principle of "professionalism-driven, efficiency-led," it will focus on enhancing management effectiveness, creating customer value, optimizing service quality, and achieving breakthroughs in collaborative scale across four key dimensions. Leveraging digital empowerment and comprehensive service chain upgrades, the business will drive high-quality development across the board. Adhering to a client-centric development philosophy, the Company will deepen institutional and operational reform and innovation, strengthen channel integration and ecosystem collaboration, and advance refined and tiered management of the customer base. It will improve the entire closed-loop process of "customer acquisition, activation, engagement, and retention," continuously enrich a multi-tiered, full-spectrum product offering, and prioritize enhanced professional asset allocation capabilities. By refining the investment advisory service system, the Company will build a standardized, customized, and differentiated integrated service matrix to comprehensively cater to customers' diverse wealth management needs. Furthermore, seizing opportunities presented by the institutionalization trend, the Company will concentrate on three core customer bases of industrial chain enterprises, corporate customers, and institutional brokerage customers, establishing a new collaborative framework for the integrated development of wealth management and institutional businesses. It will strengthen research-driven empowerment and the development of an integrated service platform, break down cross-departmental collaboration barriers, and promote the deep integration and mutual empowerment of retail and institutional businesses. This approach aims to shape a symbiotic and win-win big wealth management service ecosystem.

## **2. Investment banking business**

### **Market environment**

In 2025, the investment banking business experienced a structural recovery amid heightened regulatory oversight and cyclical fluctuations. Optimized IPO pace and a resurgence in refinancing, coupled with active M&A demand in technology, green and industrial upgrading sectors, encouraged securities firms' investment banking divisions to seize opportunities by supporting new quality productive forces and focusing on "hard technology." This has driven further enhancements in value discovery capabilities, integrated financial service capacity, and internal control standards. During the Reporting Period, a total of 116 enterprises on the Shanghai, Shenzhen and Beijing stock exchanges completed their listings, raising a total of RMB131.771 billion, up 95.64% year on year. The refinancing funds raised by listed companies amounted to RMB950.865 billion, up 326.17% year on year. There were 332 newly listed companies in the National Equities Exchange and Quotations for Medium and Small-sized Enterprises, and the total refinancing funds raised amounted to RMB7.308 billion, down 38.90% year on year. The total amount of bonds issued by various institutions was RMB88.66 trillion, up 11.10% year on year. **(Source: Wind Info)**

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### *Operational measures and performance*

In 2025, the Company's investment banking business proactively responded to market changes, fulfilled the mission of serving the "five major tasks" of finance, focused on leveraging the functional role of the provincial securities firm, and promoted high-quality business development through multiple measures. The Company deepened organizational reform and focused on green finance. It proactively adjusted its organizational structure by upgrading the Corporate Finance Headquarters to the "Corporate Finance Headquarters (Green Finance Department)", clarifying and strengthening its core responsibility of serving green finance. The Company deepened its presence in the local market and accelerated project implementation. By closely aligning with the needs of provincial enterprises and local government platforms, it signed strategic cooperation agreements with Airport Investment Group, Henan Seed Industry Group and Guangshan County. It also successfully completed the NEEQ listing of Puyang Tiandiren and the private placement of Zhongyuan Roller Shaft on the NEEQ. The Company improved its service system and built a service brand. The institutional client management platform was launched to establish a comprehensive client service system, with a focus on building the "Qihang Central China (企航中原)" institutional service brand. The Company, under the guidance of several provincial authorities, co-hosted high-standard conferences including the "2025 M&A Restructuring High-Quality Development Conference (2025併購重組高質量發展大會)" and the "2025 Bond Market High-Quality Development Conference (2025債券市場高質量發展大會)", which received extensive coverage from authoritative media and effectively assisted high-quality enterprises in improving development quality and efficiency through mergers and acquisitions and restructuring. The Company strengthened the compliance foundation to improve practice quality. It sorted out and revised internal systems, continuously improved mechanisms through policy and mechanism formulation, and consistently consolidated the "three lines of defense", effectively solidifying the compliance and internal control system.

During the Reporting Period, the Company completed 8 tranches of bond distribution projects, with a cumulative distribution amount of RMB569 million, and executed 2 bond repurchase and resale projects, with a financing amount totaling RMB1.3 billion. Additionally, the Company completed one listing project on the New Third Board and completed one targeted additional placement, raising RMB40 million in financing, and facilitated equity financing of RMB70 million for enterprises by introducing institutional investors. The Company continued to steer 36 companies listed on the New Third Board in Henan Province, accounting for 18.65% of the total number of listed companies in the province as at the end of the Reporting Period. **(Source: National Equities Exchange and Quotations for Medium and Small-sized Enterprises)**

### *Outlook for 2026*

In 2026, the Company's investment banking business will continue to fulfill the mission of serving the "five major tasks" of finance, stay focused on the principal responsibility and operation, base itself on the role as a "strategic carrier in Henan's capital market", and implement the core concept of "Central China Securities Serving the Central China" to achieve high-quality development of the business. Taking a client-centric approach and targeting market share growth, the Company will leverage the "Qihang Central China" institutional client service platform to closely follow the national direction of building a modern industrial system. The Company will focus on identifying high-quality projects in sectors including technological innovation, green finance and biomedicine, proactively expand new project resources, and improve the quantity and quality of client reserves. The Company will further advance the development of innovative businesses such as asset securitization and sci-tech innovation bonds, and fully promote the implementation of key projects. The Company will continuously optimize the business structure, strengthen the professional capacity of teams, enhance the functions of the institutional client service platform, and improve business synergy. Meanwhile, the Company will strictly control project risks, optimize the practice quality evaluation mechanism, raise project standards, uphold the bottom line of risk management, and consolidate and enhance the overall competitiveness.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### 3. Investment management business

#### (1) Asset management

##### Market environment

As at the end of December 2025, the total scale of private equity asset management products of securities and futures operating institutions was RMB12.30 trillion (excluding social security funds and enterprise annuities), representing an increase of RMB0.12 trillion compared with that in the same period last year. In terms of product type, the scale of single assets management plans accounted for 48.37%; and the scale of collective asset management plans accounted for 51.63%, representing an increase of 3.25% as compared to the same period last year; due to the impact of market conditions, the scale of fixed-income products decreased slightly, the scale of hybrid products increased slightly, and both the number and scale of fixed income products accounted for the largest proportion, at 42.63% and 70.73%, respectively. **(Source: Asset Management Association of China)**

##### Operational measures and performance

In 2025, committed to the working principle of “consolidating the foundation and fostering growth while pursuing progress amid stability,” the Company recorded steady development for its asset management business despite a complex market landscape. By building a product spectrum driven by both “fixed-income plus” and equity strategies, it catered to investors’ diverse allocation needs. Supporting the Company’s wealth management transformation, it strengthened institutional client servicing capabilities and deepened collaboration with the brokerage business line, enhancing the depth and breadth of marketing services. Concurrently, it worked to expand cooperation with financial institutions within the province, yielding initial results. The business also improved its guarantee mechanisms, continuously refined its institutional framework, and advanced information system development.

The investment returns of the Company’s managed fixed-income products remained consistently top-tier among similar bank wealth management products and public bond funds throughout the year. The Company was honored with “Golden Hazelnut”- Awards for Outstanding Fixed-Income Asset Management Plans of Securities Firms (券商優秀固收資管計劃金榛子獎) by CLS (財聯社). As of the end of the Reporting Period, the total assets under management of the Company amounted to RMB375 million, including 8 collective asset management plans with a management scale of RMB341 million and one standardized asset invested in a single asset management plan with a management scale of RMB34 million.

##### Outlook for 2026

In 2026, as a strong champion of the overall requirements for high-quality development, the asset management business will continue to advance the development of its five major capacities and focus on addressing weak links in business development. Key efforts will be made in optimizing the product system structure, consistently enhancing investment research capabilities, strengthening ongoing marketing initiatives, expanding the institutional client market, reinforcing risk and compliance management, and improving operational support levels. These measures aim to achieve stable and sustainable development of the asset management business and support the transformation of the Company’s wealth management.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (2) *Private fund management*

The Company carried out its private fund management business through ZDKY Venture Capital (the Company's subsidiary) and its subsidiaries.

#### **Market environment**

In terms of capital raising, the number of newly raised funds and their total scale in 2025 reached 5,039 and RMB1.65 trillion, representing year-on-year increases of 26.6% and 14.1%, respectively. Active investments from entities such as government investment funds, local State-owned capital platforms, insurance capital, and AICs have become the core driver behind the recovery of the capital raising market. In terms of investment, in 2025, the number of investment cases reached 10,795 with a total value of RMB928.716 billion, representing year-on-year increases of 28.4% and 45.6% respectively. Notable sectors attracting heightened activity included AI, embodied intelligence, GPUs, innovative pharmaceuticals, smart manufacturing, and new energy/new materials. In terms of withdrawal, the annual number of withdrawal cases increased significantly, driven by factors including the recovery of the IPO and M&A markets. According to statistics, a total of 5,211 withdrawal cases occurred in 2025, up 41.0% year on year, of which the number of IPO cases of invested enterprises totaled nearly 2,000, up 46.8% year on year, and the number of M&A withdrawal cases totaled 468, up 77.3% year on year. **(Source: Zero2IPO Research)**

#### **Operational measures and performance**

In 2025, ZDKY Venture Capital strengthened cooperation with provincial enterprises and local industrial investment companies, focusing on expanding the management scale. It completed the establishment and filing of two equity investment funds, with newly added management scale of RMB400 million, and the industrial and commercial registration of two funds. It attached equal importance to quality and efficiency of project investment and strengthened project pipeline development, with new investment of RMB33 million, supporting Henan-based enterprises in extending and strengthening industrial chains. Remarkable results were achieved in capital recovery, with a total of RMB395 million recovered, creating incremental space for the development of new businesses. By seizing market opportunities, focusing on management effectiveness and promoting integrated development, it achieved a steady improvement in profitability.

As of the end of the Reporting Period, ZDKY Venture Capital and its subsidiaries managed a total of 18 private funds, with a private fund management scale of RMB6,700 million.

#### **Outlook for 2026**

In 2026, ZDKY Venture Capital will align with the national strategy for scientific and technological innovation, base itself on serving the real economy, and further deepen collaboration and cooperation with listed companies, industrial investment companies and other institutions. It will advance multiple initiatives in parallel to promote fund establishment, with equity funds, special board funds, M&A funds and other fund types working in tandem, so as to diversify product offerings and strengthen its capacity to serve real economy enterprises. It will focus on the hard technology sectors and increase investment layout, with key emphasis on projects in artificial intelligence, high-end manufacturing, new materials and other industries. It will strengthen the "Three-Investment Linkage", actively integrate into the Company's capacity building for serving the real economy, and establish a professional, multi-dimensional post-investment empowerment serve models.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (3) *Alternative investment*

The Company carried out its alternative investment business through its subsidiary, Central China Blue Ocean.

#### **Market environment**

In 2025, the primary equity investment market showed signs of bottoming out and recovering, continuing a pattern of structural differentiation and a shift from quantity to quality. Policy support and capital supply served as a dual driving force, with long-term funds from sources such as national venture capital guidance funds, social security funds, and financial asset investment companies consistently increasing their allocations. State-owned capital dominated the market, and RMB-denominated funds were at the core in terms of investment scale and project coverage. Industry focus converged on hard-tech sectors, with notable increases in financing activity in advanced manufacturing, AI, integrated circuits, healthcare, and other specialized fields. In terms of withdrawal channels, the normalization of IPO issuance pace combined with deepening reforms on the Science–Technology Innovation Board steadily improved project withdrawal efficiency, effectively alleviating capital lock-up pressure and delivering a favorable market environment for withdrawals in the primary equity investment market. Valuation frameworks returned to rationality, with the market increasingly stressing technological barriers, revenue quality, and cash flow performance. High-growth projects with core competitiveness continued to command reasonable valuation premiums, while trend-chasing projects lacking substantive support were subject to greater financing challenges. Relying on their groups’ investment banking resources, project pipelines, and risk control systems, securities firms’ alternative investment subsidiaries have developed differentiated competitive advantages in investment layouts within the hard-tech sector.

#### **Operational measures and performance**

In 2025, Central China Blue Ocean continuously strengthened post-investment management, intensified efforts to dispose of existing assets, recouped a total of RMB229 million through methods such as primary market exit and secondary market share reductions, and sustained the optimization of its asset structure. By proactively strengthening management to build a diversified and specialized financial investment portfolio, more than ten portfolio companies from its private equity fund investments deployed in the earlier stage successfully completed the listing of their A shares or H shares in 2025, with investment returns gradually materializing.

As of the end of the Reporting Period, Central China Blue Ocean had 40 projects under investment with a total scale of RMB1.873 billion.

#### **Outlook for 2026**

In 2026, the first year of the “15th Five-Year Plan” period, will witness the primary equity investment market enter a phase of dual policy and industrial dividends, bringing significant structural opportunities. At the policy level, comprehensive reforms in investment and financing will continue to deepen, and the inclusiveness of the multi-tiered capital market will increase, facilitating the listing and capital withdrawal of hard-tech enterprises. Central China Blue Ocean will seize these market opportunities by leveraging the collaborative advantages of the Company’s full business chain, including investment banking and research. For one thing, it will spare no effort to diligently conduct empowerment for investment enterprises, assisting them in leveraging the capital market to achieve rapid growth. For another thing, focusing on IPOs, mergers and acquisitions, New Third Board, and other business lines, it will cultivate and expand its institutional client base and provide more support for real economy to strive to achieve steady improvement in investment returns and high-quality business development.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### 4. Proprietary trading

#### Market environment

In 2025, the global economic landscape remained complex and volatile. Externally, uncertainties arose from international trade environment. Internally, fueled by proactive and effective macroeconomic policies, China's economy demonstrated strong resilience and maintained an overall steady recovery. Capital markets were notably structural, with significant divergence in the performance of major asset classes. The pattern of "equities outperforming bonds" persisted throughout the year, while technology shares and precious metals delivered outstanding returns.

In the equity market, following the impact of external macro shocks in early April, the market took on a "V-shaped" recovery, with global stock indices broadly rebounding. The A-share market delivered a strong performance, with major indices posting significant gains for the year. Notably, the SSE Composite Index rose by 18.41%, the SZSE Component Index increased by 29.87%, the CSI 300 Index advanced by 17.66%, the ChiNext Index surged by 49.57%, and the STAR 50 Index climbed by 35.92%. Driven by the artificial intelligence theme, technology and growth sectors outperformed traditional industries, serving as the core driver propelling the indices upward. In the bond market, volatility was pronounced throughout the year, with government bond yields presenting an "N-shaped" trajectory. The ChinaBond New Composite Wealth (Total Return) Index rose by 0.65% annually. However, influenced by a combination of factors such as capital diversion to the stock market and adjustments in policy expectations, the bond market showed muted responses to positive news and heightened sensitivity to negative developments, resulting in overall weak performance. **(Source: Wind Info)**

#### Operational measures and performance

In 2025, the Company's proprietary business closely followed market dynamics, adhered to the principle of prudent operation, explored the application of risk parity theory, and coordinated the advancement of various business initiatives, achieving stable operations and a significant enhancement of core capabilities amidst a complex market environment. In terms of equity investment, we dynamically optimized sector allocation based on shifts in market style, delivering solid returns. Investments in research capabilities continued to increase, with the recruitment and development of more research talents, strengthening synergies between internal and external research. A regular mechanism for performance attribution analysis of investment managers was established, and the investment process and strategic framework were continuously refined, significantly improving the efficiency of translating research into investment outcomes. In fixed income investment, we adhered to a prudent approach, effectively responded to market volatility, and adjusted positions in a timely manner. We proactively addressed the low-interest-rate environment and the characteristics of bond market fluctuations, strengthened bond market analysis, successfully navigated risks from bond market adjustments, and ensured the stable operation of our fixed income business.

#### Outlook for 2026

In 2026, staying true to the principle of a prudent yet proactive approach, the proprietary business will maintain stable operations. It will focus on balancing allocations across major asset classes such as equities, bonds, and commodities to increase investments in quantitative products for enhanced capabilities in the "fixed income+" business. It will deepen the development of its investment research system to better explore excess returns in high-growth sectors and further improve overall performance levels. It will keep a close eye on the development of international geopolitical conflicts and the direction of domestic macroeconomic policies to better capture opportunities arising from interest rate fluctuations. This will strengthen the resilience of portfolio returns under strict risk control.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### 5. Credit business

#### Market environment

In 2025, technology-driven sectors, represented by AI models, humanoid robots, and new materials, alongside industries with clear growth trajectories like innovative pharmaceuticals and new consumption, exhibited alternating activity. This dynamic propelled the overall upward movement of major market indices and led to a significant increase in investor demand for margin trading tools. As of the end of the Reporting Period, the balance of margin financing and securities lending across the market reached RMB2.54 trillion, up 36.26% from the end of 2024. **(Source: Wind Info)**

#### Operational measures and performance

In 2025, the Company's margin financing and securities lending business stretched the favorable market environment to advance its client acquisition efforts, leveraging dynamic market opportunities to methodically activate existing clients and steadily expand its high-quality client base. It strengthened investor education to enhance clients' risk awareness and guided them to engage in rational trading. The business also advanced the development of its client service system by deepening departmental collaboration to explore service models that align investment advisory information products with the needs of margin financing and securities lending clients to enhance the customer service experience. It dynamically adjusted the grouping and collateral ratios of eligible securities to meet client trading needs while ensuring risks remained under control. As of the end of the Reporting Period, the balance of margin financing and securities lending of the Company reached RMB10.866 billion.

Leveraging the Company's comprehensive resource advantages, the stock-pledged repurchase business continued to optimize its operational layout and structure, steadily reduced customer concentration, and effectively mitigated single-client risk exposures. Efforts were made to enhance professional operations and risk management capabilities, driving a steady improvement in asset quality. As of the end of the Reporting Period, the balance to be repurchased under the on-balance sheet stock-pledged repurchase business was RMB113 million and the average maintenance guarantee ratio was 448.58%. There was no off-balance-sheet stock-pledged repurchase business.

#### Outlook for 2026

In 2026, in terms of the margin financing and securities lending business, the Company will balance scale expansion and risk prevention and control, closely keep pace with the market changes, proactively respond to client needs, and dynamically adjust operational strategies. It will continue to refine the interest rate pricing mechanism and promptly respond to client needs to enhance business competitiveness. By deepening service offerings, enriching service products and content, and strengthening internal cross-departmental collaboration, it aims to further expand service coverage for high-net-worth clients. Additionally, it will reinforce end-to-end management of large credit facilities, maintain vigilance over market trends, intensify research on market dynamics, promote dynamic and precise adjustments to risk control parameters and continuously improve the risk prevention system for better capabilities in risk identification and response. It will assist clients in risk management and control, ensure the stable operation of businesses, and give full play to the functional value of the margin trading and securities lending business. For the stock-pledged repurchase business, it will focus on addressing the financing needs of listed companies and shareholders within the province, delivering targeted and efficient financing solutions. By leveraging financial strength, it aims to support the high-quality development of the real economy.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### 6. Futures business

The Company carried out its futures brokerage investment business through its subsidiary, Central China Futures, and its risk management business through Central China Futures' subsidiary, Yuxin Investment Management (Shanghai) Co., Ltd..

#### Market environment

In 2025, China's futures market recorded steady progress, with its growing capacity to serve the real economy. Hedging demands among industrial enterprises increased, driven by factors such as fluctuating U.S. tariff policies, a globally accommodative monetary environment, escalating geopolitical risks, and domestic initiatives to "counteract excessive competition". Concurrently, the hedging needs of long-term capital in China's capital markets grew, exemplified by large-scale inflows from insurance funds. The operational performance of real-economy enterprises improved over time, particularly driven by the rapid development of emerging industries like new energy and AI, which bolstered optimistic expectations for the demand for new energy materials. Furthermore, a significant reduction in exchange margin interest rates took a heavy toll on the interest income levels of futures companies, with the age of low interest rates expected to persist for the long term. The accumulated transaction amount in China's futures market was RMB766.25 trillion, up 23.74% year on year. The accumulated transaction volume was 9.074 billion lots, up 17.4% year on year. **(Source: China Futures Association)**

#### Operational measures and performance

In 2025, the operating results of Central China Futures demonstrated steady progress. In terms of industrial customer services, it assisted five enterprises in obtaining approval as the 2025 Industrial-Financial Integration Bases for Serving the Real Economy of the Zhengzhou Commodity Exchange, further amplifying the clustering effect and exemplary role along industrial chains. Focusing on dominant varieties such as urea, it collaborated with base enterprises to organize 12 high-quality industrial events. The service model centered on "bases as hubs, varieties as core, and services as links" has become increasingly mature. For retail client services, the company meticulously developed thematic live-streaming programs including "Laoli's Market Analysis (《老李解盤》)", "Wealth Mini-Lectures (《財富小課堂》)" and "Central China Experts Talk (《中原大咖談》)", enhancing online client engagement through professional content delivery. In terms of Introducing Broker (IB) business, it supported three securities branches in obtaining IB business qualifications and jointly organized 10 investor education activities with IB branches. A preliminary IB business development framework encompassing "new application approvals, activation of existing clients, and mature operations" has been established.

During the Reporting Period, Central China Futures acquired 2,428 new customers, and served a total of 41,700 customers, among which institutional customers increased 9.63% year on year. The average daily margin transaction volume of customers decreased by 8.77% year on year, among which the average daily margin of institutional customers accounted for 37.42%; the transaction volume was 39.2788 million lots, up 15.18% year on year, and the transaction amount was RMB2,955.292 billion, up 0.27% year on year.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### Outlook for 2026

In 2026, concentrating on its principal responsibility and operation, Central China Futures will prioritize the development of its brokerage business, and proactively engage in risk management business. Leveraging Henan Province's agricultural resources and regional advantages, it will focus on core industrial chains closely tied to the local economy, such as soda ash, urea, aluminum, ferroalloys, live pigs, and peanuts by establishing dedicated industrial service teams. This initiative aims to expand the scale of industrial institution and better serve the real economy of Henan Province. It will formulate a collaborative assessment scheme for IB business across its wealth management lines, expand the coverage of IB business, and stimulate collaborative dynamics. Leveraging the Company's "Caishengbao" APP, it will promote information sharing and improve business collaboration efficiency. It will advance the brand building of "Offline Professional Central China" and the development of its service system, identify pain points of key enterprises in the province, and provide one-stop solutions for industrial clients. It will continue to build research brands such as "Central China Exchange" and "Central China Express" to enhance the relevance and forward-looking nature of research and development services. It will deepen the new business format of "Online Retail Central China", fully promote the construction of a unified operation and management platform, unlock the value of client data, and enhance client satisfaction and loyalty. Anchored on the core philosophy of "Central China Securities Serving Central China", the risk management subsidiary will take the relocation of its registered address back to Henan as an opportunity to further improve the corporate governance structure. It will focus on commodity risk management business, support Henan's integration into and service for the national unified market through base trading, and help real enterprises in the province effectively optimize financing costs via warehouse receipt financing services. By focusing on regional advantages and characteristic futures products and pursuing differentiated competition with peers, it will effectively support the high-quality development of Henan's local economy.

### 7. Overseas business

The Company carried out its overseas business through Central China International (the Company's subsidiary) and its subsidiaries.

#### Market environment

In 2025, the Hong Kong stock market saw a broad recovery, with the average daily trading volume reaching a record high. Specifically, the Hang Seng Index rose by approximately 27.77% and the Hang Seng Tech Index rose by approximately 23.45% for the year, performing relatively well among major global markets. As of 31 December 2025, Hong Kong market ranked first globally in IPO fundraising, with a total of 119 companies listed on the Hong Kong Stock Exchange, up approximately 67.61% compared to the 71 listings in 2024. Total IPO funding amounted to HK\$285.693 billion in 2025, up approximately 226% year-on-year, and companies listed on the Hong Kong Stock Exchange refinanced US\$66 billion, the highest since 2021. **(Data source: HKEx, Wind information)**

#### Operational measures and performance

Staying committed to its strategic positioning of the "window" and "intermediary" platform, Central China International worked hard to enhance its capacities for serving the real economy in Henan province in 2025. Central China International assisted the Henan Provincial Government in holding the "Roundtable Meeting on Investing in Henan and Hong Kong Enterprises" and the "Special Matchmaking Meeting on Overseas Financing of Henan Enterprises" in Hong Kong. In terms of bonds, acting as a joint bookrunner, it successfully participated in overseas bond issuances for five provincial enterprises, including Henan Airport Investment Group Co., Ltd., Zhongyuan Asset Management Co., Ltd., Zhengzhou Urban Construction Investment Group Co., Ltd., Zhengzhou Urban Development Group Co., Ltd., and Henan Water Conservancy Investment Group Co., Ltd.. In terms of equity interests, in the capacity of joint global coordinator, joint bookrunner and joint lead manager, it assisted Beijing Xunzhong Communication Technology Co., Ltd. in completing its listing on the Hong Kong Stock Exchange. It also served as a joint bookrunner and joint lead manager to assist CF PharmTech, Inc., Tudatong Intelligent Technology (Suzhou) Co., Ltd. and B&K Corporation Limited in completing their listings on the Hong Kong Stock Exchange. Additionally, it completed six financial advisory projects while actively pursuing other market-oriented initiatives to continuously enhance its market presence.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

As of the end of the Reporting Period, the accumulative trading volume of agency stocks and bonds of Central China International amounted to HK\$3.531 billion, up 103.40% year on year, ranking 199th among 495 members of the Hong Kong Stock Exchange, up 33 from 232nd at the end of last year. The number of customers of its securities business was 4,512, with total assets under custody at HK\$2.920 billion, up 17.08% year on year. The total transaction amount of the public fund consignment business was approximately HK\$465 million, up 23.34% year on year and the balance of the margin financial business was approximately HK\$27 million.

### Outlook for 2026

In 2026, Central China International will consolidate and enhance its service capabilities and influence as a “window” and “intermediary,” while deeply integrating into the integrated financial service mechanism of the Company to strengthen its business collaboration and synergy. It will make efforts to cultivate its securities brokerage business by expanding its base of high-quality institutional clients and high-net-worth individuals for better operational performance. Focusing on the investment banking business, Central China International will fully leverage its local resource advantages to deepen and refine its presence in the Henan market. Through coordinated efforts across domestic and international platforms and early-stage engagement, it aims to achieve breakthroughs, enhance its reputation and visibility, generate positive social impact, and provide robust support for Henan-based enterprises expanding globally.

### 8. Regional equity market business

The Company carried out its regional equity market business through its subsidiary, Equity Exchange Co..

#### Market environment

In 2025, regional equity markets actively served as regional hubs in fostering a positive cycle between capital and the real economy. Positive results were achieved in the high-quality development of the SASN board, the creation of a diverse financing service ecosystem and capital market system. The CSRC and the National Development and Reform Commission have issued policies including the Implementation Opinion on the Capital Market’s Role in the “Five Major Tasks” of Finance and the Guidance on Building a National Unified Market(Trial). These policies standardize the development of regional equity markets, and actively promote rule alignment and standard unification across regional equity markets. In September 2025, the State Council issued the “Approval of the Comprehensive Reform Pilot Implementation Plan for Market-Oriented Allocation of Factors in Selected Regions Nationwide (《關於全國部分地區要素市場化配置綜合改革試點實施方案的批覆》)”, which agreed to support Central China Equity Exchange in strengthening cooperation and connectivity with nationwide securities markets. The aforementioned policy presents a strategic opportunity for the Equity Exchange, Co. which enables the Equity Exchange Co. to further leverage its core role in cultivating companies for listing and serving the real economy to optimize synergistic connections with national securities trading markets, and enhance the quality and effectiveness of financial support for high-quality development of the real economy.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### Operational measures and performance

In 2025, as the “foundation” and “nursery” of the multi-level capital market, the Equity Exchange Co. continuously optimized its service functions and effectively promoted the sound interaction between industry and finance. It continued to advance the development of the “SASN” board and successfully launched the board. It implemented the Special Action Plan for the Board of Central China Equity Exchange (《中原股權交易中心專板專項行動方案》), providing customized services for listed enterprises in financing, equity structure transformation, policy application and other aspects. Additionally, 14 multi-level training sessions were conducted, combining “online live broadcasts, offline seminars, and on-site visits” to offer comprehensive support for enterprise growth and development. To broaden financing channels, it jointly launched the specialized batch credit product named “SASN Enterprise Loan” with financial institutions, and meanwhile facilitated investment institutions to advance the private equity financing process of enterprises. It smoothed the connection channels for enterprises to access the multi-level capital market. Luoyang Jiawei Bearing Co., Ltd. and SHANGQIU MEILAN BIOLOGICAL ENGINEERING CO., LTD. successfully listed via the “green channel” cooperation mechanism between the Equity Exchange Co. and the New Third Board, opening up an “express lane (快車道)” for enterprises nurtured by the Equity Exchange Co. to enter the national securities market. A diversified financial services ecosystem was built by organizing multiple online and offline financing roadshows, assisting several enterprises in securing equity financing. Equity Exchange Co. continued to handle registration for pledges of private fund property interests, and facilitated pledge financing exceeding RMB9.2 billion.

As of the end of the Reporting Period, the Equity Exchange Co. had 589 enterprises under custody, 10,419 listed and displayed enterprises, and had facilitated cumulative financing of RMB37.439 billion.

### Outlook for 2026

In 2026, Equity Exchange Co. will fully implement the deployment of the Central Economic Work Conference and the Economic Work Conference of the CPC Henan Provincial Committee, align closely with the guiding principles of the recommendations for formulating the “15th Five-Year Plan”, and take the development of the “SASN” board as its central initiative. It will actively integrate into the province’s “1+2+4+N” target task system, and build a comprehensive service platform integrating enterprise screening, targeted services, financing matchmaking and listing cultivation to support the sound development of small, medium and micro-enterprises. It will further launch a special campaign for the “SASN” board, improve the enterprise cultivation and visitation mechanism, advance capital empowerment and brand promotion, participate in initiating the establishment of an exclusive fund for the board, and strengthen the linkage between investment and financing. It will continue to optimize the “green channel” connection mechanism between the regional equity market (the Fourth Board) and the National Equities Exchange and Quotations (the Third Board), channeling more high-quality small and medium-sized enterprises into higher-level capital markets. Third, it will seize the opportunities presented by the construction of the national unified market and the reform of factor marketization in Zhengzhou, strengthen policy coordination with regulatory authorities, national stock exchanges and local governments, promote the upgrading of service innovation, and contribute to the high-quality development of the regional economy.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### V. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

#### (I) Advantages of strategic carrier in Henan’s capital market

The Company continued to strengthen its role as a strategic carrier in Henan’s capital market, actively integrating into the broader development agenda of the province. Leveraging its most extensive business network coverage across Henan, it proactively engaged with the province’s development resources as a major economic and demographic hub with distinct regional advantages. By serving the development of the regional capital market, the Company advanced its own high-quality development.

#### (II) Forging distinctive and differentiated competitive advantages.

Taking the retail service brand of “Wealth Central China” and the institutional service brand of “Qihang Central China” as the traction, the company gave full play to the integrated advantages of regional capital market services in the whole chain, implemented “five major actions” such as characteristic development, regional deep cultivation, integrated operations, digital transformation, and tackling shortcomings, actively created an intensive business model with characteristic precise services and differentiated development, and promoted high-quality development.

#### (III) Advantages of “A+H” platforms and comprehensive services

Leveraging its unique advantage as an A+H dual-listed firm, the Company proactively built the “window” and “intermediary” platform in Hong Kong, connecting the regional economy with international capital markets. It integrated the functions of both the A-share and Hong Kong capital markets and intensified its efforts to expand its Hong Kong subsidiary’s focus on the Henan market while enhancing service capabilities. By providing clients with “Chinese Mainland + Hong Kong” capital market services, it, in turn, promoted its own high-quality development.

# SECTION 3 REPORT OF THE BOARD OF DIRECTORS

## VI. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

For details, please refer to “IV. DISCUSSION AND ANALYSIS ON BUSINESS OPERATION” in this section.

### (I) Analysis on principal business

#### 1. Analysis on changes in income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Amount for the Current Period	Amount for the same period last year	Change rate (%)
Operating income	1,962,941,008.85	1,392,409,795.91	40.97
Operating cost	1,324,976,027.51	1,188,383,774.04	11.49
Net cash flows from operating activities	7,380,771,947.00	4,168,168,660.39	77.07
Net cash flows from investing activities	-3,071,742,464.11	586,684,789.83	-623.58
Net cash flows from financing activities	-517,692,986.71	738,149,334.54	-170.13

Reason for the change in operating income: Primarily due to an increase in securities brokerage business, investment business and credit business during the Current Period.

Reason for the change in operating cost: Primarily due to an increase in business and administrative expenses and credit impairment during the Current Period.

Reason for the change in net cash flows from operating activities: Primarily due to a net increase in fund for repurchase business during the Current Period, resulting in increased cash inflow.

Reason for the change in net cash flows from investment activities: Primarily due to an increase in cash paid for investment during the Current Period, resulting in increased cash outflow.

Reason for the change in net cash flows from financing activities: Primarily due to a decrease in cash received from issuance of bonds during the Current Period, resulting in reduced cash inflow.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### 2. Income and cost analysis

Unit: Yuan Currency: RMB

The items in the consolidated income statement with a change rate of more than 30% are as follows:

Item	Amount for the Current Period	Amount for the same period last year	Change rate (%)	Explanation
Net interest income	411,861,828.04	244,705,312.27	68.31	Primarily due to an increase in interest income of margin trading and securities lending and a decrease in interest expense of debt financing during the Current Period
Investment banking net income	24,283,643.18	56,282,928.18	-56.85	Primarily due to a decrease in income from securities underwriting business during the Current Period
Investment income (loss stated with "-")	678,164,707.44	507,905,625.93	33.52	Primarily due to an increase in income from financial instruments during the Current Period
Investment income from associates and joint ventures	80,296,229.00	59,105,673.19	35.85	Primarily due to an increase in income from some associates during the Current Period
Gains on changes in fair value (loss stated with "-")	-123,470,748.28	-198,814,850.10	N/A	Primarily due to an increase in gains on changes in fair value from financial assets held for trading during the Current Period
Gains on foreign exchange (loss stated with "-")	50,280.04	-1,455,640.68	N/A	Primarily due to exchange rate fluctuations during the Current Period
Other operating income	6,351,048.26	13,699,856.79	-53.64	Primarily due to a decrease in penalty interest income from stock pledges during the Current Period
Loss on impairment of credit	80,762,574.10	19,811,034.92	307.66	Primarily due to an increase in the allowance for impairment losses on accounts receivable and debt investments
Other assets impairment losses	25,980,012.60	12,113,303.94	114.48	Primarily due to an increase in provision for impairment of long-term equity investments during the Current Period
Other operating costs	2,156,367.32	1,052,041.38	104.97	Primarily due to an increase in other operating cost of subsidiaries during the Current Period
Non-operating income	8,163,237.70	36,707,776.37	-77.76	Primarily due to a decrease in income from the disposal of assets received in debt settlement during the Current Period
Non-operating expenses	49,481,131.49	5,440,011.55	809.58	Primarily due to an increase in provision for estimated liabilities during the Current Period
Income tax expenses	146,222,293.33	13,400,146.28	991.20	Primarily due to an increase in profit during the Current Period
Profit and loss attributable to minority shareholders	-5,393,889.18	-23,953,760.10	N/A	Primarily due to the increase in net profit of certain subsidiaries and the increase in profit or loss attributable to minority shareholders during the Current Period
Other comprehensive income after tax	-15,887,371.81	14,354,440.33	-210.68	Primarily due to a decrease in translation differences of foreign currency financial statements during the Current Period

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (1). Profile of principal businesses by industry, product, region and sales model

Unit: Ten thousand Currency: RMB

Principal business by industry						
Industry	Operating income	Operating cost	Gross margin (%)	Increase/decrease in operating income compared with last year (%)	Increase/decrease in operating cost compared with last year (%)	Increase/decrease in gross profit margin compared with last year (%)
Wealth management business	105,579.00	60,839.90	42.37	29.59	18.29	Increased by 5.50 percentage points
Proprietary business	16,012.04	7,740.26	51.66	N/A	-9.61	N/A
Investment banking business	1,979.82	6,909.51	-249.00	-58.61	-37.42	Decreased by 118.13 percentage points
Provisions	46,246.74	3,496.19	92.44	12.21	11.91	Increased by 0.02 percentage point
Investment management business	17,061.57	14,052.38	17.64	10.96	88.44	Decreased by 33.86 percentage points
Futures business	8,100.36	6,946.65	14.24	-24.65	-22.41	Decreased by 2.47 percentage points
Overseas business	184.76	2,632.61	N/A	-93.35	-40.53	N/A
Headquarters and others	1,632.38	30,097.66	N/A	N/A	27.48	N/A

Principal business by region						
Region	Operating income	Operating cost	Gross margin (%)	Increase/decrease in operating income compared with last year (%)	Increase/decrease in operating cost compared with last year (%)	Increase/decrease in gross profit margin compared with last year
Branches in province	95,539.70	53,579.38	43.92	29.84	22.18	Increased by 3.52 percentage points
Branches outside the province	26,051.34	15,000.78	42.42	N/A	-7.07	N/A
Domestic subsidiaries	28,909.76	20,095.07	30.49	100.15	21.14	Increased by 45.34 percentage points
Overseas subsidiaries	184.76	2,632.61	N/A	-93.35	-40.53	N/A
Headquarters business	46,111.11	41,407.31	10.20	-6.18	10.13	Decreased by 13.31 percentage points

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### **Description of principal businesses by industry, product, region and sales model**

During the Reporting Period, the Group achieved operating income of RMB1.963 billion, representing a year-on-year increase of 40.97%. Among them, wealth management business was RMB1,056 million, an increase of RMB241 million, primarily due to an increase in revenue from agency trading of securities business during the Current Period; Income from proprietary business was RMB160 million, an increase of RMB245 million, primarily due to an increase in investment business income during the Current Period; Income from headquarters and others was RMB16 million, an increase of RMB102 million, primarily due to an increase in income from equity center investment funds during the Current Period; Income from credit business was RMB462 million, an increase of RMB50 million, primarily due to an increase in interest income from financing business during the Current Period; Income from investment management business was RMB171 million, an increase of RMB17 million, primarily due to an increase in income from investment funds of subsidiaries during the Current Period; Income from overseas business was RMB2 million, a decrease of RMB26 million, primarily due to a decrease in investment income from financial products held by Central China International during the Current Period; Income from futures business was RMB81 million, a decrease of RMB26 million, primarily due to a decrease in revenue from futures brokerage business during the Current Period; Income from investment banking business was RMB20 million, a decrease of RMB28 million, primarily due to a decrease in revenue from securities underwriting business during the Current Period.

During the Reporting Period, the Group's operating costs were RMB1.325 billion, representing a year-on-year increase of 11.49%. Among them, operating and administrative expenses were RMB1,203 million, an increase of RMB60 million, primarily due to an increase in staff costs caused by increased income under the efficiency-linkage mechanism; loss on impairment of credit were RMB81 million, an increase of RMB61 million, primarily due to additional impairment provisions accrued based on the progress of asset disposal and changes in value of existing risk projects.

During the Reporting Period, the Group achieved net profit attributable to shareholders of the parent company of RMB456 million, an increase of RMB210 million, primarily due to an increase in income from securities brokerage business, investment business, credit business, etc. during the Current Period.

### **(2) *Changes in the consolidation scope caused by changes in equity interests of major subsidiaries during the Reporting Period***

During the Reporting Period, Central China International Financial Group Limited a subsidiary of the Company's subsidiary Central China International Financial Holdings Company Limited was deregistered in 2025 and no longer included in the consolidation scope.

### **3. Expenses**

Please refer to "51. Business and administrative expenses" in VI. "NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS" under SECTION 8 "FINANCIAL REPORT" in this report.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### 4. Cash flow

As at the end of 2025, the Company's cash and cash equivalents balance was RMB22.676 billion, an increase of RMB3.791 billion from the beginning of the year.

#### **(1) Net cash flow from operating activities**

During the Reporting Period, the net cash flow from the operating activities was RMB7.381 billion, with a year-on-year increase of RMB3.213 billion, primarily due to a net increase in funds for repurchase business during the Current Period, resulting in increased cash inflow.

The cash inflow from the operating activities was RMB11.634 billion, accounting for 75.14% of the total cash inflow, mainly including: net cash received from brokerage clients of RMB5.226 billion; cash receipt from interests, fees and commissions of RMB2.263 billion; a net increase in funds for repurchase business of RMB1.728 billion; a net decrease of financial instruments held for trading of RMB1.467 billion; a net decrease in funds for the resale business of RMB0.735 billion; and cash received relating to other operating activities of RMB0.214 billion. The cash outflow from the operating activities was RMB4.253 billion, accounting for 36.38% of the total cash outflow, mainly including: net increase in margin accounts receivable of RMB1.595 billion; net decrease in due to banks and other financial institutions of RMB0.930 billion; cash paid to and on behalf of employees of RMB0.680 billion; cash paid for interest, fees and commission of RMB0.600 billion; payments of taxes of RMB0.135 billion; and other cash payments relating to operating activities of RMB0.312 billion.

The explanation of reasons for any significant variations between the net cash flow from operating activities and net profit during the Reporting Period: the net cash flow from operating activities of the Company was RMB7.381 billion, and the net profit of the Company was RMB0.456 billion. The main reasons for the difference are: the net cash flow from operating activities of the Company includes the purchasing cost and the net cash flow from sales of financial instruments held for trading, due to banks and other financial institutions, repurchase and resale, net cash flow of margin accounts receivable, and net cash flow from brokerage clients, while income statement reflected the income or expenses conditions such as investment income, interest expenses, commission income, which was formed by the aforementioned operations cash transferring and impact of non-cash flow on profit or loss, such as assets depreciation, amortization and impairment losses.

#### **(2) Net cash flows from investment activities**

During the Reporting Period, the net cash flow from the investment activities was RMB-3.072 billion, with a year-on-year decrease of RMB3.658 billion, primarily due to an increase in cash payments to acquire investments during the Current Period, resulting in increased cash outflow.

The cash inflow from the investment activities was RMB0.028 billion, accounting for 0.18% of the total cash inflow, mainly including: cash received from investment income of RMB0.025 billion; net cash received from the disposal of fixed assets, intangible assets and other long-term assets of RMB0.004 billion. The cash outflow from the investment activities was RMB3.100 billion, accounting for 26.52% of the total cash outflow, mainly including: cash payments to acquire investments of RMB2.924 billion; cash payments to acquire fixed assets, intangible assets and other long-term assets of RMB0.176 billion.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (3) Net cash flows from financing activities

During the Reporting Period, the net cash flow from the financing activities was RMB0.518 billion, with a year-on-year decrease of RMB1.256 billion, primarily due to a decrease in cash received from the issuance of bonds during the Current Period, resulting in reduced cash inflow.

The cash inflow from the financing activities was RMB3.821 billion, accounting for 24.68% of the total cash inflow, mainly including: cash received from the issuance of bonds of RMB3.821 billion. The cash outflow from the financing activities was RMB4.338 billion, accounting for 37.11% of the total cash outflow, mainly including: cash repayments of borrowings of RMB3.900 billion; cash payments for distribution of dividends, profit or interest expenses of RMB0.379 billion; and other cash payments relating to financing activities of RMB0.059 billion.

### (III) Analysis on assets and liabilities

#### 1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount at the end of the Current Period	Proportion of the amount at the end of the Current Period in total asset (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
Cash and bank balances	19,288,837,976.68	33.01	14,400,984,039.97	27.90	33.94	Primarily due to an increase in client funds deposits at the end of the Current Period
Clearing settlement funds	3,401,684,665.84	5.82	4,531,325,343.18	8.78	-24.93	Primarily due to a decrease in client reserve funds at the end of the Current Period
Margin accounts receivable	10,937,435,576.51	18.72	9,326,761,787.66	18.07	17.27	Primarily due to an increase in the scale of margin accounts receivable at the end of the Current Period
Derivative financial assets	0.00	0.00	16,126,760.68	0.03	-100.00	Primarily due to a decrease in the size of option positions at the end of the Current Period
Accounts receivable	126,783,514.23	0.22	331,013,831.49	0.64	-61.70	Primarily due to a decrease in receivables from disposal of equity at the end of the period
Financial assets held under resale agreements	709,036,883.79	1.21	1,445,001,679.44	2.80	-50.93	Primarily due to a decrease in the scale of bond-pledged repurchase business at the end of the Current Period
Financial assets held for trading	17,117,977,734.01	29.30	17,629,247,370.42	34.16	-2.90	Primarily due to a decrease in the scale of public funds at the end of the Current Period
Debt investments	73,734,853.74	0.13	49,846,701.66	0.10	47.92	Primarily due to an increase in the scale of bond investments at the end of the Current Period

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

Item	Amount at the end of the Current Period	Proportion of the amount at the end of the Current Period in total asset (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Change ratio of amount at the end of the current period VS amount at the end of the previous period (%)	Explanation
Other debt investments	3,145,918,204.30	5.38	114,330,970.55	0.22	2,651.59	Primarily due to an increase in the scale of treasury bonds, local government bonds, etc. at the end of the Current Period
Short-term loans	0.00	0.00	7,008,341.66	0.01	-100.00	Primarily due to repayment of due borrowings
Due to banks and other financial institutions	3,030,308,361.12	5.19	3,962,603,712.35	7.68	-23.53	Primarily due to a decrease in capital from refinancing at the end of the Current Period
Financial liabilities held for trading	950,463,348.74	1.63	578,887,667.66	1.12	64.19	Primarily due to an increase in bonds at the end of the Current Period
Derivative financial liabilities	0.00	0.00	1,996,580.00	0.00	-100.00	Primarily due to a decrease in exchange-traded options at the end of the Current Period
Financial assets sold under repurchase agreements	7,017,190,370.59	12.01	5,289,084,372.35	10.25	32.67	Primarily due to an increase in the scale of pledge-style repurchase business at the end of the Current Period
Accounts payable to brokerage clients	21,702,396,171.66	37.14	16,476,010,375.54	31.92	31.72	Primarily due to an increase in client's capital deposit at the end of the Current Period
Employee benefits payable	564,881,872.79	0.97	433,567,876.54	0.84	30.29	Primarily due to an increase in short-term employee benefits at the end of the Current Period
Taxes payable	97,272,732.09	0.17	41,403,810.37	0.08	134.94	Primarily due to an increase in corporate income tax payable at the end of the Current Period
Accounts payable	133,056,959.21	0.23	205,338,964.19	0.40	-35.20	Primarily due to a decrease in liquidation funds for open-ended funds at the end of the Current Period
Contract liabilities	904,428.60	0.00	2,400,665.20	0.00	-62.33	Primarily due to revenue recognition, resulting in a decrease in advances received at the end of the Current Period
Provisions	46,454,062.70	0.08	0.00	0.00	N/A	Primarily due to new contract disputes, resulting in an increase in provisions accrued at the end of the Current Period
Bonds payable	7,121,278,049.37	12.19	6,112,729,880.19	11.84	16.50	Primarily due to the impact of newly added bonds at the end of the Current Period
Other liabilities	280,626,971.32	0.48	202,678,184.19	0.39	38.46	Primarily due to an increase in dividends payable at the end of the Current Period

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (1) *Assets*

As at the end of 2025, the total assets of the Group reached RMB58.427 billion, increasing by RMB6.813 billion or 13.20% from RMB51.614 billion at the beginning of the year. Among them, cash and bank balances, clearing settlement funds and refundable deposits accounted for 40.77% of the total assets; Financial assets accounted for 34.81% of the total assets; Margin accounts receivable accounted for 18.72% of the total assets; Financial assets held under resale agreements accounted for 1.21% of the total assets; Long-term equity investment accounted for 1.54% of the total assets; Investment properties, fixed assets, construction in progress and right-of-use assets accounted for 1.00% of the total assets; Deferred income tax assets, intangible assets and other assets accounted for 1.93% of the total assets.

### (2) *Liabilities*

As at the end of 2025, the total liabilities of the Group reached RMB43.839 billion, increasing by RMB6.508 billion or 17.43% from RMB37.332 billion at the beginning of the year. Among them, the accounts payable to brokerage clients (including the accounts payable to brokerage clients in credit transactions) accounted for 49.50% of the total liabilities; Bonds payable and short-term financing instruments payable accounted for 22.63% of the total liabilities; Financial assets sold under repurchase agreements accounted for 16.01% of the total liabilities; due to banks and other financial institutions accounted for 6.91% of the total liabilities; Financial liabilities held for trading and derivative financial liabilities accounted for 2.17% of the total liabilities; Employee benefits payable, tax payable and other liabilities accounted for 2.78% of the total liabilities.

As of December 31st, 2025, the Group's asset-liability ratio, after excluding accounts payable to brokerage clients (including the accounts payable to brokerage clients in credit transactions) and accounts payable for securities underwriting, was 60.28%, representing a year-on-year increase of 0.93 percentage point.

## 2. **Overseas assets**

### (1). *Asset size*

Of which: overseas assets amounted to 0.66 (unit: billion currency: RMB), accounting for 1.13% of the total asset.

## 3. **Major restricted assets at the end of the Reporting Period**

Please refer to "60. Assets with restricted ownership or use rights" in VI. "NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS" under SECTION 8 "FINANCIAL REPORT" of this report.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### **(IV) Industry operation analysis**

Please refer to “IV. DISCUSSION AND ANALYSIS ON BUSINESS OPERATION” under this section in this report.

### **(V) Analysis of investments**

#### **1. Overall analysis on external equity investments**

As of the end of the Reporting Period, the Group’s long-term equity investment was RMB902 million, representing a decrease of RMB3 million or 0.36% compared with the end of the previous year.

#### **(1). *Financial assets measured at fair value***

Please refer to “XI. ITEMS MEASURED AT FAIR VALUE” under SECTION 2 “COMPANY PROFILE AND KEY FINANCIAL INDICATORS” in this report.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (VI) Analysis of major subsidiaries and companies in which the Company has invested

#### Particulars of major subsidiaries and companies in which the Company has invested with an impact of over 10% on the Company's net profit

Unit: 100 million Currency: RMB

Name of company	Type of company	Principal business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Central China Blue Ocean Investment Management Co., Ltd. (中州藍海投資管理有限公司)	Subsidiary	Using self-owned funds to invest in financial products, securities and equity.	22.26	22.70	22.66	0.72	-0.20	0.01
Central China International Financial Holdings Company Limited (中州國際金融控股有限公司)	Subsidiary	Securities brokerage, provide advice for securities, margin financing, Investment banking, self-run investment and other capital market services.	HK\$1.8 billion	6.60	3.67	0.02	-0.24	-0.72
Central China Futures Co., Ltd. (中原期貨股份有限公司)	Subsidiary	Commodity futures brokerage; financial futures brokerage.	3.3	29.93	4.65	0.81	0.12	0.08
Zhongding Kaiyuan Venture Capital Management Co., Ltd. (中鼎開源創業投資管理有限公司)	Subsidiary	Private equity investment fund management service; venture capital investment fund management service.	2.8	5.77	3.79	0.65	0.40	0.08
Central China Equity Exchange Co., Ltd. (中原股權交易中心股份有限公司)	Subsidiary	Provide enterprises with services such as registration, custody, listing, transfer and financing of equity, creditor's rights and other equity assets; investment and asset management; financial advisory, corporate promotion, corporate presentation, training and advisory services (Operational activities may commence only after obtaining approval from relevant authorities for items subject to approval according to law)	3.50	3.59	3.45	0.71	0.56	0.47
Henan Asset Management Co., Ltd. (河南資產管理有限公司)	Subsidiary	Acquisition, management and disposal of non-performing assets; investment and asset management; private fund management; equity custody management; fiduciary Asset Management; management services such as enterprise bankruptcy and liquidation; enterprise merger and acquisition services, enterprise listing and reorganization services; finance, investment, legal and risk management advisory services.	70.00	389.67	137.90	19.58	9.04	7.30

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

During the Reporting Period, Central China International Financial Group Limited, a subsidiary of the Company's subsidiary Central China International Financial Holdings Company Limited was deregistered in 2025 and no longer included in the consolidation scope.

### (VII) Structured entities controlled by the Company

As of December 31st 2025, the Group merged 8 structured entities. For the structured entities that served as the manager or investment advisor of structured entities and hold product shares, the Company included the structured entities under the control of the Company into the scope of consolidated statements after comprehensively considering the investment decision rights of the Company, the variable return exposure and the use of investment decision power to influence variable return. Please refer to "VIII. EQUITY IN OTHER ENTITIES" under SECTION 8 "FINANCIAL REPORT" in this report for the structured entities included in the consolidation scope.

## VII. COMPANY'S DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT

### (I) Industry landscape and development trend

On 23 October 2025, the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China reviewed and approved the "Recommendations of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》)." It proposed to "Accelerating the Development of a High-Level Socialist Market Economy System and Enhancing Momentum for High-Quality Development", and in "Improving the Effectiveness of Macroeconomic Governance" in the relevant arrangements, the Recommendation outlines the overarching goal of accelerating the building of a financial powerhouse. It highlights key directions for financial services, emphasizing "vigorously developing technology finance, green finance, inclusive finance, pension finance, and digital finance." Regarding capital market reforms, the Recommendation calls for "enhancing the inclusiveness and adaptability of the capital market system and improving the function of coordinating investment and financing within the capital market." On 6 December 2025, CSRC Chairman Wu Qing delivered a speech titled "Accelerating the Development of First-Class Investment Banks and Investment Institutions to Better Facilitate High-Quality Growth of the Capital Market (加快打造一流投資銀行和投資機構更好助推資本市場高質量發展)" at the Eighth Members' Conference of the Securities Association of China. The speech outlined the goal of accelerating the establishment of top-tier investment banks and investment institutions during the "15th Five-Year Plan" period.

First, the "five major tasks" of technology finance, green finance, inclusive finance, pension finance, and digital finance come as a systematic and strategic framework designed to address the most critical and financially under-supported areas in China's economic and social transformation. These tasks target core domains and vulnerable segments, including technological innovation and industrial upgrading, ecological conservation and sustainable development, social equity and balanced growth, population aging and pension system development, as well as economic digitization and financial efficiency enhancement. Notably, technology finance leads these tasks, clearly signaling the priority direction for financial resource allocation during the "15th Five-Year Plan" period. Securities companies should anchor technology finance as the core guiding force, uphold the coordinated advancement of the "five major tasks" and establish cross-domain, cross-business collaborative service mechanisms. They can enhance their core competitiveness in a targeted manner. This approach comprehensively embodies the new development philosophy by organically integrating the innovative momentum of technology finance, the ecological philosophy of green finance, the people-oriented focus of inclusive finance, the long-term perspective of pension finance, and the technological underpinnings of digital finance, allowing companies to strategize in accordance with trends and act in harmony with momentum and help strengthen the core function of financial services in supporting the real economy and amplify their role as a carrier for national strategies.

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Second, enhancing the inclusiveness and adaptability of the capital market system and improving the coordination of its investment and financing functions provide clear direction and fundamental guidance for advancing the reform, development, and stability of the capital market. Investment and financing represent the core functions of the capital market. Coordinating these means a lot for fostering a virtuous cycle in the capital market, better leveraging its pivotal role, and promoting its standardized and sound development. On the asset side, efforts will focus on enhancing the quality and investment value of listed companies, providing the market with more high-quality investment targets, and solidifying the foundation for high-quality development of the capital market. On the trading side, initiatives will vigorously promote the entry of medium-to long-term funds into the market, address bottlenecks hindering their participation, continuously enrich the supply of products and tools suitable for medium- to long-term investment, and steadily improve medium- to long-term liquidity in the capital market. During the “15th Five-Year Plan” period, securities companies should optimize their business structures and innovate products and tools based on the needs of real-economy enterprises and industrial development, while increasing resource investment in capital, talent, and technology. Serving the real economy must remain the fundamental starting point for all business activities. They should conduct in-depth analysis of the integration trends between technological and industrial innovation, keenly identify and promptly respond to shifts in corporate demand for financial services, and actively participate in major reforms such as the Sci-Tech Innovation Board and the ChiNext board. This will continuously enhance the precision and adaptability of their product offerings. Furthermore, securities companies shall earnestly practice value investing principles, focusing on identifying high-quality assets and creating long-term value. By accurately aligning with the allocation needs of medium- to long-term funds, including insurance capital, social security funds, pension insurance, and enterprise (occupational) annuities, they will consistently improve their ability to serve diverse sources of medium- and long-term capital.

Third, professionalism comes as the core requirement for first-class institutions and represents the internal strength and resilience of the securities industry in navigating external risks and challenges. During the “15th Five-Year Plan” period, securities companies shall take on their role as “gatekeepers” to enhance their capabilities in value discovery and cultivation, prioritize the development of underwriting, sponsorship, and pricing competencies, and improve wealth management service capabilities. Securities companies should adhere to principles such as honesty, integrity, diligence, duty of care, independence, and objectivity. They shall reinforce the “three lines of defense” in internal controls for investment banking business, accelerate the transition from simply ensuring IPO entry quality to providing “full-process support” and guide listed companies toward compliant operations and enhanced value. Additionally, they should continuously extend the service chain of investment banking, improve the professionalism and influence of IPO and M&A restructuring businesses, deeply engage in corporate value creation, and focus on the entire underwriting and sponsorship process. By strengthening project screening and due diligence quality and efficiency, enhancing value judgment capabilities, and accurately capturing enterprise value, securities companies will solidify their core competitiveness in investment banking. Moreover, they should further strengthen alignment of interests with investors, expedite the improvement of an evaluation system centered on investor returns, and accelerate the transformation of traditional brokerage businesses into investment advisory services and comprehensive wealth management operations from a buyer’s perspective.

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Fourth, regulators will promote new breakthroughs in the differentiated and distinctive development of securities companies. For high-quality institutions, risk control indicators will be further optimized, moderately easing capital constraints and leverage limits to enhance capital utilization efficiency. For small and medium-sized securities firms and foreign-invested securities companies, differentiated regulatory approaches will be explored in areas such as classification evaluations and business access. During the “15th Five-Year Plan” period, securities companies should leverage their unique resource endowments and comparative advantages to accelerate the shift from price competition to value competition. Guided by the goals of accelerating the building of a financial powerhouse and establishing first-class investment banks and investment institutions, leading securities firms are expected to continuously enhance their comprehensive competitiveness through business innovation, group-based operations, mergers and acquisitions, and restructuring. This will further strengthen their dominance in terms of asset scale, market share, brand influence, professional capabilities, and talent pool. Small and medium-sized securities firms need to thoroughly examine their unique strengths in shareholder background, regional resources, and team expertise, focusing on core business areas with concentrated investment. They should deeply align with regional industrial planning, integrate into local economic development, and deliver tailored capital operation solutions for local governments and enterprises within industrial chains. By building a collaborative ecosystem of research, pricing, sales, and investment-financing services around their core focus areas, they can gradually enhance their professional capabilities and brand influence.

Fifth, compliance and risk control represent the “lifeline” of the securities industry. It is essential to stay committed to enhancing governance effectiveness, further strengthen transaction management, and do more in risk prevention in key areas. During the “15th Five-Year Plan” period, securities companies shall rigorously implement the mandatory requirements for corporate governance and equity management, and improve conflict-of-interest prevention mechanisms such as related-party transaction oversight. They need to effectively enhance the capability and precision of penetration management to safeguard the lawful rights and interests of medium and small investors, and strictly prevent illegal arbitrage in investment-related businesses as well as disruptions to fair market trading order. Furthermore, securities companies should continuously strengthen early identification, warning, exposure, and resolution of key risks in major businesses such as margin trading and securities lending, and private placement asset management; key entities including non-local headquarters and subsidiaries; and critical risk categories such as credit, liquidity, and compliance. For new business models and formats, thorough research and judgment and steadily prudent handling are essential, adhering unwaveringly to the principle of refraining from operations that are unclear or unmanageable.

Sixth, during the “15th Five-Year Plan” period, the cultural development of securities firms shall closely align with the core orientation of “serving the country and supporting the real economy through finance”, integrating political and people-centered principles into their developmental philosophy. It is essential to be a strong champion and practice of the financial culture with the Chinese characteristics. To do that, the firms shall firmly establish the concept of “investor-centric” principles, prioritize functionality to actively correct deviations such as “emphasizing licenses over services, prioritizing scale over quality”. A philosophy of integrity in operations shall be deeply cultivated, upholding professional ethics and industry bottom lines, winning market trust through transparent disclosure, fair pricing, and diligent responsibility, and consciously safeguarding the principles of “openness, fairness, and impartiality” in the capital market. Efforts should be made to strengthen corporate cultural immersion and humanistic care, enhance employees’ sense of professional belonging and industry honor, and continuously attract, cultivate, and retain a group of versatile financial talents who hold fast to compliance bottom lines and professional ethics and boast solid professional expertise, thereby laying a solid talent foundation for the high-quality development of the industry.

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### (II) Development strategy of the Company

Guided by Thought on Socialism with Chinese Characteristics for a New Era, we will thoroughly implement the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th CPC Central Committee, conscientiously implement the decisions and arrangements of the Party Central Committee, the State Council, the Henan Provincial Party Committee and the Provincial Government, adhere to the general tone of “seeking progress while maintaining stability”, anchor significant requirements of the “two highs and four efforts”, take it as our own responsibility to do a good job in the “five major tasks” of finance and speed up the integration to serve the overall development of Henan Province, focus on the core concept of “Central China Securities Serving the Central China”, implement the development strategy of “Rooted in Central China, reaching across the nation, learning from the best, and empowered by technology”, comprehensively plan and promote the company’s “serial entrepreneurship”, focus on driving the “troika” of accelerating the transformation of wealth management, strengthening the coordination and linkage of investment banks, and stabilizing self-operated investment income, and deeply carry out five key actions of “characteristic development, regional deep cultivation, integrated operations, digital transformation, and tackling shortcomings”. We will build two brands: “Wealth Central China” (retail serving brand) and “Qihang Central China” (institutional service), and strive to enhance core functions, enhance core competitiveness, and promote scale growth, professional promotion, structural optimization, regional deepening and national advancement. We will continuously enrich and expand the core essence of “Henan Capital Market Strategic Carrier”, speed up becoming a “regional leading investment bank with outstanding characteristics and customer trust”, and make new and greater contributions to striving to write a new chapter of Chinese-style modernization in the Central China.

### (III) Operating plan

In 2026, the Company will reinforce the guiding role of its strategy, adhering to the general principle of pursuing progress while ensuring stability. With a focus on promoting high-quality development through quality enhancement and efficiency improvement, the Company will stay committed to deepening its presence in Henan to strengthen competitive advantages, pursuing differentiated development to forge distinctive features, and seeking breakthroughs through collaborative development. It will coordinate operation, development and strategy implementation to deliver a sound start to the Company’s development during the 15th Five-Year Plan period.

**Accelerate business quality improvement and promote steady growth in efficiency.** Guided by the Company’s “serial entrepreneurship” initiative, we will anchor our goals, break down tasks, and consolidate responsibilities to promote high-quality development across all business lines. For the **wealth management business**, we will focus on building core wealth allocation capabilities and enhancing comprehensive service levels. We will reshape job profiles based on key nodes in business processes, improve the customer value-oriented evaluation mechanism, optimize the organizational structure, and raise per capita efficiency. The development of core product lines including public funds, private funds, and FOFs will be coordinated to address product shortcomings. We will establish a robust evaluation mechanism for branch operations, continuously optimize their layout and differentiated positioning, and allocate resources in a coordinated manner. We will leverage the Internet Branch to strengthen online customer acquisition and channel expansion, enhancing sustainable development potential. For the **proprietary business**, we will adhere to prudent investment as a premise, enhance investment research capabilities, scientifically balance fixed-income and equity capital allocations, actively seize equity investment opportunities, and align our investment strategies with national long-term development goals; proactively respond to declining market yields and interest rate spreads in terms of fixed-income investment by transitioning towards a “fixed-income +” model. In sales and trading, we will strengthen internal and external business collaboration to expand the scale of bond sales business. For the **investment banking business**, we will closely align with Henan Province’s industrial planning and layout, actively engage with

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core enterprises such as provincial SOEs, industry leaders, and high-quality urban investment companies, establish VIP resident teams for strategic clients, build a comprehensive target resource pool, and intensify efforts in NEEQ listings, BSE IPOs, mergers and acquisitions, and bond projects; seize the window of opportunity for local government financing platforms to transform into comprehensive industrial platforms, deeply integrate financial advisory and other full-chain services, and elevate the quality of our services to the real economy.

**Focus on emerging business cultivation and build a benchmark for distinctive services.** By targeting key sectors, segmented markets and specialized client groups, we will give full play to the geographical advantages of the provincial securities firm and establish a benchmark for customized services. **Accelerate the transformation of wealth management.** Focusing on enhancing customer satisfaction and loyalty, we will build a value ecosystem of “customer segmentation + product suitability + business synergy.” Based on the diverse needs of different customer types, we will implement precise customer segmentation, respectively matching standardized, customized, high-end, and differentiated services and product matrices, thereby improving the tiered and categorized service system. We will strengthen training and research support, optimize the selection of lead investment advisor teams to enhance investment advisory services; refine the intelligent investment advisory platform and leverage the role of intelligent investment advisor assistants to empower business marketing promotion and product consulting and create a premium investment advisory service brand. A framework for synergistic development between wealth management and institutional business will be established, along with a sound exclusive engagement mechanism for target customers. We will deeply serve three core customer groups—enterprises in key industrial chains, Group customers and institutional brokerage customers—to enhance the competitiveness of our synergistic services. **Strengthen the linkage of “investment banking + investment + investment research”.** Focusing on serving the cultivation and growth of new quality productive forces, we will further enhance the quality and efficiency of serving the real economy, creating a new model for comprehensively serving Henan’s real economy. Centered around Henan Province’s key industrial clusters and leveraging the Company’s resource endowments such as investment research capabilities and talent teams, we will prioritize the selection of several core tracks. By concentrating the Company’s professional talent and resources in investment research, investment banking, and investment for pilot exploration, we will enhance our capability and level of creating value through services. For research business, we will improve a Henan-focused research model that combines regular tracking and in-depth thematic research. Focusing on Henan’s “Six Strong Provinces” initiative and key industrial clusters, and anchoring key industrial chains and segments, we will promote the productization and marketization of research services, give play to the comprehensive service function as a local industrial advisor, and empower the development of investment banking business. The Equity Center actively leverages its role as a service base for the Shanghai Stock Exchange and the Beijing Stock Exchange. It focuses on fostering “Specialized, Advanced, Special and New” enterprises in Henan Province, improves the regional service system for small and medium-sized enterprises, and selects outstanding enterprises. In response to the needs of high-quality enterprises, the investment banking and investment segments will provide timely support, offering services including equity investment, restructuring counseling, listing and financing, as well as mergers, acquisitions and restructuring. The Company strives to create several new benchmark cases of “the linkage of investment banking, investment and investment research”, so as to enhance its core competitiveness in serving the real economy. The Company will enhance the construction of the in-depth linkage mechanism among investment banking, investment and research business, ensure regular and smooth communication, improve the collaborative evaluation system, and comprehensively promote information sharing, resource interoperability and business synergy.

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**Strengthen key supports to enhance the efficiency of steady development.** Guided by benchmarking against advanced practices, we will strengthen internal capabilities and address shortcomings to comprehensively improve management levels and operational efficiency, thereby providing solid assurance for business development. **Strengthen Compliance and Risk Control.** We will enhance proactive risk control capabilities, firmly establish the concept that “compliance creates value,” and adhere to a “prudent” risk appetite. The level of integrated compliance and risk control will be improved, with in-depth implementation of comprehensive risk management and full-staff compliance requirements. We will strengthen the capability and targeting of penetrating management. We will improve the legality and compliance review mechanism for new products, new businesses and major decisions, and attach great importance to legal argumentation and compliance review for major development and reform initiatives. Guided by a correct perspective on performance, we will conduct systematic reviews of internal systems, consolidating a proactive compliance ecosystem in key links and critical areas. Taking the fulfillment of obligations to international anti-money laundering assessment bodies as both guidance and standards, we will enhance our capability to prevent and control money laundering risks. We will steadily develop the consolidated statement management system, establish a full-chain and penetrating consolidated management mechanism, and strengthen the capability to predict, warn of and respond to risks from a consolidated perspective. **Enhance technological empowerment.** Focusing on the development of “digital finance,” we will concentrate on functional development and iterative optimization across three key platforms—the front-end customer-facing platform centered around the “Caishengbao” APP and Enterprise WeChat, the wealth business platform, and the institutional client platform—in areas such as customer service, operation management, technological innovation, and digital infrastructure. This will support the Company’s strategy in implementing the two major brands of “Wealth Central China (财富中原)” and “Qihang Central China (企航中原)”. We will actively explore new application scenarios for large model intelligence, promote the R&D of intelligent product assistants in areas such as operations and office work, advance intelligent development of the APP, and accelerate the Company’s digital transformation to better empower business development. **Deepen cost reduction, efficiency enhancement, and quality improvement initiatives.** Focusing on core tasks such as improving per capita efficiency, integrating inefficient branches, and implementing refined management of information system investment returns, we will implement key measures including optimizing incentive mechanisms, strengthening system management, optimizing business premises, and deepening cost control, to accelerate the revitalization of inefficient assets and enhance operational efficiency. **Enhance management efficiency.** We will fully sort out existing business processes, establish a problem list, strengthen empowerment through digital tools, optimize management procedures, and improve response speed and service efficiency; accelerate the transformation of functional departments from management hubs to creators of service value, strengthen the awareness of proactive service, improve the work evaluation mechanism, and enhance the efficiency of management services as well as support and guarantee capabilities.

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### (IV) Potential risks (including the implementation of comprehensive risk management and compliance risk control, and information technology investment)

Major risks faced by the Company include: market risk, credit risk, liquidity risk, operational risk, reputation risk, compliance risk, information technology risk, etc. Specific details are set out as follows:

#### (1) Market risk and policies

Market risk is the risk of loss to the Company arising from changes in market prices (such as interest rates, foreign exchange rates, equity prices, and commodity prices). This includes: interest rate risk, which is the risk of loss to the Company from adverse changes in interest rates (or spreads); currency risk, the risk of loss to the Company from adverse changes in exchange rates; equity price risk, the risk of loss to the Company from adverse changes in equity prices or stock indices; and commodity price risk, the risk of loss to the Company from adverse changes in commodity prices. The market risks currently faced by the Company are mainly centered on its proprietary business, asset management business and the aforementioned related businesses conducted by its subsidiaries.

The Company's management of market risk primarily includes the following measures: First, establishing a strict investment decision-making and authorization system, where risk limit indicators are cascaded down to each business department according to a tiered authorization model from the Board of Directors, to the Managers, and to the business level. Second, establishing a multi-dimensional market risk limit framework, setting limits for scale, concentration, sensitivity, Value at Risk (VaR), and stop-loss. Third, establishing a management mechanism for an approved securities pool and counterparty whitelists and blacklists, which defines clear entry criteria and strictly restricts trading within the approved lists. Fourth, establishing a dynamic daily mark-to-market monitoring mechanism take timely countermeasures such as position adjustments and risk hedging. Fifth, establishing market risk measurement models and methodologies, using tools such as VaR and sensitivity analysis to measure and analyze market risk, and to adjust business strategies accordingly to manage market risk.

During the Reporting Period, the Company continued to enhance its market risk management measures: First, it refined the tiered authorization system for its proprietary trading business, specifying risk limits for each level and cascading them down to the respective business departments. Second, it revised the Company's market risk management policies, optimizing the processes for risk identification, assessment, monitoring, response, and reporting, and strengthening limit management. Third, it revised the risk management policies for the proprietary business, improved the risk control measures and risk indicator system, and standardized monitoring and reporting procedures. Fourth, it upgraded the market risk management system, enhanced its capacity for market risk measurement and management to support multi-dimensional risk and profit-and-loss (P&L) analysis. During the Reporting Period, the Company's market risk was controllable as a whole.

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### (2) Credit risk and policies

Credit risk refers to the risk of losses arising from a borrower, counterparty or issuer's failure to perform an agreement as agreed. Specifically in the following aspects: ratings downgrade or default of investment targets or counterparties; risk of failure to duly repay loans or securities upon expiry of product or customer contracts or when the maintenance guarantee ratio or performance guarantee ratio falls under the closing positions; and receivables due to settlement of brokerage business becoming bad debts. Currently the Company's credit risk mainly comes from the bond investment, margin trading and securities lending, stock-pledged repurchase transaction, agreed repurchase type securities trading business and the aforementioned related businesses carried out by its subsidiaries.

The Company's management of credit risk mainly includes: First, in terms of access management, for financing business, the Company set the access credit rating for borrowers and the selection criteria for guaranteed securities; for bond investment and trading business, the Company set credit rating access standards, and established bond pools and counterparty pools. Second, in terms of credit management, the Company set differentiated credit limits based on factors such as the credit and financial status of borrowers, issuers and counterparties, and conducted unified credit management for the same customer. Third, in terms of due diligence, the Company set up differentiated due diligence methods and contents for large-amount credit extension for financing business, major investment in credit bonds and large-amount equity investment. Fourth, in terms of tiered decision-making, it maintained a robust tiered authorization and decision-making system involving the Board of Directors, the Managers, and the business level. Fifth, in terms of duration management, the Company established a follow-up management and public opinion monitoring mechanism for the existing business, tracked, evaluated and monitored major events and negative public opinions of borrowers, counterparties and issuers, and classified the existing projects based on their risk levels.

During the Reporting Period, the Company continued to improve its credit risk management measures: First, in terms of access management, it refined the admission standards for eligible collateral in its margin financing business and raised the admission requirements for key securities pledged by clients with large financing facilities. Second, in terms of credit management, it improved the risk management mechanism for the same type of business and strengthened the management of concentration risk by tightening single-client credit limits for its margin trading and securities lending, and stock pledge and margin financing businesses. Third, in terms of tiered decision-making, it established specific review criteria for significant and major matters of subsidiaries, improved the tiered authorization management system for private investment funds and alternative investment subsidiaries and strengthened the vertical management of the subsidiary's risk management functions. Fourth, in terms of duration management, it enhanced its risk screening and post-investment management. This included conducting risk screening for clients with large financing facilities in its margin financing business and continuously monitoring compliance with contractual agreements and issuing risk alerts for its subsidiary's investment businesses. During the Reporting Period, the Company's credit risk was controllable as a whole.

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### (3) Liquidity risk and policies

Liquidity risk refers to the risk that the Company is unable to obtain sufficient funds in time at reasonable costs in order to repay maturing debts, comply with other payment obligations and satisfy the funding needs for carrying on normal business.

The Company's management of liquidity risk mainly includes: First, the Company strengthened its capital position and cash flow management, adopted a significant amount of fund advance reservation model, strengthened the monitoring and management of a significant amount of funds, scientifically predicted the cash flow gap in different periods in the future, and ensured the consistency of financing arrangements and business capital utilization. Second, the Company expanded financing channels, comprehensively used various financing methods, balanced the distribution of debt maturity, improved the diversification and stability of financing, and avoided the repayment risk due to a single financing channel or concentrated debt maturity. Third, the Company established a liquidity reserve fund operation and management mechanism, reasonably set the minimum holding scale of liquidity reserve fund and the allocation ratio of high-quality liquid assets, and held sufficient high-quality liquid assets to ensure that the Company can realize sufficient funds in a timely manner to deal with the funding gap under normal and stressed conditions. Fourth, the Company adopted a risk monitoring system with net capital and liquidity as the core, monitored risk control indicators, and used stress tests to assess the impact of business activities on the Company's liquidity. Fifth, the Company established and continued to improve the liquidity risk emergency response mechanism, and regularly carried out liquidity risk emergency drills to ensure the timeliness and effectiveness of the Company's response to liquidity crisis.

During the Reporting Period, the Company continued to enhance its controls and countermeasures for liquidity risk: First, by coordinating its annual funding allocation and financing plan, the Company dynamically optimized its asset-liability structure in light of market trends and its planning, continuously strengthened the management of short-term and long-term liabilities, and maintained a reasonable matching of assets and liabilities. Second, it successfully obtained approval for issuance quotas of various financing instruments including sci-tech innovation bonds and subordinated bonds, and actively expanded credit cooperative institutions. Through multiple measures such as enriching financing varieties, expanding available financing quotas and optimizing the bond investor structure, it continued to enhance its comprehensive financing capacity to ensure sustained and sound funding sources. Third, it strengthened the tracking and monitoring of the market financing environment, liquidity and the progress of the Company's business development, scientifically planned the financing pace, raised funds through multiple channels, and conducted timely position management to meet various funding needs and effectively guard against liquidity risks. Fourth, the Company revised and improved the reporting rules for liquidity risk indicators, upgraded and transformed the indicator monitoring system to ensure the accurate, timely, and continuous measurement and monitoring of liquidity risks. Fifth, focusing on the Company's new business development plan, it applied stress tests to fully assess the impact of business activities on the Company's net capital and liquidity. Based on the scale, nature and risk characteristics of new businesses, it formulated targeted emergency drill scenarios and carried out drills to test the effectiveness and feasibility of the liquidity risk response mechanism. As of the end of the Reporting Period, the liquidity coverage ratio and net stable funding ratio of the Company were 201.57% and 226.41%, respectively, which were in compliance with the regulatory requirements. No material liquidity risk events occurred during the Reporting Period.

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### (4) Operational risk and policies

Operational risk refers to the risk of loss caused by imperfect or faulty internal procedures, personnel, information technology systems, and external events. Operational risk involves all departments, branches and subsidiaries of the Company.

The Company's management of operational risk mainly includes: First, the Company formulated operational risk management methods and relevant rules to standardize the whole process of operational risk identification, assessment, control, monitoring, and reporting. Second, the Company developed effective operational risk identification and assessment procedures to proactively identify operational risks existing in the business, process, and system, and ensure that the internal operational risks of new businesses are fully assessed before they are launched. Third, the Company established key risk indicators of operational risk to monitor operational risks. Fourth, the Company collected and analyzed operational risk loss data. Fifth, the Company established operational risk emergency response mechanisms, developed emergency plans, and implemented response responsibilities.

During the Reporting Period, the Company continuously enhanced its operational risk management measures: First, it optimized its system of key risk indicators for operational risk, enabling dynamic and continuous monitoring of these indicators. Second, it systematically collected operational risk loss data. By analyzing operational risk events and related data, the Company developed countermeasures for risk points with high frequency or significant loss amounts and strengthened post-event follow-up and improvement measures. Third, during the process of policy development and risk control reviews, it progressively refined business process controls to prevent operational risk. Fourth, it conducted the Company's 2025 operational risk and control self-assessment, and thoroughly identified and evaluated associated operational risks prior to the launch of new businesses and products by the Company. During the Reporting Period, the Company had no significant operational risk events.

### (5) Reputation risk and policies

Reputation risk refers to the risk that investors, issuers, regulatory agencies, self-regulatory organizations, the public and the media may give negative evaluation to the Company due to the Company's behavior or external events, and our staff's violation of integrity regulations, professional ethics, business norms, rules and agreements and other related behaviors, which damage the brand value of the Company, adversely affect the normal operation of the Company and even impact the market stability and social stability. The Company's operational and management behaviors involving reputation risk mainly include: strategic planning or adjustments, changes in shareholding structure, internal organizational restructuring or changes in core personnel; business investment activities and the design, provision or promotion of products and services; significant deficiencies in internal control design, execution, and systematic control, or incidents of major operating losses; judicial events and regulatory investigations and penalties; inaccurate reports by the news media or inaccurate statements on the Internet; customer complaints and inappropriate statements or behaviors related to the Company; and improper statements or behaviors by staff members who have violated the provisions of integrity, professional ethics, business norms, and industry regulations and conventions.

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The Company's management of reputation risk mainly includes: First, the Company established and improved the relevant policies on reputation risk management, and strengthened reputation risk management by optimizing the organizational structure, division of responsibilities, management process, emergency response mechanism, staff behavior regulation and reporting mechanism, etc. Second, the Company established and improved the reputation risk management system to effectively identify, prudently assess, dynamically monitor, timely respond to and report reputation risks through effective public opinion monitoring means. Third, the Company bettered the mechanism for reporting and managing reputation risks. All departments, branches and subsidiaries of the Company prevented reputation risks and dealt with reputation risk events to maintain the Company's reputation and brand image. Fourth, the Company organised reputation risk management training sessions to cultivate awareness of reputation risk prevention of all staff. Fifth, the Company launched reputation risk emergency drills to enhance its reputation risk emergency response capabilities.

During the Reporting Period, the Company managed the reputation risk by sticking to the principles of full staff in the whole process, prevention first, prudent management and rapid response. The Company safeguarded the image of the securities industry and market stability. First, the Company revised and improved its reputation risk management system, optimized departmental responsibilities and emergency mechanisms, and strengthened reputation risk management. Second, the Company strengthened the monitoring of the Company's public opinion, focusing on preventing reputation risks arising from client complaints and employee conduct, and proactively resolved the reputation risks by means of risk event tracking management and strengthening media communication. Third, the Company identified potential risk points, expanded its list of keywords for public sentiment monitoring, and enhanced its capabilities for identifying and monitoring reputation risks. Fourth, the Company carried out reputation risk emergency drills to improve its rapid response and effective disposal capabilities against reputation risks. Fifth, the Company organized reputation risk management training to enhance the awareness of all employees on reputation risk prevention. During the Reporting Period, the Company had no significant reputation events.

### **(6) Compliance risk and policies**

Compliance risk refers to the risk of the Company being legally held accountable, subject to supervisory measures, given disciplinary sanction or suffering from loss of property or reputation arising from the violation of laws, regulations and guidelines by the Company or its personnel in their operation, management or practices.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

The Company's management of compliance risk mainly includes: First, the Company keeps track of laws, regulations and guidelines in a timely manner, and continuously improves the compliance management system based on the actual situation of the Company. At the same time, the Company supervises all units to formulate and revise their internal management system and improve their business process in a timely manner and actively carries out the construction of a compliance culture and improves the self-discipline mechanism. Second, the Company conducts compliance reviews of the Company's systems, major decisions, new products, new business plans, etc. Third, the Company provides compliance advice and consultation for the Company's management and various units, and supervises and reviews the compliance of management activities. Fourth, the Company strictly implements compliance assessment and accountability mechanisms, and effectively plays the role of assessment-oriented and accountability and warning. Fifth, the Company performs internal and external reporting obligations in accordance with regulations. Sixth, the Company organises and promotes all units to carry out money laundering risk prevention and control work in accordance with the Company's anti-money laundering system. Seventh, the Company's Compliance Management Department strengthens the training and management of compliance administrators, and creates a team of compliance administrators with strong compliance awareness and professional capabilities. The Company timely identifies, evaluates and manages the relevant compliance risks in its operation and management through compliance consultation, compliance review, compliance inspection, compliance monitoring and other channels, and integrates compliance management into decision-making, execution, supervision, feedback and other links, and into the whole process of company operation and management.

During the Reporting Period, the Company further strengthened the compliance management of various projects. First, the Company continued to improve the full life-cycle management of rules and regulations. Taking the revision of the Measures for the Administration of Rules and Regulations (《規章制度管理辦法》) as the starting point, the Company promoted the establishment of a unified management platform and a full-process management system for corporate regulations, emphasized the principles of categorized, tiered and graded management, led and supervised all business departments to complete the formulation, revision and abolition of regulations, so as to enhance the authority and enforcement of regulations. In parallel, the Company completed the upgrade and transformation of the regulation management module in the OA system, and built the "Luoshu" large model for internal and external regulation consultation and full-domain corporate regulation keyword query functions, improving the intelligence level of regulation inquiry and compliance consultation. Second, the Company fully implemented anti-money laundering regulatory requirements. Taking the implementation of the new Anti-Money Laundering Law as an opportunity, the Company revised the basic anti-money laundering system and three special systems, covering such important links as beneficial owner identification and business risk assessment. The Company continued to optimize the functions and monitoring indicators of the anti-money laundering management system, adjusted the existing suspicious transaction monitoring models, and improved the effectiveness of monitoring and early warning. It organized study, publicity and training focusing on the new law, and actively formed teams to participate in provincial-level anti-money laundering business competitions and won awards. Third, the Company enhanced compliance management capabilities and organizational efficiency, deepened departmental function development and internal division of labor optimization, and clarified job responsibilities and coordination mechanisms. By encouraging learning through examination, the Company increased the number of employees with various professional qualifications throughout the year, including fund, futures, legal, sponsor representative and anti-money laundering qualifications, and the professional competence of the team was further enhanced. The Company optimized internal operation mechanisms, studied and improved review processes, focused on reducing procedural reviews, concentrated resources on substantive risk management and control, so as to provide a solid guarantee for the sound and sustainable development of the Company.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (7) Information technology risk and policies

Information technology risk refers to hardware and software failure, communication failure, security loopholes and insufficient emergency management capability of disaster recovery systems in the information technology systems, which may affect the Company's ordinary business and result in direct or indirect losses.

Through the application of and the investment in information system business continuity system construction, new technology application, security reinforcement, infrastructure update and other aspects, the Company laid a solid foundation for the operation and maintenance of information system and further improved the stability of information systems. The risk policies mainly encompass the five aspects as below: First, it continued to increase investment in foundational resources and solidify the technology support platform. Through measures including upgrading key facilities of core systems and expanding our cloud platform, a secure and efficient technical infrastructure platform is provided. Second, it continued to optimize and improve the system change management and control mechanism, establish a rigorous technical and business risk assessment mechanism prior to changes and strengthen pre-change review, standardized operation, process inspection and outcome evaluation of system changes to achieve the goal of trouble-free system changes. Third, it actively applied AI large model technologies to empower operation monitoring. Through the continuous construction of an integrated monitoring and operation platform, it developed visualized monitoring scenarios and expanded intelligent analysis functions and realized intelligent fault diagnosis and Q&A support, significantly improving fault detection capability. Fourth, it diligently managed the performance and capacity of our information systems, conducting regular stress tests on critical systems to scientifically assess their capacity and performance. Fifth, it strengthened proactive security defense and established an integrated security monitoring and vulnerability management system. Through vulnerability scanning and security penetration testing, it achieved full-lifecycle management of security loopholes from discovery to remediation, and comprehensively consolidated the security protection foundation of the Company.

During the Reporting Period, the IT team of the Company, taking the three-year network and information security enhancement work plan as a core starting point, was committed to the operation and maintenance concepts of "normalization, process-based, standardization, refinement and digitization" to steadily enhance the system operation guarantee capability by continuously improving the system and the process mechanism, ensuring the fundamental basis input, enhancing the systemic monitoring and early warning system, perfecting the network security prevention system and carrying out the stress tests and emergency drills. Meanwhile, the Company continued the efforts in its IT team by expanding the talent team and prioritised enhancing the professional level and business capabilities of the team members to effectively underpin the business development of the Company.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### VIII. PROFIT DISTRIBUTION AND PROFIT DISTRIBUTION PROPOSAL

Please refer to VIII. “PROPOSAL FOR PROFIT DISTRIBUTION OR CAPITALISATION ISSUE” under Section 4 “CORPORATE GOVERNANCE REPORT” of this report.

### IX. DIRECTORS

Please refer to III. “PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT” under Section 4 “CORPORATE GOVERNANCE REPORT” of this report.

### X. DIRECTORS’ INTERESTS IN THE BUSINESS COMPETING WITH THE COMPANY

During the Reporting Period, none of the Directors of the Company has any interest in the business that competes or may compete, either directly or indirectly, with the Company.

### XI. PERMITTED INDEMNITY PROVISION

Please see I “Composition of the Board” — (II) “Directors and the Board” — 1. “OVERVIEW OF THE CORPORATE GOVERNANCE” under Section 4 “CORPORATE GOVERNANCE REPORT” of this report.

### XII. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 31 December 2025, based on the information acquired by the Company and to the knowledge of the Directors, none of the Directors and the chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO to be entered into the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

As of 31 December 2025, none of the Directors or their respective spouses or children under the age of 18 was granted the right to acquire benefits by means of acquisition of Shares in or debentures of the Company or had exercised any such right; nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouses or children under the age of 18 to acquire such right in any other corporation.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### XIII. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 31 December 2025, pursuant to the knowledge of the Directors of the Company after making reasonable inquiries, the following persons (other than Directors or chief executive of the Company) have the following interests or short positions in shares or underlying shares required to be disclosed to the Company in accordance with Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by the Company under Section 336 of the SFO:

Name	Class of shares	Nature of interest	Number of shares held (shares)	Percentage of the Company's total issued shares (%)	Percentage of the Company's total issued A shares/H shares	Long position/ short position/ lending pool
Henan Investment Group	A Share	Beneficial owner	822,983,847	17.726	23.872	Long position
	H Share	Beneficial owner/ Interests in corporations controlled by substantial shareholders	200,573,000 <sup>note</sup>	4.320	16.779	Long position
E Fund Management Co., Ltd.	H Share	Investment manager	152,812,000	3.291	12.783	Long position

Note: To the best knowledge of the Company, as of the end of the Reporting Period, in addition to the 822,983,847 A shares of the Company directly held by it, Henan Investment Group Co., Ltd. also held 46,733,000 H shares of the Company through its wholly-owned subsidiary, Dahe Paper (Hong Kong) Co., Limited, and held 153,840,000 H shares of the Company through Stock Connect's Southbound trading, totaling 1,023,556,847 shares of the Company, accounting for 22.05% of the total issued shares of the Company.

Save as disclosed above, as of 31 December 2025, the Company was 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 required to be recorded in the register under Section 336 of the SFO.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### XIV. PURCHASE, SALES OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or repurchased any securities of the Company (including selling treasury shares) during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any treasury shares of the Company as defined in the Hong Kong Listing Rules.

### XV. NON-COMPETITION UNDERTAKING OF CONTROLLING SHAREHOLDERS

Please refer to II. "SPECIFIC MEASURES OF THE COMPANY'S CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER FOR ENSURING THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, INSTITUTION AND BUSINESS AS WELL AS SOLUTIONS, WORK PROGRESS AND FOLLOW-UP PLANS THAT INFLUENCE THE COMPANY'S INDEPENDENCE" under Section 4 "CORPORATE GOVERNANCE REPORT" of this report.

### XVI. OTHER DISCLOSURES

#### (I) Share capital

Please refer to the 37. "Share capital" in VI "NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS" under Section 8 "FINANCIAL REPORT" as set out in this report.

#### (II) Pre-emptive rights arrangement

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

#### (III) Sufficiency of public float

As at the end of the Reporting Period, the Company had a total of 4,642,884,700 shares in issue, comprising 3,447,519,700 A shares and 1,195,365,000 H shares. From the date on which the Company's H shares were listed to the date of this report, according to the information obtained by the Company and the knowledge of the Directors, the public float of the Company has been in compliance with the relevant regulations of the Hong Kong Listing Rules.

#### (IV) Management contract

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

#### (V) Directors service contracts

None of the Directors is proposed for re-election at the next annual meeting and has a service contract with the Company or a subsidiary of the Company which is not terminable within one year or is terminable by the payment of any compensation other than statutory compensation.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (VI) Material interests of Directors in transactions, arrangements or contracts

The Company or its subsidiaries have not entered into any significant transactions, arrangements or contracts entitling substantial interests to the Directors of the Company or their related entities directly or indirectly during the Reporting Period.

### (VII) Interests of controlling shareholders in material contracts

As at 31 December 2025, save as disclosed under “CONNECTED TRANSACTIONS” in “SECTION 5 SIGNIFICANT EVENTS”, there were no material contracts relating to the business of the Group to which the Company (or any of its subsidiaries) and the controlling shareholder (or any of its subsidiaries) were the parties, nor were there any material contracts for the provision of services to the Company (or any of its subsidiaries) by the controlling shareholder (or any of its subsidiaries).

### (VIII) Rights of Directors to acquire shares or debentures

During the Reporting Period, no arrangements to which the Company, any of its subsidiaries, its holding company or any subsidiaries of its holding company is or was a party enabling the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or other body corporate.

### (IX) Equity-linked agreement

During the Reporting Period, the Group had no new or existing equity-linked agreements.

### (X) Employees

Please refer to VII “EMPLOYEES OF THE PARENT COMPANY AND ITS MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD” under Section 4 “CORPORATE GOVERNANCE REPORT” of this report.

### (XI) Pension scheme

The Company and its domestic subsidiaries pay basic pension insurance for the employees (the “Pension Insurance Plan”) in accordance with the relevant regulations of the local government. The subsidiaries of the Company in Hong Kong, including Central China International, make contributions to the Mandatory Provident Fund (the “MPF Plan”) in accordance with the “Mandatory Provident Fund Schemes Ordinance” of Hong Kong. The Company and its domestic subsidiaries have established the enterprise annuity plan (the “Enterprise Annuity Plan”) in accordance with the relevant policies of the domestic enterprise annuity system. The Company and its domestic subsidiaries make monthly contributions to the pension insurance plan at a certain percentage of the payment base stipulated by the government authorities, and make contributions to the enterprise annuity plan at a certain percentage of the payment base. Central China International contributes to the MPF Plan based on certain percentages of the monthly relevant income of the existing eligible employees.

For the year ended 31 December 2025, the Group had no forfeited contributions under the Pension Insurance Plan or the MPF Plan. Under the Enterprise Annuity Plan, the forfeited contributions of the Company and domestic subsidiaries are retained in the public account for enterprise annuity in accordance with the domestic enterprise annuity policy and enterprise annuity management system. The forfeited contributions shall be enjoyed by the employees who are still in the Enterprise Annuity Plan and shall not be available to reduce future contributions or reduce levels of existing and future contributions. Please refer to the 29. “Employee benefits payable” in VI “NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS” under Section 8 “FINANCIAL REPORT” as set out in this report.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

### (XII) Donations

During the Reporting Period, the Group actively supported the development of charitable causes, contributing to the sustainable advancement of social charity and the building of a harmonious socialist society with Chinese characteristics. Throughout the year, external donations amounted to approximately RMB196,000, allocated for public welfare initiatives for elderly care (RMB6,788.2); organizational support for the renovation and upgrading of Party member activity rooms in villages lifted out of poverty (RMB34,233.36); and the solar street lighting project in Erdaohe Village (a village lifted out of poverty), involving the installation of 81 solar street lights (RMB55,000); donating RMB50,000 to Zhangzhuyuan Village, Liuzhentun Town, Huaiyang District, Zhoukou City as a rural revitalization assistance fund for the construction project of solar street lamps in Zhangzhuyuan Village, installing 35 solar lamp posts and 45 solar street lamps; donated RMB50,000 to Qianyang Village, Shaodian Town, Shangcai County, Zhumadian City as a rural revitalization assistance fund for the construction of hardware facilities for the Qianyang Village Committee.

### (XIII) Property, plants, equipment and investment properties

As of the end of the Reporting Period, for details of the Group's property, plants, equipment and investment properties, please refer to the 13 "Investment properties" and 14. "Fixed assets" in VI "NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS" under Section 8 "FINANCIAL REPORT" as set out in this report.

### (XIV) Reserves

For changes in the Group's reserves and distributable reserves during the Reporting Period, please refer to the 38 "Capital reserve" — 41. "General risk reserve" in VI "NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS" under Section 8 "FINANCIAL REPORT" as set out in this report.

### (XV) Tax reduction and exemption

#### A Shareholders

In accordance with the Notice of Implementing Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies (Caishui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)) and Notice on Issues Relating to Implementing Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies (Caishui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) issued by the Ministry of Finance, State Administration of Taxation and the CSRC, for shares of listed companies obtained by individuals from public offerings or the transfer market, where the holding period is less than one month (inclusive) (from the date of an individual's acquirement of the shares of a listed company from the public offering and transfer market to the date prior to the date of transfer and settlement of such shares), the full amount of dividends shall be counted as taxable income at an effective tax rate of 20%; where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be counted as taxable income on a provisional basis at an effective tax rate of 10%; and where the holding period exceeds one year, the dividends shall be temporarily exempted from individual income tax. For dividends distributed by the listed company, where the period of individual shareholding is within one year (inclusive), the listed company shall not withhold the individual income tax temporarily. When an individual transfers his/her shares, the securities depository and clearing company calculates the actual taxable income according to his/her period for holding shares, and the company withholds tax otherwise through the securities depository and clearing company for the part in excess of the withheld tax. For the dividends obtained from a listed company by a securities investment fund, individual income tax is levied in accordance with the Caishui [2012] No. 85 requirements. For shareholders who are resident enterprises, the income tax on their cash dividends shall be payable on their own.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

For the shareholders who are Qualified Foreign Institutional Investors (QFII), the listed company shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Notice Concerning the Relevant Questions on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47)(《關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)) by the State Administration of Taxation. QFII shareholders who wish to enjoy tax concessions shall apply to the competent taxation authority for tax rebates (arrangements) according to the relevant rules and regulations after they receive the dividends.

Pursuant to the requirements of the Notices of Ministry of Finance, State Administration of Taxation and CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (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)), the listed company shall withhold an income tax at the rate of 10% on dividends from the A shares of the Company invested by Hong Kong investors (including enterprises and individuals) through the SSE, and apply for withholding via the competent tax authorities (before the Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to the China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented). For investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the Company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authority, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

### H Shareholders

In accordance with provisions of the Notice of the State Administration of Taxation on Personal Income Tax Collection Issues after the Document with the Number of Guo Shui Fa [1993] No. 045 has been Abolished (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徵管問題的通知》(國稅函[2011]348號), withholding and remitting obligor will withhold and remit personal income tax as per item of “interest, dividends and bonus income” for dividends and bonus income of overseas resident individual shareholders from domestic non-foreign-funded enterprise by issuing shares in Hong Kong. When a domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with the tax convention signed by China and the country stated in the residential identity and tax arrangement of Chinese Mainland and Hong Kong (Macao). In general, the tax rate for dividends is 10% in accordance with relevant tax conventions and provisions on tax arrangements. To simplify tax collection and management, when a domestic non-foreign funded enterprise that has issued shares in Hong Kong distributes dividends and bonuses, personal income tax will be generally withheld and remitted as per the tax rate of 10% and application is not necessary. Situations in which the tax rate for dividends is not 10% will be handled in accordance with the following provisions: (1) according to the Administration Measures on Preferential Treatment Entitled by Non-residential Taxpayers under Tax Treaties (Announcement issued by State Administration of Taxation 2019 No. 35) 《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號), as for residents of a conventional country whose tax rate is less than 10%, such H share individual holders shall submit an application to the Company for regulated treatment and reserve related information if those holders are residents in countries with tax agreement at the rate of less than 10%. If the applied information is complete, the tax will be paid by the Company according to taxation laws and regulations in China and the provisions in treaties; (2) as for residents of a conventional country whose tax rate is between 10% and 20%, withholding and remitting obligor shall withhold and remit personal income tax as per the actual conventional tax rate when distributing dividends and bonus and it need not handle application and approval issues; (3) as for residents without tax convention and other situations, withholding and remitting obligor shall withhold and remit personal income tax at the tax rate of 20% when distributing dividends and bonus.

## SECTION 3 REPORT OF THE BOARD OF DIRECTORS

According to the Notice on the Withholding Corporate Income Tax on the Dividends Distributed by the Chinese Resident Enterprise to Foreign H Share 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 State Administration of Taxation, when the Chinese resident enterprises distribute dividends of 2008 and subsequent years to foreign H share non-resident enterprise shareholders, they shall pay the withholding enterprise income tax at the rate of 10%.

According to the requirements of Notice on the Tax Policies Concerning the Pilot Program of the Shanghai, Hong Kong Stock Connect Published by the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission (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 Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen, Hong Kong Connect (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)), H-share companies shall withhold an individual income tax at the rate of 20% on dividends from the H shares of the Company invested by Chinese Mainland individual investors on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by Chinese Mainland securities investment funds through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements. For dividends of the shares listed on the Hong Kong Stock Exchange received by Chinese Mainland enterprise investors through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, H share companies shall not withhold income tax of dividends, and Chinese Mainland enterprise investors shall report and pay the tax amount by themselves. In particular, the dividends received by resident enterprises in the Chinese Mainland which hold H shares for at least 12 consecutive months could be exempted from enterprise income tax according to the law.

Under the current practice of the Hong Kong Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends paid by the Company. The shareholders of the Company shall pay the relevant tax and/or are entitled to tax reliefs in accordance with the above requirements.

### (XVI) Bond issuance

For details of the issuance of corporate bonds of the Company during the Reporting Period, please refer to Section 7 "INFORMATION ON BONDS ISSUED BY THE COMPANY" of this report.

All references in this section to other parts, sections or notes in this report form part of the Report of the Board of Directors.

### (XVII) Material investments

As of 31 December 2025, the Group did not hold any material investments constituting 5% or more of the Group's total assets.

By order of the Board  
Chairwoman  
**Zhang Qiuyun**

27 March 2026

## SECTION 4 CORPORATE GOVERNANCE REPORT

### I. OVERVIEW OF THE CORPORATE GOVERNANCE

Being a public company listed in both SSE and Hong Kong Stock Exchange, the Company operates in strict compliance with laws, regulations, and normative documents at the domestic and overseas listing places, including the Company Law, Securities Law, Regulation on the Supervision and Administration of Securities Companies, Rules for Governance of Securities Companies, Code of Corporate Governance for Listed Companies, and Corporate Governance Code, and is committed to maintaining and improving its good social image of the Company. During the Reporting Period, the Company successfully completed the dissolution of the Supervisory Committee and ensured the transition for the Audit Committee of the Board to assume the Supervisory Committee's former duties in connection with the CSRC's Transitional Arrangements for the Implementation of Supporting Rules for the New Company Law. In accordance with relevant regulatory requirements and guiding principles, we optimized the composition of the Board and its special committees to foster a more rational governance structure and solidify our corporate governance foundation. On one hand, we have diversified the Board's composition and strengthened the professional stewardship provided by external directors; on the other hand, we have bolstered the staffing of our special committees and optimized their structural composition to be more scientific.

#### (I) Shareholders and general meeting

The general meeting shall be the supreme authority of the Company. All shareholders exercise their power through the general meeting. The Company strictly complied with the relevant requirements of the Articles of Association and Rules of Procedures for General Meetings to ensure that the calling, proposing, notice giving, convening, and voting procedures for general meetings are legal and valid, and all shareholders, especially minority shareholders, could enjoy equal status and fully exercise their rights as shareholders. The general meeting exercises the following functions and powers in accordance with the laws:

- (I) to elect and change Directors (excluding employee representative Director), and resolve on the remuneration of Directors;
- (II) to consider and approve reports of the Board;
- (III) to consider and approve the Company's profit distribution plan and loss recovery plan;
- (IV) to resolve on the increase or decrease in the registered capital of the Company;
- (V) to resolve on the issuance of bonds of the Company;
- (VI) to resolve on the merger, division, dissolution, liquidation or change of nature of organization of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to resolve on the engagement and dismissal of the accounting firm undertaking the Company's audit business;
- (IX) to consider and approve the external guarantees of the Company that require the approval by the general meeting;
- (X) to consider the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30% of the latest audited total assets of the Company;
- (XI) to consider and approve matters relating to the changes in the use of proceeds from share offerings;
- (XII) to consider share incentive scheme and employee stock ownership scheme;

## SECTION 4 CORPORATE GOVERNANCE REPORT

- (XIII) to consider proposals of shareholders holding not less than 1% (inclusive) in aggregate of the Company's shares;
- (XIV) to consider other matters which, in accordance with laws, administrative regulations, department rules or the Articles of Association, shall be approved at the general meeting.

The matters resolved at a general meeting which are subject to approval by national regulatory and management authorities of securities shall take effect upon such approval. For those matters involving with change of registration, formalities on change of registration shall be gone through in accordance with law.

### (II) Directors and the Board

#### 1. Composition of the Board

For the composition of the Board as at the date of this report, please refer to III. "PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT" under Section 4 "CORPORATE GOVERNANCE REPORT" of this report.

There is no relationship among the Directors, Supervisors and senior management including relationships in terms of financial, business, family, or other significant or related relations. During the Reporting Period, the Company purchased liability insurance for Directors and senior management. During the Reporting Period and up to the date of the Supervisory Committee's dissolution, the Company purchased liability insurance for Supervisors. To further encourage Directors, Supervisors and senior management to fully and diligently fulfill their duties, the Company properly managed potential legal and regulatory risks that may arise in their performance of duties.

#### 2. Responsibilities of the Board

The Board of Directors of the Company shall be accountable to the general meeting and exercises its functions and powers in accordance with the Articles of Association, Rules of Procedures for Board Meetings and other rules. According to the Articles of Association, the main duties of the Board of Directors include:

- (I) to convene general meetings and report to general meetings;
- (II) to report at the annual general meetings and disclose in the annual reports the performance of Directors, including the number of attendances of Directors at Board meetings and voting during the Reporting Period;
- (III) to execute resolutions of general meetings;
- (IV) to resolve on the Company's operational policies and strategic planning;
- (V) to resolve on the Company's operational plans and investment programs;
- (VI) to prepare the annual financial budgets and final accounting plans of the Company;
- (VII) to decide the profit distribution plan and loss makeup plan of the Company;
- (VIII) to prepare plans for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and listing;
- (IX) to formulate plans for material acquisitions, repurchase of shares of the Company, merger, division, dissolution and transformation of the Company;

## SECTION 4 CORPORATE GOVERNANCE REPORT

- (X) to resolve on the establishment and adjustment of internal management organizations and branches of the Company;
- (XI) to appoint or dismiss the Company's general manager, chief compliance officer, chief risk officer, secretary to the Board, and other senior management as nominated by the Remuneration and Nomination Committee and determine their remunerations and awards and punishment; to decide to appoint or dismiss the Company's vice general manager, chief financial officer, and other senior management as nominated by the general manager and determine their remunerations and awards and punishment;
- (XII) to set up the basic management system of the Company;
- (XIII) to formulate the proposals for any amendment to the Articles of Association;
- (XIV) to manage the information disclosure of the Company;
- (XV) to propose to general meeting for the appointment or replacement of the accounting firm carrying auditing for the Company;
- (XVI) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, related party transactions, external donation, etc. of the Company according to the laws, regulations, the regulatory rules of the place where the Company's shares are listed or the authorization of the general meetings;
- (XVII) to listen to the work report of the general manager of the Company and examine the general manager's work;
- (XVIII) to listen to the report of the chief compliance officer on the compliance status of the Company;
- (XIX) to determine Directors' remunerations and distribution plan thereof, and submit special reports to the general meeting on the performance evaluation and remunerations of Directors;
- (XX) to be in charge of establishment and effective implementation of internal control, and undertake the full responsibility for risk management;
- (XXI) to undertake the ultimate responsibility for anti-money laundering management, and to perform corresponding duties in accordance with regulations;
- (XXII) to resolve on the objective of the Company's culture efforts, and be responsible for the effectiveness of the efforts above;
- (XXIII) to study the Company's ESG-related plans, objectives, systems and significant matters, pay attention to ESG-related risks, and review ESG-related reports;
- (XXIV) to exercise other functions and powers as stipulated by laws and regulations, departmental rules, regulatory documents, or the Articles of Association and those authorized by the general meeting.

## SECTION 4 CORPORATE GOVERNANCE REPORT

### 3. Management

The powers and duties of the Board and the management are clearly defined in the Articles of Association to ensure adequate check and balance for good corporate governance and internal control. The management of the Company is responsible for organizing the implementation of resolutions of the Board and the annual business and investment plans of the Company, consistently executing the financial budget of the Company, formulating specific rules of the Company, and deciding on the employment and dismissal of employees.

### (III) Supervisors and the Supervisory Committee

#### 1. Composition of the Supervisory Committee

For the composition of the Supervisory Committee during the Reporting Period, and up to the date of the Supervisory Committee's dissolution, please refer to III. "PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT" under Section 4 "CORPORATE GOVERNANCE REPORT" of this report.

#### 2. Responsibilities of the Supervisory Committee

During the Reporting Period and up to the date of the Supervisory Committee's dissolution, the Company's Supervisory Committee is responsible to all shareholders, and responsible for supervising the legal compliance of the Company's financial operations and the Company's Directors, General Managers, and other senior management in performing their duties, and safeguarding the lawful rights and interests of the Company and its shareholders. The calling, convening, transacting, and voting procedures for Supervisory Committee are strictly in compliance with the Rules of Procedures for the Supervisory Committee, ensuring the standard operation of the Supervisory Committee. During the Reporting Period and up to the date of the Supervisory Committee's dissolution, the Supervisory Committee of the Company shall mainly exercise the following functions and powers:

- (I) to examine financial operations of the Company;
- (II) to supervise the work performance of the Directors and senior management, and propose dismissal of Directors and senior management who have violated laws, administrative regulations, the Articles of Association, or the resolutions of general meetings;
- (III) to require Directors and senior management to make corrections if their conduct has damaged the interests of the Company;
- (IV) to require the Board to make corrections when any resolution of the Board runs against the laws and administrative regulations or regulations of China Securities Regulatory Commission;
- (V) to review the financial reports and profit distribution plans to be submitted by the Board to the general meetings; to conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm, or other professional institutions to assist in their work, from which the reasonable fees incurred shall be borne by the Company;
- (VI) to be responsible for the supervision of money laundering risk management, to supervise the performance of the Board and the management in money laundering risk management and urge the rectification, and to provide suggestions and opinions on the money laundering risk management of the Company;

## SECTION 4 CORPORATE GOVERNANCE REPORT

- (VII) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside over the general meetings;
- (VIII) to propose proposals to the general meeting;
- (IX) to coordinate with Directors on behalf of the Company or initiate legal proceedings against Directors and senior management in accordance with the laws;
- (X) to formulate remuneration and distribution plan for Supervisors and submit special reports on performance evaluation and remuneration of Supervisors to the general meeting;
- (XI) to exercise other functions and powers as stipulated by laws and regulations, departmental rules, normative documents, or the Articles of Association.

During the Reporting Period and up to the date of the Supervisory Committee's dissolution, the Supervisors may attend Board meetings and make inquiries or suggestions in relation to the resolutions of such meetings.

During the Reporting Period and up to the date of the Supervisory Committee's dissolution, the Company shall bear all reasonable fees incurred in the retaining of such professionals as lawyers, certified public accountants, and practising auditors by the Supervisory Committee to exercise its functions and powers.

### **II SPECIFIC MEASURES OF THE COMPANY'S CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER FOR ENSURING THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, INSTITUTION AND BUSINESS AS WELL AS SOLUTIONS, WORK PROGRESS AND FOLLOW-UP PLANS THAT INFLUENCE THE COMPANY'S INDEPENDENCE**

The Company has independent business and operation capabilities, and operates in strict accordance with the Company Law, Securities Law, other relevant laws and regulations and the Articles of Association. The Company is independent from the controlling shareholders in terms of assets, personnel, finance, institutions and business. During the Reporting Period, the important decisions of the Company were made and implemented by the Company independently. No controlling shareholders intervened in the Company's decision-making and production and operation activities beyond the general meeting.

To avoid competition in the same industry, the Company entered into a non-competition agreement with Henan Investment Group on 10 March 2014. Henan Investment Group undertook that if Henan Investment Group or its holding companies discovers any new business opportunity that constitutes or may constitute direct or indirect competition with the principal business of the Company or the Company's holding companies, it shall, subject to the applicable laws and regulations of Henan Investment Group, notify the Company in writing within ten business days of the discovery of such new business opportunity and provide the Company with such information as it may require in relation to such new business opportunity, and endeavor to procure the same to be first provided to the Company or the Company's holding companies on reasonable and fair terms and conditions.

## SECTION 4 CORPORATE GOVERNANCE REPORT

### III PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

#### (I) Changes in the shareholding held by and information on remuneration of the Directors and senior management who held office or resigned during the Reporting Period

Unit: Share

Name	Position	Gender	Age	Term of office commencing on	Term of office ending on	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes (increase/decrease) in shares held during the year	Reason for changes (increase/decrease)	Total remuneration before tax received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from related parties of the Company
Zhang Qiuyun	Chairwoman, Executive Director	Female	54	2025-04-29	Expiration date of the current session of the Board				N/A	33.93	No
	Non-executive Director			2021-11-09	2025-04-29				N/A	0	Yes
Li Wenqiang	Non-executive Director	Male	42	2025-06-30	Expiration date of the current session of the Board				N/A	0	Yes
Feng Ruofan	Non-executive Director	Male	43	2025-06-30	Expiration date of the current session of the Board				N/A	0	Yes
Tang Jin	Non-executive Director	Male	61	2022-02-17	Expiration date of the current session of the Board				N/A	0	No
Tian Shengchun	Non-executive Director	Male	51	2018-10-16	Expiration date of the current session of the Board				N/A	0	No
Zhu Junhong	Employee Director	Female	56	2025-12-22	Expiration date of the current session of the Board				N/A	23.38	No
	Chairwoman of the Supervisory Committee			2024-06-20	2025-06-30						
Chen Zhiyong	Independent Non-executive Director	Male	67	2021-06-30	Expiration date of the current session of the Board				N/A	19	No
Wang Hui	Independent Non-executive Director	Male	47	2025-12-22	Expiration date of the current session of the Board				N/A	0	No
Wang Huixuan	Independent Non-executive Director	Male	60	2025-12-22	Expiration date of the current session of the Board				N/A	0	No
Du Xiaotang	Independent Non-executive Director	Male	52	2025-12-22	Expiration date of the current session of the Board				N/A	0	No
Lu Zhili	Chairman, Executive Director	Male	59	2023-07-13	2025-04-29				N/A	25.42	No
	Non-executive Director			2025-04-29	2025-06-30						

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Name	Position	Gender	Age	Term of office commencing on	Term of office ending on	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes (increase/decrease) in shares held during the year	Reason for changes (increase/decrease)	Total remuneration before tax received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from related parties of the Company
Li Xingjia	Non-executive Director	Male	61	2015-10-12	2025-06-30				N/A	0	Yes
Tsang Sung	Independent Non-executive Director	Male	54	2021-06-30	2025-12-31				N/A	17.5	No
He Jun	Independent Non-executive Director	Male	49	2022-02-17	2025-12-22				N/A	15	No
Wei Zhihao	Shareholder Representative Supervisor	Male	45	2021-11-09	2025-06-30				N/A	0	Yes
Li Zhifeng	Shareholder Representative Supervisor	Male	44	2022-06-24	2025-06-30				N/A	0	No
Zhang Bo	Shareholder Representative Supervisor	Male	48	2021-11-09	2025-06-30				N/A	0	No
Xiang Siying	Independent Supervisor	Female	63	2015-09-10	2025-06-30				N/A	6	No
Xia Xiaoning	Independent Supervisor	Male	65	2016-05-09	2025-06-30				N/A	6	No
Ba Guanhua	Employee Representative Supervisor	Male	51	2021-11-09	2025-06-30				N/A	17.83	No
Xu Changyu	Employee Representative Supervisor	Female	47	2021-11-09	2025-06-30				N/A	15.32	No
Xiao Yichen	Employee Representative Supervisor	Female	41	2018-01-12	2025-06-30				N/A	19.32	No
Li Zhaoxin	General Manager	Male	56	2022-04-29	Expiration date of the current session of the Board				N/A	47.66	No
	Director of the Executive Committee			2023-12-22	Expiration date of the current session of the Board						
	Member of the Executive Committee			2022-01-18	Expiration date of the current session of the Board						
Xu Haijun	Executive Vice General Manager	Male	55	2023-04-18	Expiration date of the current session of the Board				N/A	43.49	No
	Deputy Director of the Executive Committee			2022-06-28	Expiration date of the current session of the Board						
	Member of the Executive Committee			2022-01-18	Expiration date of the current session of the Board						

## SECTION 4 CORPORATE GOVERNANCE REPORT

Name	Position	Gender	Age	Term of office commencing on	Term of office ending on	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes (increase/decrease) in shares held during the year	Reason for changes (increase/decrease)	Total remuneration before tax received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from related parties of the Company
Li Feng	Deputy general manager	Male	54	2024-06-17	Expiration date of the current session of the Board				N/A	43.71	No
	Chief Risk Officer (ceased concurrent post)			2019-10-29	2025-12-01						
	Member of the Executive Committee			2022-01-18	Expiration date of the current session of the Board						
Hua Xinhui	Deputy general manager	Male	41	2025-10-20	Expiration date of the current session of the Board				N/A	13.89	No
	Member of the Executive Committee			2025-10-20	Expiration date of the current session of the Board						
Wang Xiaogang	Deputy general manager (resigned)	Male	54	2024-06-17	2025-08-26				N/A	28.80	No
	Member of the Executive Committee (resigned)			2022-01-18	2025-08-26						
Liu Hao	Chief Investment Officer (resigned)	Male	53	2020-05-06	2025-04-18				N/A	42.19	No
	Member of the Executive Committee (resigned)			2022-01-18	2025-04-18						
Shi Hongxing	Chief Compliance Officer	Male	51	2021-11-09	Expiration date of the current session of the Board				N/A	42.89	No
	Chief Risk Officer			2025-12-01	Expiration date of the current session of the Board						
	Member of the Executive Committee			2022-01-18	Expiration date of the current session of the Board						
Han Junyang	Chief Information Officer	Male	56	2019-10-29	Expiration date of the current session of the Board				N/A	40.51	No
	Member of the Executive Committee			2022-06-28	Expiration date of the current session of the Board						

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Name	Position	Gender	Age	Term of office commencing on	Term of office ending on	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes (increase/decrease) in shares held during the year	Reason for changes (increase/decrease)	Total remuneration before tax received from the Company during the Reporting Period (RMB'0,000)	Whether received remuneration from related parties of the Company
Guo Liangyong	Director of the Financial Department	Male	54	2024-06-17	Expiration date of the current session of the Board				N/A	40.51	No
	Secretary to the Board			2024-10-30	Expiration date of the current session of the Board						
	Member of the Executive Committee			2024-06-17	Expiration date of the current session of the Board						
Shen Yawen	Member of the Executive Committee	Male	41	2024-08-30	Expiration date of the current session of the Board				N/A	101.65	No
Fang Jianmin	Member of the Executive Committee	Male	53	2024-08-30	Expiration date of the current session of the Board				N/A	40.51	No
Total	/	/	/	/	/				/	684.51	/

### Notes:

- During the Reporting Period, the total amount of pre-tax remuneration of the Directors, Supervisors and senior management of the Company did not include the contributions made by the Company for social insurance, enterprise annuity, supplementary medical insurance and housing provident fund. The contributions made by the Company for social insurance, enterprise annuity, supplementary medical insurance and housing provident fund for Directors, Supervisors and senior management during their tenure as Directors, Supervisors and senior management are as follows: RMB120,800 for Zhang Qiuyun, RMB71,300 for Lu Zhili, RMB69,500 for Zhu Junhong, RMB144,900 for Li Zhaoxin, RMB137,000 for Xu Haijun, RMB141,400 for Li Feng, RMB92,800 for Wang Xiaogang, RMB40,800 for Hua Xinhui, RMB99,200 for Liu Hao, RMB141,400 for Shi Hongxing, RMB137,200 for Han Junyang, RMB148,700 for Guo Liangyong, RMB235,400 for Shen Yawen, RMB127,000 for Fang Jianmin, RMB70,800 for Ba Guanhua, RMB69,000 for Xu Changyu and RMB68,500 for Xiao Yichen.
- The final total remuneration of the Directors, Supervisors and senior management of the Company during the Reporting Period shall, after the assessment by the Company, be submitted to the Board, the general meeting and relevant parties for determination. The above-mentioned total remuneration before tax is temporarily paid, and the final amount will be disclosed separately after determination.

## SECTION 4 CORPORATE GOVERNANCE REPORT

<b>Name</b>	<b>Major working experience</b>
Zhang Qiuyun	Born in 1972, Ms. Zhang Qiuyun holds a doctoral degree in economics from Fudan University. She currently serves as the secretary of the Party Committee and a Director of the Company. She has been a teacher in Kaifeng No.1 Middle School, the deputy investigator and the deputy director of the Finance Division of Henan Development and Reform Commission, the secretary to the Party Branch of Henan Academy of Macroeconomic Research, the deputy managing director of the Management Committee of Zhengzhou Section of China (Henan) Pilot Free Trade Zone, the director of the Financial Management Department of Henan Investment Group Co., Ltd., and the deputy general manager of Henan Investment Group Co., Ltd. She concurrently served as a director of Zhongyuan Bank from January 2021 to April 2025. She served as a Supervisor of the Company from June 2020 to November 2021. She has served as a Director of the Company since November 2021. She has served as the Board Chairlady of the Company since April 2025.
Li Wenqiang	Born in 1984, Mr. Li Wenqiang holds a doctoral degree in economics from Shanghai Jiaotong University. He is currently a Director of the Company, the director of the Development and Planning Department of Henan Investment Group Co., Ltd. and the general manager of Henan Zhongyuan Financial Holdings Co., Ltd. He served as an investment consultant in the Zhengzhou branch of the Private Banking Department of the head office of the Industrial and Commercial Bank of China (ICBC), Head of Investment Consultancy in the Private Banking Department of ICBC Henan Branch, Director of Innovative Business in the B2B Division of Lufax, a subsidiary of Ping An Insurance Group, a member of the President's Office, Director of Products and General Manager of the Institutional Business Division of Tianan Internet Financial Assets Trading Center, and a deputy general manager of the Product Research and Development Division of the Private Banking Department of the head office of the Agricultural Bank of China (ABC). Since June 2019, he has served as the Deputy Director and the Director of the Development Planning Department of Henan Investment Group Co., Ltd. and the General Manager of Henan Zhongyuan Financial Holdings Co., Ltd.
Feng Ruofan	Born in 1983, Mr. Feng Ruofan holds a bachelor's degree, and is a senior economist. Mr. Feng Ruofan is currently a Director of the Company, the director of the financial management department of Henan Investment Group Co., Ltd., a non-executive director of Zhongyuan Bank, an executive director of Zhongfu Digital Technology Co., Ltd., and the Board chairman of Henan Zhongyuan Financial Holdings Co., Ltd.. From September 2022 to April 2025, he served as the deputy general manager of Henan Zhongyuan Financial Holdings Co., Ltd. From September 2019 to December 2023, he served as the deputy director of the financial management department of Henan Investment Group Co., Ltd. (during which, he worked as an exchange personnel at the second customer division of the Henan Branch of China Development Bank and served as the deputy director from January 2020 to December 2020). From April 2018 to September 2019, he served as the senior business manager of the financial management department of Henan Investment Group Co., Ltd. From November 2015 to April 2018, he served as the business manager of the financial management department of Henan Investment Group Co., Ltd. From November 2008 to November 2015, he successively served as the business supervisor and business manager of the eighth asset management department and the business manager of the second asset management department of Henan Investment Group Co., Ltd.
Tang Jin	Born in 1964, a graduate student of Party School of C.P.C Jiangsu Committee, Mr. Tang Jin now serves as a Director of the Company and a director of Jiangsu International Trust Corporation Limited. He has served as the chief and deputy director of the secretary section of Jianhu County Party Committee Office in Jiangsu Province, the deputy director and director of each of the Research Office and the General Office of the Jiangsu Provincial Government, and the vice president and a member of the Party Committee of Jiangsu SOHO Holdings.

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Name	Major working experience
Tian Shengchun	Born in 1975, Mr. Tian Shengchun is a senior engineer with an on-duty master's degree of University of Science and Technology Beijing. He is currently a Director of the Company and the director of the Planning and Development Department of Anyang Iron & Steel Group Co., Ltd. He began to work in 1998, and successively served in Anyang Iron & Steel Group Co., Ltd. No. 4 Steel Mill (安陽鋼鐵集團有限責任公司第四軋鋼廠) as an assistant engineer, engineer, officer and the deputy director of the general office, the investment administrator of the investment management division of the planning department, the director of the external investment management office of the strategic investment division, the director of the policy research office of the planning and development department and the chief Level II management expert.
Zhu Junhong	Born in 1969, Ms. Zhu Junhong holds a master's degree in business administration. She is a senior accountant and an academic and technology leader of Henan province. She now serves as the deputy secretary of the Party Committee and the employee Director of the Company. She served as the chief accounting officer, deputy manager and manager of the Planning and Finance Headquarter, and the chief accountant of Henan Finance and Securities Company. She served as the person-in-charge of the finance department, assistant to general manager and general manager of the Planning and Finance Headquarter of the Company from November 2002 to September 2009; the chief accountant, the person-in-charge of the finance department, and general manager of the Planning and Finance Headquarter of the Company from September 2009 to August 2012; the chief accountant and the person-in-charge of the finance department of the Company from August 2012 to January 2018; the deputy general manager of the Company from August 2012 to January 2024; a member of the Executive Committee of the Company from January 2022 to January 2024; the chairman of the Supervisor Committee of the Company from June 2024 to July 2025. She has served as the deputy secretary of the Party Committee of the Company since December 2023, and the employee Director of the Company since December 2025.
Chen Zhiyong	Born in 1958, Mr. Chen Zhiyong holds a doctoral degree in economics. He now serves as an Independent Director of the Company. He graduated from Zhongnan University of Economics with a master's degree in 1987, majoring in finance, and stayed for teaching in the same year. He has served as a lecturer, associate professor, professor, and doctoral supervisor at Zhongnan University of Economics and Law as well as the head of the Department of Finance and the vice president and the president of the School of Public Finance and Taxation. He is concurrently a head member of the Public Finance Professional Committee under the Higher Financial & Economic Education Branch of Chinese Association of Higher Education, a standing director of Hubei Finance Institute, and the deputy chairman of Hubei Budget and Accounting Research Institute. He is entitled to the special government allowance of the State Council.
Wang Hui	Born in 1979, Mr. Wang Hui holds a doctoral degree in accounting from Shanghai University of Finance and Economics. He now serves as an Independent Director of the Company. He served as an investment manager of Henan Hexie Venture Capital Management Co., Ltd. (河南合協創業投資管理有限公司), chief financial officer of Nanyang Pukang Pharmaceutical Co., Ltd. (南陽普康藥業有限公司), a chief financial officer of Shenzhen Huaxin Equity Investment Fund Management Co., Ltd. (深圳華信股權投資基金管理有限公司), and the general manager of Shenzhen Huaxin Bainian Equity Investment Fund Management Co., Ltd (深圳華信柏年股權投資基金管理有限公司). He is currently the chief financial officer of China First Capital Group Limited (中國首控集團有限公司) and an independent non-executive director of Shenghui Cleanness Group Holdings Limited (升輝清潔集團控股有限公司).

## SECTION 4 CORPORATE GOVERNANCE REPORT

Name	Major working experience
Wang Huixuan	<p>Born in 1966, Mr. Wang Huixuan holds a doctoral degree from Tianjin University. He now serves as an Independent Director of the Company. He joined the workforce in 1987 and has long been engaged in macroeconomic management and leadership in local governments, successively serving as the director of the information department of the general office, the secretary of the district committee, and the director of the management committee of the development zone of Urumqi. He entered the insurance industry in 2006 and has successively occupied major leading positions in three provincial subsidiaries and the head office of China Life (中國人壽) and PICC Life Insurance (人保壽險); and he successively served as the vice president of the PICC Head Office (中國人保總公司), chairman and president of PICC Capital (人保資本) from March 2009 to August 2016. From August 2016 to July 2022, he served as an executive director and co-president of Tsinghua Unigroup Co., Ltd. (紫光集團有限公司); from June 2019 to June 2024, he served as the chairman of Champion Property &amp; Casualty Insurance Co., Ltd. (誠泰財產保險股份有限公司); from September 2020 to March 2024, he served as a secretary of the Party Committee and chairman of Happy life insurance Co., Ltd. (幸福人壽保險股份有限公司); and currently, he serves as the executive vice president and a member of the executive committee of Tsinghua Unigroup Co., Ltd. (新紫光集團有限公司), and a director of Unisplendour Corporation Limited (紫光股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000938).</p>
Du Xiaotang	<p>Born in 1974, Mr. Du Xiaotang holds a doctoral degree from Fudan University. He now serves as an Independent Director of the Company. He was a teacher of Henan University; an attorney and partner of Granddall Law Firm (國浩律師事務所) from May 2003 to August 2013; and a managing director of China Everbright Holdings Limited (中國光大控股有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00165) and its subsidiary Everbright Holdings (Qingdao) Investment Company Limited (光大控股(青島)投資有限公司) from September 2013 to December 2020, among other positions. From June 2014 to March 2025, he served as an independent non-executive director of China Tianrui Group Cement Company Limited (中國天瑞集團水泥有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 01252); from July 2019 to September 2024, he served as an independent non-executive director of China First Capital Group Limited (中國首控集團有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 01269); from January 2021 to December 2023, he served as an investment consultant of China Everbright Holdings Limited; from January 2021 to November 2025, he served as the general manager of Shanghai Genlight Capital Management Co. Ltd. (上海光樸創業投資管理有限公司); and from October 2016 to present, he has been serving as an executive director of Kinergy Corporation Ltd. (精技集團有限公司) (A company listed on the Stock Exchange, stock code: 03302).</p>
Li Zhaoxin	<p>Born in 1969, Mr. Li Zhaoxin holds a master's degree in management. He is a senior accountant, a certified public accountant, a certified tax adviser and an economist. He handled financial work at a unit under the Henan Provincial Department of Justice from July 1991 to October 2004. He worked at the Henan SASAC from October 2004 to November 2017 and successively served as the deputy division head of the property rights administration division, a researcher at the planning and development division and the division head of the general division (Research Office). He has been a member of the Party Committee of the Company since November 2017. He has been the chief accountant of the Company from January 2018 to January 2024 and the Chief Financial Officer of the Company from January 2018 to June 2024. He served as the vice director of the Executive Committee of the Company from April 2022 to December 2023 and has been a member of the Executive Committee of the Company since January 2022. He has been the general manager of Company since April 2022. He has been serving as the deputy secretary of the Party Committee of the Company and the director of the Executive Committee of the Company since December 2023. He is concurrently a member of the Policy Advisory Committee of the Council of the Shanghai Stock Exchange.</p>

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Name	Major working experience
Xu Haijun	<p>Born in 1970, Mr. Xu Haijun holds a master's degree in computer technology engineering and is a senior programmer. He served as the manager of the computer department of the Shanghai branch, the deputy manager of the Huayuan Road branch, the manager and assistant to general manager of the Zijingshan branch, the manager of Shenzhen branch of Henan Securities, and the assistant to general manager of Shanghai Huiertun Investment Company (上海匯爾頓投資公司). From January 2004 to January 2018, he has held various positions in the Company, including the general manager of IT Headquarter, the general manager of Compliance Management Headquarter, the chief compliance officer and the secretary to the Board. He has been the deputy general manager of the Company from September 2016 to April 2023, a member of the Executive Committee of the Company since January 2022, deputy director of the Executive Committee of the Company since June 2022 and the standing deputy general manager of the Company since April 2023. He is concurrently the vice chairman of the Institute of Commercial Law of Henan Law Society (河南省法學會商法學研究會), a member of the Securities Brokerage Business Professional Committee of the Securities Association of China (中國證券業協會證券經紀業務專業委員會) and a chairman member of the Securities Professional Committee of the Securities Futures and Funds Association of Henan Province (河南省證券期貨基金業協會證券專業委員會).</p>
Li Feng	<p>Born in 1971, Mr. Li Feng holds a master's degree in engineering and a master's degree in business administration. He began to work in July 1996. He successively served as the deputy general manager and general manager of Sanmenxia operation branch of Henan Securities. From November 2002 to November 2015, he acted as the general manager of Sanmenxia operation branch, the general manager of Xinxiang operation branch, the general manager of Shanghai operation branch, the general manager of Brokerage Business Headquarters, the general manager of Innovation Business Headquarters and the assistant president of the Company. He was the president of Central China Equity Exchange from November 2015 to April 2017 and the assistant president of the Company and vice-president-level office from April 2017 to September 2019. He served as the Chief Risk Officer of the Company from September 2019 to December 2025. He has been a member of the Executive Committee of the Company since January 2022 and the deputy general manager of the Company since June 2024. He is concurrently a director of Central China International Financial Holdings Company Limited and a member of the Risk Management Committee of the Board of Governors, the Shanghai Stock Exchange (上海證券交易所理事會風險管理委員會).</p>
Hua Xinhui	<p>Born in 1984, Mr. Hua Xinhui holds a postgraduate degree and a master's degree in management. He started working in July 2009 and worked in Zhengzhou Branch of China CITIC Bank and the Investment Banking Department of its Head Office. From September 2015 to August 2025, he worked in Zhongyuan Bank, and successively served as deputy general manager of investment banking department, deputy general manager (executive) of asset management department, general manager of asset management department, party secretary and president of Luohe Branch, general manager of investment banking department and general manager of corporate finance department of Zhongyuan Bank. He has been the deputy general manager and a member of the Executive Committee of the Company since October 2025. He is concurrently a member of the Investment Banking Professional Committee of the Securities Association of China.</p>

## SECTION 4 CORPORATE GOVERNANCE REPORT

<b>Name</b>	<b>Major working experience</b>
Shi Hongxing	Born in 1974, Mr. Shi Hongxing holds a master's degree in business administration. He began to work in July 1997. He successively served in Henan Grease Co., Ltd. (河南省油脂公司) and Henan Futures Association. He worked at Henan Branch of the China Securities Regulatory Commission from October 2004 to August 2016, and successively served as the level-4 administrative assistant, associate managing officer and managing officer of the futures supervision division, and the deputy division head of the intermediary supervision division. From August 2016 to January 2020, he served as the vice president manager and president of Central China Equity Exchange, and he was the general manager of Zhengzhou Branch of the Company from January 2020 to November 2021. He has been the Chief Compliance Officer of the Company since November 2021, a member of the Executive Committee of the Company since January 2022 and the Chief Risk Officer of the Company since December 2025. He is concurrently the Chairman of Central China Equity Exchange Co., Ltd. and a member of the Compliance Management and Self-Disciplinary Professional Committee of the Securities Association of China.
Han Junyang	Born in 1970, Mr. Han Junyang holds a master's degree in engineering. He began to work in July 1993. He worked in the Henan Securities and successively served as the manager of the Computer Division of Shenzhen operation branch, the deputy manager of the administrative region operation branch and the department head of Computer Centre. From November 2002 to September 2019, he successively served as the deputy general manager of IT Department of the Company, the general manager of Hangzhou operation branch, the general manager of the IT Department, the general manager of the Brokerage Business Headquarters, the general manager of the Internet Finance Headquarters, president-assistant-level officer of the Company, etc. He was the employee representative supervisor of the Company from 2015 to 2019. He has been the Chief Information Officer of the Company since September 2019 and a member of the Executive Committee of the Company since June 2022. He is concurrently a member of the Securities Information Technology Professional Committee of the Securities Association of China.
Guo Liangyong	Born in 1971, Mr. Guo Liangyong holds a bachelor's degree and is a senior accountant. He started his career in July 1993 and worked in the finance department of the electrical and mechanical equipment company of Pingdingshan Mining Bureau (平頂山礦務局機電裝備公司) and the bond department of the Pingdingshan securities branch of Henan Securities. He successively served as the deputy general manager of the Pingdingshan securities branch of Henan Securities and the deputy director of the planning and finance department of Henan Securities from March 1999 to November 2002, the deputy general manager of the planning and finance department of the Company in November 2002, the general manager of the settlement and custody headquarters of the Company in October 2007, the general manager of the operation and management headquarters of the Company in April 2009, the general manager of the derivatives brokerage business headquarters of the Company in May 2014, the general manager of the planning and finance department of the Company in May 2015 (participated in the preparation work of Central China Life from June 2017 to February 2019), the general manager of Zhongding Kaiyuan Venture Capital Management Co., Ltd. in September 2021, and the head of the human resources management headquarters and the head of the organisation department of the Party committee of the Company from December 2021 to March 2025. He has been the Chief Financial Officer of the Company and a member of the Executive Committee since June 2024. He acted as the secretary to the Board of the Company from August 2024 to October 2024 and has been the secretary to the Board of the Company since October 2024. He is concurrently a director of Central China International Financial Holdings Company Limited, and a member of the Custody, Settlement and Financial Accounting Professional Committee, Securities Association of China.

## SECTION 4 CORPORATE GOVERNANCE REPORT

### Name Major working experience

Shen Yawen	Born in 1984, Mr. Shen Yawen holds a postgraduate degree and a master's degree, joined the workforce in July 2009, and worked in the Financial Markets Department of the Head Office of China Construction Bank. From September 2014 to June 2015, he served as the investment director of investment adviser of the Fixed Income Department of Guotai Junan Securities; from June 2015 to December 2018, he was the deputy general manager of the Fixed Income Department of Guangzhou Securities (presiding over the work); from December 2018 to August 2024, he was the manager of the Financial Market Department of the Company, and his professional and technical rank has been the managing director from September 2023 to the present. He was appointed as a member of the Executive Committee of the Company in August 2024.
Fang Jianmin	Born in 1972, Mr. Fang Jianmin has a bachelor's degree, a master's degree in business administration and is a senior economist. He started to work in July 1992. His major positions include department head of Yellow River Securities, managing director of the investment banking division of Minsheng Securities, director of the Securities Department of Henan Provincial Construction Investment Corporation (河南省建設投資總公司), temporary assisting head of the Securities Department of Henan Investment Group Co., Ltd., assistant to the president and director of Listing Office and vice president of Central China Securities, chairman of the Board of Directors of Zhongding Kaiyuan Venture Capital Management Co., Ltd. (中鼎開源創業投資管理有限公司), and head of Beijing Saiyingte Capital Management Co., Ltd. (北京賽英特資本管理有限公司). He has been a member of the Executive Committee of the Company since August 2024. He is concurrently a director of Henan Asset Management Co., Ltd.

## (II) Information on appointment of the Directors and senior management who currently hold office or resigned during the Reporting Period

### 1. Position held in shareholder entities

Name	Name of shareholder entity	Position held in shareholders entity	Term of office commencing on	Term of office ending on
Li Wenqiang	Henan Investment Group	Director of the Development Planning Department	May 2022	
Feng Ruofan	Henan Investment Group	Director of the Financial Management Department	December 2023	
Tian Shengchun	Anyang Iron & Steel Group	Director of the Planning and Development Department	January 2026	
Explanation on position held in shareholder entities		None		

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### 2. Positions held in other entities

Name	Name of other entities	Position held in other entities	Term of office commencing on	Term of office ending on
Li Wenqiang	Zhongyuan Bank Co., Ltd.	Director	December 2025	
	Henan Rural Commercial Bank Co., Ltd.	Director	September 2025	
	Henan Asset Management Co., Ltd.	Director	June 2022	
Feng Ruofan	Zhongyuan Trust Co., Ltd.	Director	August 2025	
	Zhongyuan Bank Co., Ltd.	Director	November 2023	
Tian Shengchun	Henan Jinshu Intelligent Technology Co., Ltd.	Director	September 2018	
Chen Zhiyong	Higher Financial & Economic Education Branch of Chinese Association of Higher Education	Chairman of the Public Finance Professional Committee	May 2016	
	Hubei Finance Institute	Standing director	September 2016	
	Tianjian Taxation Agent (Hubei) Co., Ltd. (天健稅務師事務所(湖北)有限公司)	Legal Representative	June 2003	
	Hubei Tianyi Engineering Project Management Co., Ltd. (湖北天一工程項目管理有限公司)	Legal Representative	March 2021	
	Hubei Budget and Accounting Research Institute	Deputy chairman	July 2012	
	First Capital (Shenzhen) Equity Investment Fund Management Company Limited	Legal Representative, General Manager and Executive Director	April 2022	
Wang Hui	Shanghai Jintang Investment Consultancy Company Limited	Legal Representative, Executive Director	May 2023	
	First Capital Education Investment (Shenzhen) Company Limited	Legal Representative, Director and Manager	June 2025	
	First Capital Technology (Shenzhen) Company Limited	Legal Representative, Director and Manager	June 2025	
	Shenzhen Yusida Management Consulting Co., Ltd. (深圳市育思達管理諮詢有限公司)	Legal Representative, Director and Manager	September 2024	
	First Capital Clean Energy (Shenzhen) Company Limited	Legal Representative, Director and Manager	June 2025	
	Chongqing First Capital Education Investment Equity Investment Fund Management Company Limited	Legal Representative, Manager	February 2017	
	Zhuhai First Capital Industry Investment Partnership (Limited Partnership)	Designated Representative of Executive Partner	August 2018	
	Shenzhen Muxinke Industrial Co., Ltd. (深圳木辛克克實業有限公司)	Legal Representative, Executive Director and General Manager	July 2020	
	Shenzhen Zhuochuang Education Co., Ltd. (深圳灼創教育有限公司)	Legal Representative, Director and Manager	November 2016	
	Shenzhen Gelebo Investment Management Co., Ltd. (深圳格樂博投資管理有限公司)	Supervisor	May 2017	

## SECTION 4 CORPORATE GOVERNANCE REPORT

Name	Name of other entities	Position held in other entities	Term of office commencing on	Term of office ending on
Wang Huixuan	Unisplendour Corporation Limited	Director	April 2018	
	UniCloud Technology Co., Ltd.	Director	August 2018	
	Qujing City Commercial Bank Co., Ltd.	Director	August 2019	
	Xinjiang Gas Group Co., Ltd.	Board Chairman, Legal Representative	December 2023	
Du Xiaotang	China International Council for the Promotion of Multinational Corporations	Specially Invited Vice Chairman	July 2024	
	Kinergy Corporation Ltd.	Executive Director	October 2016	
	Kinergy EMS (Nantong) Company Limited	Supervisor	October 2016	
	Kinergy Mechatronics Shanghai Company Limited	Supervisor	January 2018	
	Kinergy Intelligent Manufacturing Equipment (Nantong) Co. Ltd.	Manager, Director	April 2020	
	Shanghai Micro Electronics Equipment (Group) Co., Ltd.	Director	April 2016	
	Shanghai Eway Children's Food Co., Ltd. (上海伊威兒童食品有限公司)	Director	September 2018	
	Henan Wenhong Zhongxin Enterprise Management Co., Ltd. (河南文行忠信企業管理有限公司)	Supervisor	August 2023	
Li Zhaoxin	Henan Kaibao Enterprise Management Co., Ltd. (河南開寶企業管理有限公司)	Executive Director and General Manager	November 2023	
	Financial Accounting Committee of the Securities Association of China	Member	January 2022	December 2025
Xu Haijun	Policy Advisory Committee of the Council of the Shanghai Stock Exchange	Member	April 2023	
	Institute of Commercial Law of Henan Law Society	Deputy chairman	July 2017	
	Securities Brokerage Business Professional Committee of the Securities Association of China	Member	December 2025	
Li Feng	Securities Professional Committee of the Securities Futures and Funds Association of Henan Province (河南省證券期貨基金業協會證券專業委員會)	Chairman member	April 2024	
	Central China International Financial Holdings Company Limited	Director	November 2023	
Hua Xinhui	Risk Management Committee of the Board of Governors, the Shanghai Stock Exchange (上海證券交易所理事會風險管理委員會)	Member	November 2024	
	Investment Banking Professional Committee of the Securities Association of China	Member	December 2025	
Shi Hongxing	Central China Equity Exchange Co., Ltd.	Chairman	September 2024	
	Compliance Management and Self-Disciplinary Professional Committee of the Securities Association of China	Member	December 2025	
Han Junyang	Securities Information Technology Professional Committee of the Securities Association of China	Member	December 2025	
Guo Liangyong	Central China International Financial Holdings Company Limited	Director	August 2024	
	Custody, Settlement and Financial Accounting Professional Committee, Securities Association of China	Member	December 2025	
Fang Jianmin	Henan Asset Management Co., Ltd.	Director	November 2025	

## SECTION 4 CORPORATE GOVERNANCE REPORT

### (III) Remuneration of Directors and Senior Management

Decision-making procedures of remuneration of Directors, Supervisors and senior management	The remuneration and assessment of the Company's Directors shall be proposed by the Remuneration and Nomination Committee under the Board, considered and approved by the Board and considered and determined by the general meeting; Due to the cancellation of the Supervisory Committee during the Reporting Period, the remuneration and assessment plans of the Supervisors shall be proposed by the Audit Committee of the Board, which shall be considered and approved by the Board and considered and determined by the general meeting; and the remuneration and assessment of the senior management shall be proposed by the Remuneration and Nomination Committee under the Board and determined by the Board.
Whether a Director recuses himself/herself from the Board's discussion of his/her own remuneration	Yes
Specific circumstances under which the Remuneration and Nomination Committee or the Independent Directors' specialised Meeting has issued recommendations on matters relating to the remuneration of Directors, Supervisors and senior management	With reference to the industry and regional levels, and the actual situation of the Company taken into account, the remuneration of Directors, Supervisors and senior management is determined in accordance with the Company's remuneration and assessment regulations.
Basis for determining the remuneration of Directors, supervisors and senior management	The remuneration of the internal Directors and Supervisors of the Company shall be determined according to the Company's basic remuneration system, operating conditions, individual job responsibilities, work performance and results, and subject to resolution on the remuneration of Directors and Supervisors at the general meeting of the Company. The remuneration of the external Directors and Supervisors shall be proposed by the Remuneration and Nomination Committee under the Board, respectively, and shall be proposed by the Audit Committee of the Board according to the industry and market conditions and performance of duties, subject to the approval by the general meeting. The remuneration of the senior management of the Company is determined according to the Company's basic remuneration system, operating conditions, individual job responsibilities, work performance and results, and is determined subject to the resolutions of the Board.

## SECTION 4 CORPORATE GOVERNANCE REPORT

Payment of remuneration of Directors, supervisors and senior management	For details, please refer to “Changes in Shareholdings and Remuneration of Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period”. According to relevant state provisions and with reference to personal will, Ms. Zhang Qiuyun, the Chairlady of the Board, and Mr. Li Wenqiang, Mr. Feng Ruofan, Mr. Tang Jin, Mr. Tian Shengchun and Mr. Li Xingjia, the Directors, and Mr. Wei Zhihao, Mr. Li Zhifeng and Mr. Zhang Bo, the Supervisors, have voluntarily waived receiving the corresponding job allowances and performed relevant duties in accordance with laws and regulations since their appointment.
The total remuneration received by all Directors and senior management at the end of the Reporting Period	RMB6,845,100
Basis for appraisal and completion of remuneration received by all Directors, supervisors and senior management at the end of the Reporting Period	The remuneration of the Directors and senior management of the Company shall be determined based on performance evaluation conducted in accordance with the Company’s performance evaluation provisions. 2025 performance evaluation will be carried out as per the Company’s evaluation work arrangements.
Arrangement of deferred payment of remuneration received by all Directors and senior management at the end of the Reporting Period	The subsidy received by Independent Directors shall not be subject to relevant regulations. As the remuneration of non-independent Directors and senior management for the year 2025 has yet to be determined, no deferred payment arrangements are made, and their remuneration will be distributed in strict accordance with the applicable national regulations on deferred compensation once the final amounts are determined.
Suspension of payment and clawback of remuneration received by all Directors and senior management at the end of the Reporting Period	The subsidy received by independent Directors shall not be subject to relevant regulations; During the Reporting Period, there is no suspension payment or clawback of remuneration received by non-independent Directors and senior management.

## SECTION 4 CORPORATE GOVERNANCE REPORT

### (IV) CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position	Change	Reason for the change
Zhang Qiuyun	Chairlady	Elected	Work commitment
Li Wenqiang	Non-executive Director	Elected	Work commitment
Feng Ruofan	Non-executive Director	Elected	Work commitment
Zhu Junhong	Employee Director	Elected	Work commitment
Wang Hui	Independent Non-executive Director	Elected	Work commitment
Wang Huixuan	Independent Non-executive Director	Elected	Work commitment
Du Xiaotang	Independent Non-executive Director	Elected	Work commitment
Lu Zhili	Chairman, Executive Director	Ceased to act	Job re-assignment
	Director	Ceased to act	Job re-assignment
Li Xingjia	Non-executive Director	Ceased to act	Reaching the retirement age
Tsang Sung	Independent Non-executive Director	Ceased to act	Work reason
He Jun	Independent Non-executive Director	Ceased to act	Work reason
Zhu Junhong	Chairwoman of the Supervisory Committee	Ceased to act	Cancellation of Supervisory Committee
Wei Zhihao	Shareholder Representative Supervisor	Ceased to act	Cancellation of Supervisory Committee
Li Zhifeng	Shareholder Representative Supervisor	Ceased to act	Cancellation of Supervisory Committee
Zhang Bo	Shareholder Representative Supervisor	Ceased to act	Cancellation of Supervisory Committee
Xiang Siying	Independent Supervisor	Ceased to act	Cancellation of Supervisory Committee
Xia Xiaoning	Independent Supervisor	Ceased to act	Cancellation of Supervisory Committee
Ba Guanhua	Employee Representative Supervisor	Ceased to act	Cancellation of Supervisory Committee
Xu Changyu	Employee Representative Supervisor	Ceased to act	Cancellation of Supervisory Committee
Xiao Yichen	Employee Representative Supervisor	Ceased to act	Cancellation of Supervisory Committee

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Name	Position	Change	Reason for the change
Hua Xinhui	Deputy general manager	Appointed	Work commitment
	Member of the Executive Committee	Appointed	Work commitment
Li Feng	Chief Risk Officer	Ceased to act	Change in work arrangements
Shi Hongxing	Chief Risk Officer	Appointed	Work commitment
Wang Xiaogang	Deputy general manager	Ceased to act	Job re-assignment
	Member of the Executive Committee	Ceased to act	Job re-assignment
Liu Hao	Member of the Executive Committee	Ceased to act	Job re-assignment
	Chief Investment Officer	Ceased to act	Job re-assignment

Note:

On 1 December 2025, Mr. Wang Hui, Mr. Wang Huixuan, and Mr. Du Xiaotang, who were newly appointed as independent non-executive directors during the Reporting Period, alongside the employee director Ms. Zhu Junhong, obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules. Such advice covered the requirements applicable to them as directors of a listed issuer under the Hong Kong Listing Rules and the potential consequences of making false statements or providing false information to the Hong Kong Stock Exchange. Furthermore, they have confirmed their understanding of their responsibilities as directors of a listed issuer.

### (V) Disclosure of Penalties Imposed by Securities Regulatory Authorities in the Past Three Years

On 24 April 2024, the Henan Bureau of the CSRC issued the Decision on the Implementation of Supervision and Management Measures for Issuing Warning Letters to Zhu Jianmin ([2024] No. 29) (《關於對朱建民實施出具警示函監督管理措施的決定》([2024]29號)), pointing out that Zhu Jianmin, the senior management in charge of the stock pledge business at that time, violated the provisions of Article 6, paragraph 1, of the Trial Regulations on Compliance Management of Securities Companies (《證券公司合規管理試行規定》第六條第一款), and decided to implement supervision and management measures of issuing warning letters.

On 18 October 2024, the Company received the Decision on the Measures of Having Regulatory Conversation with Li Zhaoxin (李昭欣) and Hua Jinzhong (花金鐘) ([2024] No. 19) (《關於對李昭欣、花金鐘採取監管談話措施的決定》) ([2024]19號) from the CSRC, which pointed that Li Zhaoxin, general manager of the Company, and Hua Jinzhong, then senior executive in charge of the investment banking business are held accountable for relevant investment banking business violations, and decided to take the measures of having a regulatory conversation in accordance with Article 32 of the Administrative Measures for the Compliance Management (《合規管理辦法》).

## SECTION 4 CORPORATE GOVERNANCE REPORT

### IV PERFORMANCE OF DUTIES BY DIRECTORS

#### (I) Directors' attendance at Board meetings and general meetings

Director(s) Name	Whether or not an Independent Director	Number of required attendances Board meetings	Attendance at Board meetings				Whether unable to attend in person for two consecutive meetings	Attendance at general meetings
			Number of attendance in person	Number of attendance through communication	Number of attendance by proxy	Number of absence		Number of attendance
Zhang Qiuyun	No	9	9	8			No	2
Li Wenqiang	No	6	6	6			No	1
Feng Ruofan	No	6	6	6			No	1
Tang Jin	No	9	9	8			No	2
Tian Shengchun	No	9	9	8			No	2
Zhu Junhong	No	1	1	1			No	—
Chen Zhiyong	Yes	9	9	8			No	2
Wang Hui	Yes	1	1	1			No	—
Wang Huixuan	Yes	1	1	1			No	—
Du Xiaotang	Yes	1	1	1			No	—
Lu Zhili	No	3	3	2			No	1
Li Xingjia	No	3	3	2			No	1
Tsang Sung	Yes	9	9	8			No	2
He Jun	Yes	8	8	7			No	2
Number of Board meetings convened during the year								9
Among which: number of on-site meetings								—
Number of meetings held through communication								5
Number of meeting held by means of on-site combined with communication								4

#### (II) PARTICULARS OF DIRECTORS' TRAINING

Training is provided to Directors on an ongoing basis. The Company attaches great importance to the ongoing training of Directors, to ensure that the Directors form an appropriate understanding of the operation of the Company and its business and they understand their duties and responsibilities as directors as required by the CSRC, the SSE, the Hong Kong Stock Exchange and as stipulated in the Articles of Association and other relevant laws and regulatory requirements. During the Reporting Period, the Company's Directors attached great importance to updating professional knowledge and skills, to adapt to the needs of the development of the Company. In addition, the Company continuously improved the internal work procedures, established the multi-level information communication mechanism, and set up the information communication platform, in order to ensure the access to information for Directors to perform their duties and constantly improve their overall performance capability. During the Reporting Period, Ms. Zhang Qiuyun, Mr. Li Wenqiang, Mr. Feng Ruofan, Mr. Tang Jin, Mr. Tian Shengchun, Ms. Zhu Junhong, Mr. Chen Zhiyong, Mr. Wang Hui, Mr. Wang Huixuan, Mr. Du Xiaotang, Mr. Lu Zhili, Mr. Li Xingjia, Mr. Tsang Sung and Mr. He Jun learned about the relevant compliance knowledge and the latest developments of Hong Kong stocks through the Hong Kong Stock Compliance and Regulation Bulletin (《港股合規監管速遞》) provided by the Company's legal adviser.

## SECTION 4 CORPORATE GOVERNANCE REPORT

During the Reporting Period, other details of the training for Directors are specified as follows:

1. Former Chairman Mr. Lu Zhili, Directors Ms. Zhang Qiuyun, Mr. Li Xingjia, Mr. Tang Jin, Mr. Tian Shengchun, Mr. Chen Zhiyong, Mr. Tsang Sung and Mr. He Jun participated in the “Special Training on Annual Report Performance Briefings” organised by the China Association for Public Companies on 27 March 2025;
2. Former Chairman Mr. Lu Zhili, Directors Ms. Zhang Qiuyun, Mr. Li Xingjia, Mr. Tang Jin, Mr. Tian Shengchun, Mr. Chen Zhiyong, Mr. Tsang Sung and Mr. He Jun participated in the “Online Training on How Listed Companies Host High-Quality Performance Briefings in the New Era” organised by Henan Bureau of the CSRC on 18 April 2025;
3. Chairlady Ms. Zhang Qiuyun participated in the “Special Training on The Analysis of Typical Cases of Violations and Non-Compliances by Public Companies” organised by Henan Bureau of the CSRC in June 2025.
4. Chairlady Ms. Zhang Qiuyun, Directors Mr. Li Wenqiang, Mr. Feng Ruofan, Mr. Tang Jin, and Mr. Tian Shengchun, Independent Directors Mr. Chen Zhiyong, Mr. Tsang Sung and Mr. He Jun participated in the Anti-Money Laundering Training Course organised by the Company’s Compliance and Legal Headquarters in July 2025.

### V THE SPECIALISED COMMITTEES UNDER THE BOARD

#### (I) Members of the specialised committees under the Board

Specialised committees	Name of members
Audit Committee	Wang Hui, Zhu Junhong, Chen Zhiyong, Wang Huixuan, Du Xiaotang
Remuneration and Nomination Committee	Chen Zhiyong, Zhu Junhong, Wang Huixuan
Strategy and Sustainable Development Committee	Zhang Qiuyun, Li Wenqiang, Feng Ruofan, Tang Jin, Tian Shengchun
Risk Control Committee	Zhang Qiuyun, Feng Ruofan, Wang Hui, Wang Huixuan, Du Xiaotang

The main duties of the Strategy and Sustainable Development Committee are as follows: (I) studying the Company’s medium and long-term development strategy plans and proposing suggestion; (II) studying the medium and long-term strategic goals and development plans for each business segment and management segment of the Company and proposing suggestion; (III) studying major investment and financing programs, capital operation and assets management projects which requires to be approved by the Board as stated in the Articles of Association and proposing suggestion; (IV) studying the Company’s ESG-related plans, goals, systems and material matter, paying attention to ESG-related material risks, reviewing ESG-related reports and providing suggestions to the Board; (V) studying other important matters affecting the Company’s development and to make recommendation; (VI) inspecting the implementation of the above matters; and (VII) other duties required by laws, administrative regulations, regulations of the CSRC, specified in the Articles of Association, and authorized by the Board.

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The main duties of the Audit Committee are as follows: (I) reviewing the Company's financial information and its disclosure; (II) supervising and evaluating the work of external audit, and making recommendations on the appointment or replacement of the external audit firm; (III) supervising and evaluating the work of internal audit, and being responsible for the coordination between internal and external audit; (IV) supervising and evaluating the Company's internal control; (V) exercising the functions and powers of the Board of Supervisors as stipulated in the Company Law of the People's Republic of China; (VI) exercising the functions and powers of the audit committee as stipulated in the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules); (VII) evaluating the mechanism established by the Company for employees to secretly report any possible misconduct in the Company's financial reporting, risk management, internal control or other aspects. The Audit Committee shall ensure that appropriate arrangements are in place for fair and independent investigation and for appropriate follow-up action; (VIII) supervising and inspecting the performance of duties by the Board and the management in respect of risk management, and urging rectifications, and proposing the dismissal of directors and senior managers who are primarily responsible for major risk events or have leadership responsibilities; (IX) assuming supervisory responsibility for money laundering risk management, and being responsible for supervising the performance of duties by the Board and the management in respect of money laundering risk management and urging rectifications; (X) other matters required by laws, regulations, self-regulatory rules of stock exchanges, specified in the Articles of Association, and authorized by the Board.

The main duties of the Remuneration and Nomination Committee are as follows: (I) formulating and implementing an appraisal system that adapts to the changes in market environment, a remuneration policy with competitive advantages, and measures for rewarding, punishment, and incentive related to the operating performance in accordance with the characteristics of the finance and securities industry, and the main scope, duties, importance of the management positions of Directors and senior management, and the remuneration level of relevant positions from other relevant corporations; reviewing the appraisal system, remuneration policy and structure of Directors and senior management of the Company, and making recommendation to the Board; (II) making recommendation to the Board as to the establishment of proper and transparent formulation procedures of the remuneration policy; (III) making recommendation to the Board on the remuneration of individual Director and senior management. When studying the remuneration, the characteristics of the finance and securities industry, the remuneration of the peer companies, the time devoted by the Directors and senior management, their duties and personal performance, the remuneration of other positions within the Company shall also be considered; the above-mentioned remuneration includes non-monetary benefit, retirement allowance and compensation; (IV) supervising the implementation of the remuneration system for the Directors and senior management; (V) reviewing the performance of duties of the Directors and senior management of the Company, and conduct an annual appraisal on it. The appraisal results shall be treated as the basis of the proposed remuneration, rewards and punishment; (VI) reviewing the compensation arrangement in relation to the dismissal or removal of the Directors and senior management; ensuring such compensation is consistent with the terms of the agreements; ensuring the compensation be fair and reasonable should such compensation fail to be consistent; (VII) reviewing compensation arrangement in relation to dismissal or removal of the Directors due to misconduct; ensuring such arrangement is consistent with the terms of the agreements; ensuring the compensation be reasonable and proper should such compensation fail to be consistent; (VIII) ensuring the Directors or any of his/her associates shall not participate in the formulation of their own remuneration. In accordance with Rule 13.68 of the Hong Kong Listing Rules, the Remuneration and Nomination Committee shall give opinion on the service contracts which shall be approved by the shareholders, the Committee shall notify the shareholders whether the relevant terms are fair and reasonable, and provide opinions on whether the relevant contracts are of the interest of the issuer and its shareholders as a whole, and advise shareholders on how to vote; (IX) reviewing and providing opinion on the election standards and procedures of Directors and senior management, seek for qualified candidates for the positions of Director and senior management; reviewing and making recommendation on the qualification of the candidate of Directors and senior management, and insisting on the implementation of the organic unification of the principle of administration of cadres by the CPC

## SECTION 4 CORPORATE GOVERNANCE REPORT

and the selection and recruitment in a market-oriented manner; (X) examining the structure, number and composition (including but not limited to gender, age, culture, ethnic, educational background, professional experience, skills and knowledge) of the Board at least annually, assisting the Board in preparing the Board skills matrix and proposing any change to the Board; supervising the implementation of the Board diversity policy and the diversity policy for all employees (including senior management), ensuring it is implemented effectively, and making relevant disclosure in Corporate Governance Report in the annual report every year; (XI) giving suggestion to the Board on appointment or reappointment and succession plan of the Directors and senior management; (XII) examining the independence of the independent non-executive Directors; (XIII) reviewing and approving matters related to share schemes referred to under Chapter 17 of the Hong Kong Listing Rules, (including the scheme on granting share options to incentive participants by the listed issuers or its main subsidiaries, the scheme on granting shares to incentive participants by the listed issuers or its main subsidiaries), and making recommendation to the Board; (XIV) Assist the Company in regularly evaluating the performance of the board of directors. (XV) other duties required by laws, administrative regulations, regulations of the CSRC, specified in the Articles of Association, and authorized by the Board.

The main duties of the Risk Control Committee are as follows: (I) reviewing and opining on the overall objectives and basic policies of compliance management and risk management; (II) reviewing and opining on the establishment of specific departments and duties of compliance management and risk management; (III) reviewing and opining on the basic systems of consolidated management, compliance management, money laundering risk management, and comprehensive risk management that require approval from the Board; (IV) reviewing and opining on the risk preferences, risk tolerance and material risk limits that require approval from the Board; (V) evaluating and opining on the risk of major decisions that require review of the Board and solutions to eliminate such major risks; (VI) reviewing the effectiveness evaluation report of compliance management, and opining on the coordination of such evaluation, promoting the improvement of the Company's compliance management system, and urging the resolution of issues existing in compliance management; (VII) reviewing and opining on the compliance report, anti-money laundering work report, anti-money laundering audit report, and risk evaluation report that require review of the Board; (VIII) reviewing and supervising Directors and senior management's professional training; (IX) providing guiding opinions on the violations of laws or regulations and hidden compliance risks reported to the Board by the Chief Compliance Officer, and opining on situations such as the Company's rejection of the compliance review opinions from the Chief Compliance Officer; (X) reviewing and supervising whether the Company's policies are in compliance with laws and supervisory regulations, and their implementation; (XI) formulating, reviewing and supervising the professional code of conduct and compliance manual (if any) of employees and Directors; (XII) reviewing the Company's compliance with the Corporate Governance Code (Appendix C1 of the Hong Kong Listing Rules) and relevant disclosure in the Corporate Governance Report; (XIII) other duties required by laws, administrative regulations, regulations of the CSRC, requirements of the Hong Kong Listing Rules, specified in the Articles of Association, and authorized by the Board.

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### (II) During the Reporting Period, the Audit Committee held 7 meetings

Date of convening	Meeting agenda	Important opinions and suggestions	Other performance of duties
2025-03-26	2025 First Meeting of the Audit Committee	<p>Considered and approved the following proposals:</p> <ul style="list-style-type: none"> <li>I. Annual Report for the Year of 2024 (A Shares)</li> <li>II. Annual Report for the Year of 2024 (H Shares) and the Results Announcement for the Year Ended 31 December 2024</li> <li>III. Work Report of the Audit Committee under the Board for the Year of 2024</li> <li>IV. 2024 Internal Control Assessment Report</li> <li>V. Audit Report for the Year of 2024</li> <li>VI. Proposal on the Re-appointment of Auditing Firms for the Year of 2025</li> <li>VII. 2024 Annual Auditor Performance Assessment Report</li> <li>VIII. Evaluation Report on the Performance of the Accounting Firm for the Year 2024 by the Audit Committee, and Report on the Fulfillment of Supervisory Duties by the Audit Committee</li> <li>IX. Proposal on the 2024 Annual Profit Distribution Plan and the Authorization for 2025 Interim Profit Distribution</li> <li>X. Final Financial Report for the Year of 2024</li> <li>XI. Financial Budget Report for the Year of 2025</li> </ul>	None
2025-04-28	2025 Second Meeting of the Audit Committee	<p>Considered and approved the following proposal:</p> <ul style="list-style-type: none"> <li>2025 First Quarterly Report</li> </ul>	None
2025-08-28	2025 Third Meeting of the Audit Committee	<p>Considered and approved the following proposals:</p> <ul style="list-style-type: none"> <li>I. Interim Report 2025</li> <li>II. 2025 Interim Profit Distribution Plan</li> <li>III. Proposal on the Amendment to the Working Rules for the Audit Committee of the Board</li> </ul>	None
2025-09-08	2025 Fourth Meeting of the Audit Committee	<p>Considered and approved the following proposal:</p> <ul style="list-style-type: none"> <li>Proposal on the Establishment of a Private Equity Fund by a Wholly-Owned Subsidiary and Related-Party Transaction</li> </ul>	None
2025-10-20	2025 Fifth Meeting of the Audit Committee	<p>Considered and approved the following proposal:</p> <ul style="list-style-type: none"> <li>Proposal on 2025 Total Salary Budget Plan</li> </ul>	None
2025-10-30	2025 Sixth Meeting of the Audit Committee	<p>Considered and approved the following proposal:</p> <ul style="list-style-type: none"> <li>2025 Third Quarterly Report</li> </ul>	None
2025-12-31	2025 Seventh Meeting of the Audit Committee	<p>Considered and approved the following proposal:</p> <ul style="list-style-type: none"> <li>Proposal on the Revision of the Management System for Related-Party/Connected Transactions</li> </ul>	None

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The following table sets forth the details of the attendance of the members of the Audit Committee at the meetings of the Audit Committee during the Reporting Period.

Director(s)	Number of Attendance/ Number of Required Attendance	Remarks
Wang Hui (Independent Non-executive Director, Convener)	0/0	Appointed on 31 December 2025
Zhu Junhong (Non-executive Director)	0/0	Appointed on 31 December 2025
Chen Zhiyong (Independent Non-executive Director)	7/7	
Wang Huixuan (Independent Non-executive Director)	0/0	Appointed on 31 December 2025
Du Xiaotang (Independent Non-executive Director)	0/0	Appointed on 31 December 2025
Tian Shengchun (Non-executive Director)	7/7	Retired on 31 December 2025
Tsang Sung (Former Independent Non-Executive Director)	7/7	Resigned on 31 December 2025

### (III) During the Reporting Period, the Remuneration and Nomination Committee held 7 meetings

During the Reporting Period, the Remuneration and Nomination Committee implemented the following Director Nomination Policy of the Company: The Remuneration and Nomination Committee reviewed the candidates for Directors and senior management in accordance with the relevant standards of the Articles of Association and the Board diversity policy, and reported to the Board. Please refer to the section headed "Board diversity policy" below for the diversity policy. In addition, shareholders holding more than 1% (including 1%) of the Company's shares may nominate directors.

Date of convening	Meeting agenda	Important opinions and suggestions	Other performance of duties
2025-03-26	2025 First Meeting of the Remuneration and Nomination Committee	Considered and approved the following proposals: I. Proposal on the Determination of Performance Appraisal Targets for Senior Management for the Year of 2025 II. Work Report of the Remuneration and Nomination Committee under the Board for the Year of 2024 III. Evaluation and Remuneration of the Directors of the Company for the Year of 2024	None
2025-04-28	2025 Second Meeting of the Remuneration and Nomination Committee	Considered and approved the following proposal: Proposal on the Election of Zhang Qiuyun as Chairlady of the Company	None
2025-06-06	2025 Third Meeting of the Remuneration and Nomination Committee	Considered and approved the following proposals: I. Proposal on the Formulation of the Management System for Director Evaluation and Remuneration II. 2024 Performance Appraisal Work Plan for Senior Management of the Company III. Proposal on the Nomination of Candidates for Directors of the Seventh Board of Directors	None

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Date of convening	Meeting agenda	Important opinions and suggestions	Other performance of duties
2025-08-28	2025 Fourth Meeting of the Remuneration and Nomination Committee	Considered and approved the following proposals: I. Proposal on the Formulation of the Appointment Contract for Company Directors II. Proposal on the Formulation of the Diversity Policy for Board Members and Employees (Including Senior Management)	None
2025-10-20	2025 Fifth Meeting of the Remuneration and Nomination Committee	Considered and approved the following proposals: I. Proposal on the Nomination of Independent Director Candidates for the Seventh Session of the Board of Directors II. Proposal on the Appointment of the Senior Management III. Proposal on 2025 Total Salary Budget Plan	None
2025-11-28	2025 Sixth Meeting of the Remuneration and Nomination Committee	Considered and approved the following proposals: I. Proposal on the Nomination of Independent Director Candidates for the Seventh Session of the Board of Directors II. Proposal on the Appointment of the Senior Management	None
2025-12-31	2025 Seventh Meeting of the Remuneration and Nomination Committee	Considered and approved the following proposals: I. Proposal on the By-election of Members of the Specialised Committees of the Seventh Session of the Board of Directors II. Proposal on the Amendment of the Working Rules for the Remuneration and Nomination Committee of the Board of Directors	None

The following table sets forth the details of the attendance of the members of the Remuneration and Nomination Committee at the meetings of the Remuneration and Nomination Committee during the Reporting Period.

Director(s)	Number of Attendance/ Number of Required Attendance	Remarks
Chen Zhiyong (Independent Non-executive Director, Convener)	7/7	
Zhu Junhong (Non-executive Director)	0/0	Appointed on 31 December 2025
Wang Huixuan (Independent Non-executive Director)	0/0	Appointed on 31 December 2025
Tsang Sung (Former Independent Non-Executive Director)	7/7	Resigned on 31 December 2025
He Jun (Former Independent Non-Executive Director)	6/6	Resigned on 22 December 2025

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### (IV) During the Reporting Period, the Strategy and Sustainability Committee held 4 meetings

Date of convening	Meeting agenda	Important opinions and suggestions	Other performance of duties
2025-03-26	2025 First Meeting of the Strategy and Sustainability Committee	<p>Considered and approved the following proposals:</p> <ul style="list-style-type: none"> <li>I. Work Report of the Board for the Year of 2024</li> <li>II. Work Report of the General Manager for the Year of 2024</li> <li>III. Proposal on the Determination of Performance Appraisal Targets for Senior Management for the Year of 2025</li> <li>IV. Work Report of the Development and Strategy Committee under the Board for the Year of 2024</li> <li>V. 2024 Social Responsibility Report and ESG (Environment, Social and Governance) Report</li> <li>VI. Special Work Report on Information Technology for the Year of 2024</li> <li>VII. Proposal on the Authorization of the Establishment of a Branch of the Brokerage Business</li> <li>VIII. Proposal on the Determination of the Business Scale and Affordable Risk Limits of Securities Proprietary Trading for the Year of 2025</li> <li>IX. Proposal on the Determination of the Business Scale and Size of Investment by Funds at the Disposal of the Company and Affordable Risk Limits in Asset Management for the Year of 2025</li> <li>X. Proposal on the Determination of Business Scale of Margin Financing and Securities Lending, Stock Pledge, Agreed Repurchase, and Refinancing for the Year of 2025</li> </ul>	None
2025-06-06	2025 Second Meeting of the Strategy and Sustainability Committee	<p>Considered and approved the following proposals:</p> <ul style="list-style-type: none"> <li>I. Proposal on the Abolition of the Supervisory Committee of the Company</li> <li>II. Proposal on the Amendment to the Articles of Association;</li> <li>III. Proposal on the Adjustment of Functions of the Company's Headquarters Departments</li> <li>IV. Proposal on the General Mandate for the Issuance of Domestic and Overseas Debt Financing Instruments</li> </ul>	None
2025-08-28	2025 Third Meeting of the Strategy and Sustainability Committee	<p>Considered and approved the following proposal:</p> <p>Proposal on the Formulation of the Market Value Management System of the Company</p>	None
2025-11-28	2025 Fourth Meeting of the Strategy and Sustainability Committee	<p>Considered and approved the following proposal:</p> <p>Proposal on the Renaming of Headquarters Departments</p>	None

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The following table sets forth the details of the attendance of the members of the Strategy and Sustainable Development Committee at the meetings of the Strategy and Sustainable Development Committee during the Reporting Period.

Director(s)	Number of Attendance/ Number of Required Attendance	Remarks
Zhang Qiuyun (Executive Director, Convener)	3/3	Appointed on 29 April 2025
Li Wenqiang (Non-executive Director)	2/2	Appointed on 30 June 2025
Feng Ruofan (Non-executive Director)	2/2	Appointed on 30 June 2025
Tang Jin (Non-executive Director)	4/4	
Tian Shengchun (Non-executive Director)	4/4	
Lu Zhili (Former Executive Director)	2/2	Resigned on 30 June 2025
Mr. Li Xingjia (Former Non-executive Director)	2/2	Resigned on 30 June 2025

### (V) During the Reporting Period, the Risk Control Committee held 6 meetings

Date of convening	Meeting agenda	Important opinions and suggestions	Other information on performance of duties
2025-03-26	2025 First Meeting of the Risk Control Committee	<p>Considered and approved the following proposals:</p> <ul style="list-style-type: none"> <li>I. Work Report of the Risk Control Committee under the Board for the Year of 2024</li> <li>II. 2024 Compliance Report</li> <li>III. 2024 Annual Report on Clean Practice Management</li> <li>IV. 2024 Assessment Report on the Effectiveness of Compliance Management</li> <li>V. 2024 Risk Assessment Report</li> <li>VI. 2024 Internal Control Assessment Report</li> <li>VII. Proposal on Risk Preference and Tolerance for the Year of 2025</li> <li>VIII. Proposal on the Determination of the Business Scale and Affordable Risk Limits of Securities Proprietary Trading for the Year of 2025</li> <li>IX. Proposal on the Determination of the Business Scale and Size of Investment by Funds at the Disposal of the Company and Affordable Risk Limits in Asset Management for the Year of 2025</li> <li>X. Proposal on the Determination of Business Scale of Margin Financing and Securities Lending, Stock Pledge, Agreed Repurchase, and Refinancing for the Year of 2025</li> <li>XI. Report on Anti-money Laundering Work for the Year of 2024</li> <li>XII. 2024 Audit Report on Anti-Money Laundering Work</li> <li>XIII. 2024 Self-Assessment Report on Money Laundering Risk</li> </ul>	None
2025-06-06	2025 Second Meeting of the Risk Control Committee	<p>Considered and approved the following proposal:</p> <p>Proposal on Applying for the Adjustment of Certain Indicators in the Explanatory Notes of the Proposal on Risk Preference and Tolerance for the Year of 2025</p>	None
2025-08-28	2025 Third Meeting of the Risk Control Committee	<p>Considered and approved the following proposal:</p> <p>Proposal on the Amendment to the Administrative Measures for Money Laundering and Terrorist Financing Risk of the Company</p>	None

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Date of convening	Meeting agenda	Important opinions and suggestions	Other information on performance of duties
2025-10-20	2025 Fourth Meeting of the Risk Control Committee	Considered and approved the following proposal: Proposal on Applying for the Adjustment of the Proposal on Risk Preference and Tolerance for the Year of 2025	None
2025-11-28	2025 Fifth Meeting of the Risk Control Committee	Considered and approved the following proposal: Proposal on the Amendment to the Comprehensive Risk Management Measures of Central China Securities Co., Ltd.	None
2025-12-31	2025 Sixth Meeting of the Risk Control Committee	Considered and approved the following proposal: Proposal on the Amendment to the Compliance Management Measures	None

The following table sets forth the details of the attendance of the members of the Risk Control Committee at the meetings of the Risk Control Committee during the Reporting Period.

Director(s)	Number of Attendance/ Number of Required Attendance	Remarks
Zhang Qiuyun (Executive Director, Convener)	5/5	Appointed on 29 April 2025
Feng Ruofan (Non-executive Director)	0/0	Appointed on 31 December 2025
Chen Zhiyong (Independent Non-executive Director)	6/6	
Wang Hui (Independent Non-executive Director)	0/0	Appointed on 31 December 2025
Wang Huixuan (Independent Non-executive Director)	0/0	Appointed on 31 December 2025
Du Xiaotang (Independent Non-executive Director)	0/0	Appointed on 31 December 2025
Lu Zhili (Former Executive Director)	2/2	Resigned on 30 June 2025

### VI EXPLANATION OF RISKS IDENTIFIED BY THE AUDIT COMMITTEE

The Audit Committee had no objection to the supervisory matters during the Reporting Period.

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### VII EMPLOYEES OF THE PARENT COMPANY AND ITS MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

#### (I) Information on employees

Number of in-service employees of the parent company	2,103
Number of in-service employees of the major subsidiaries	279
Total number of in-service employees	2,382
Number of retired employees whose expenses are borne by the parent company and the major subsidiaries	0

#### Composition of professions

Type of professions	Number of staff
Brokerage personnel	1,578
Investing banking personnel	160
Asset management personnel	49
Securities investment personnel	86
Researcher	28
International business personnel	19
Legal compliance, risk control and audit personnel	63
IT personnel	142
Finance personnel	53
Administration and management personnel	175
Others	29
Total	2,382

#### Education level

Type of education level	Number of persons
Doctoral degree	11
Master's degree	602
Bachelor's degree	1,672
Associate's degree and below	97
Total	2,382

As at the end of the Reporting Period, the Company and its subsidiaries had a total of 2,382 employees (including senior management), including 1,331 male employees and 1,051 female employees (accounting for 44.12%). The Company is committed to creating a diverse and inclusive working environment to attract and retain the best talents and to promote business growth. The Company recruits employees in accordance with the principle of equality between men and women, and provides equal training and development opportunities to protect the rights and interests of female employees.

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### (II) Remuneration policies

The remuneration of the Company's employees is composed of basic salaries, allowances, performance bonuses and welfare. Basic salary is a relatively fixed part of remuneration and is the basic income of employees. As a supplement to basic salary, allowance includes allowance for special posts and allowance for professional and technical personnel. Performance bonus is withdrawn from annual profits and distributed according to the results of performance evaluation in favor of the front-line employees with outstanding performance.

The Company provided employees with statutory welfare such as social insurance and housing provident fund according to relevant state provisions. Moreover, to improve the level of welfare and security of employees, it offered employees enterprise annuity plans.

### (III) Training plans

The Company effectively enhanced the professional ability of cadres and employees, continuously enhanced the professional competence of cadres and employees, and continued to strengthen the sense of responsibility of cadres and employees to further strengthen the construction of cadres' and talents' team. Under the pattern of adhering to the party's management of talent, the Company comprehensively implemented the new concepts, new strategies and new initiatives of talent work in the new era, firmly established the development concept that talent is the first resource, built a solid classification and layered training system, and continued to coordinate and promote the various types of talent team training plans. The Company actively took effective measures to seize the opportunity and respond to the challenges, treated talents from a strategic perspective, and made efforts to support the talent work based on a new starting point. For management personnel, the Company carried out training to improve their cognition of the development of the securities industry, management theory and skills, strategic thinking ability, and business management capabilities; and for employees of each business line and department, the Company carried out trainings to strengthen their business knowledge, improve their capabilities regarding product development, marketing skills and services.

During the Reporting Period, the Company provided employee training at all levels, diversified business and compliance training and innovative training programs by means of face-to-face teaching or mobile online training, in order to enhance their professional skills and quality and facilitate the strategic development of the Company. The Company organised internal trainings for staff professional ethics, reputation risk, and middle management ability improvement, etc.; participated in the trainings organised by the CSRC, the Securities Association of China, the Organization Department of Henan Provincial Party Committee, the Department of Finance of Henan Province, the SASAC of Henan Provincial Government, the stock exchanges, etc.; and organised follow-up vocational training for more than 2,100 securities practitioners and over 1,600 fund practitioners. The Company organised and implemented a series of training programs, built a platform for further study to enhance the comprehensive quality and business skills of employees, and insisted on creating a good environment in which talents are recognized, loved, respected and utilized. In 2026, the Company will, aligning with industry trends and its development needs, step up efforts in the training of cadres and employees in both intensity and scope, putting practicality, scientific nature and relevance at its very core. Furthermore, we will continue to reward employees with qualifications like CIIA, CFA and FRM, ensuring policy continuity.

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### (IV) Labour outsourcing

Total working hours on labor outsourcing	525.0 thousand hours
Total payment for labor outsourcing (RMB'0,000)	RMB14.921 million

## VIII PROPOSAL FOR PROFIT DISTRIBUTION OR CAPITALISATION ISSUE

### (I) Formulation, implementation, or adjustment of the cash dividend policy

According to the Articles of Association, the Company may distribute dividends in cash or in shares. The profit distribution of the Company shall focus on providing reasonable investment returns to investors, and the profit distribution policy shall maintain continuity and stability. The Company shall listen to and consider the opinions of the shareholders (especially the minority shareholders) and the independent directors, and give priority to cash dividends. If there is no important investment plan, significant cash expenditure or other events that prevent the dividend distribution as specified in the relevant laws, regulations and normative documents, the profit distributed in cash dividend each year shall be not less than 20% of the profit available for distribution in that year.

The Board of Directors will propose the annual or interim profit distribution scheme after carefully researching and verifying the cash dividend timing, condition and minimum threshold, adjustment conditions and decision-making procedure requirements and other relevant issues based on the specific operation data, profitability, cash flow status, development stage and current capital demand of the Company, as well as the opinions of the shareholders (especially the minority shareholders) and the independent directors. The independent directors shall clearly express their opinions.

As audited by ShineWing Certified Public Accountants (Special General Partnership), the Company achieved a net profit attributable to shareholders of the parent company of RMB455,818,683.40 in 2025. As of 31 December 2025, the distributable profit for the parent company amounted to RMB576,158,959.17 and the consolidated distributable profit amounted to RMB704,588,798.17. The profit distribution proposal is as follows:

1. The Company proposes distributing a cash dividend of RMB0.22 (tax inclusive) for every 10 shares to all shareholders (including A share and H share shareholders). As of 31 December 2025, the total share capital of the Company was 4,642,884,700 shares, based on which a total cash dividend of RMB102,143,463.40 (tax inclusive) was proposed to be distributed, plus the distributed cash dividend of RMB37,143,077.60 (tax inclusive) in the first half of the year, the total proposed distribution of cash dividends for the year 2025 amounted to RMB139,286,541.00 (tax inclusive), representing 30.56% of the net profit attributable to shareholders of the parent company in 2025.
2. In the event of a change in the total share capital of the Company after the date of the general meeting approving the 2025 profit distribution proposal and before the record date for payment of the cash dividend, the total distribution amount will be kept unchanged, and the rate will be adjusted accordingly.
3. In 2025, no capital reserves will be converted into share capital and no bonus shares will be distributed by the Company. The proposed profit distribution proposal is subject to the consideration of the general meeting of the Company. Subject to the consideration and approval of the profit distribution proposal by the general meeting, the Company expects to complete the profit distribution by 31 August 2026.

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### (II) Specific description on the cash dividend policy of the Company

Whether the policy is in compliance with the provisions of the Articles of Association or requirements of the resolutions of the general meeting	√Yes	<input type="checkbox"/> No
Whether the criteria and rate of the dividend are explicit and clear	√Yes	<input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanism are adequate and complete	√Yes	<input type="checkbox"/> No
Whether the independent Directors have performed their duties and made due contributions	√Yes	<input type="checkbox"/> No
Whether the opinions and requests of the minority shareholders can be properly expressed and their legal rights and interests are fully protected	√Yes	<input type="checkbox"/> No

### (III) Proposal for profit distribution and conversion of capital reserve into share capital during the Reporting Period

Unit: Yuan Currency: RMB

Number of bonus shares for every 10 shares (share)	0.00
Amount of dividend for every 10 shares (tax inclusive)	0.30
Capitalisation shares for every 10 shares (share)	0.00
Amount of cash dividend (tax inclusive)	139,286,541.00
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement	455,818,683.40
Cash dividend as a percentage of the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement (%)	30.56
Amount of repurchased shares under cash included in cash dividend	0.00
Total amount of the dividend (tax inclusive)	139,286,541.00
Percentage of the total dividend amount of the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement (%)	30.56

### (IV) Cash dividends over the latest three accounting years

Unit: Yuan Currency: RMB

Accumulated amount of cash dividends over the latest three accounting years (tax inclusive) (1)	311,073,274.90
Accumulated repurchase and cancellation amount over the latest three accounting years (2)	0.00
Accumulated cash dividend, repurchase and cancellation amount over the latest three accounting years (3)=(1)+(2)	311,073,274.90
Amount of average net profit over the latest three accounting years (4)	304,422,545.81
Percentage of cash dividend over the latest three accounting years (%) (5)=(3)/(4)	102.18
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the latest accounting year	455,818,683.40
Annual retained earnings at the end of the year in the financial statement of parent company for the latest accounting year	576,158,959.17

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### IX ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

Since its establishment, the Company has been attaching great importance to the development of internal rules and regulations and management system. From the level of corporate governance, it has strengthened the system control from top to bottom for various businesses and management work. Based on relevant laws and regulations and according to the actual situation, the Company has comprehensively considered its internal environment, risk assessment, control activities, Information and communication, internal supervision, and other factors to develop a more comprehensive internal control system, and kept supplementing, revising, and improving the internal control system according to requirements in respect of industry regulation, business development, and risk management strengthening. Such internal control system has basically covered the operational management of the Company in different aspects and business segments at all levels, which has been implemented effectively.

The Board reviewed the Company's Internal Control Assessment Report and Audit Report on Internal Control, and audited and reviewed the Company's risk management and internal control system annually. In 2025, the Company's overall risks were generally controllable, and the various core risk-control indicators continued to satisfy the regulatory requirements. The Company has maintained effective and adequate internal control over financial reporting in all material aspects in accordance with the requirements of the standardized system of corporate internal control and relevant regulations, and the Company did not identify any significant deficiencies in internal control over non-financial reports. The Board is responsible for the Company's system of risk management and internal control, the Company's risk management and internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute assurances that there will be no material misrepresentations or losses.

The Company always places the development of internal control throughout the operation and development of the Company, so as to ensure sustainable, sound and stable growth of the Company by continuously improving the system and strengthening the implementation thereof with effective supervision and inspection.

### X MANAGEMENT AND CONTROL OVER THE SUBSIDIARIES DURING THE REPORTING PERIOD

As of the end of the Reporting Period, the Company had a total of 11 holding subsidiaries, including 5 primary holding subsidiaries and 6 secondary holding subsidiaries. The Company implements the group-based management and control mode over its subsidiaries. First, the Company strictly complied with the Company Law, the Securities Law and other relevant laws and regulations and rules and exercised the rights of shareholders such as asset income and participation in major decisions by participating in the formulation of the subsidiaries' Articles of Association, recommending directors, and senior management to the subsidiaries, and improving the corporate governance. Second, the Company, adhering to the principle of strategic leadership and integrated development, promoted subsidiaries' active integration into the Company's overall development in line with its strategic direction. Third, the Company held fast to the principle of holistic management and control led by the headquarter. Functional departments at the headquarter, including finance, human resources, risk control, information technology, and compliance legal affairs, improved group-based management and control mechanisms and systems for subsidiaries. Fourth, the Company stayed committed to the principle of comprehensive and penetration compliance, risk control, and internal management. This achieved full-coverage and penetration of all aspects and stages of subsidiaries' operations, better controlling their business risks.

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### XI DESCRIPTION OF AUDIT REPORT ON INTERNAL CONTROL

The Company has engaged ShineWing Certified Public Accountants (Special General Partnership) as the auditor for internal control. ShineWing Certified Public Accountants (Special General Partnership) has issued the Audit Report on Internal Control of Central China Securities Co., Ltd. for the Year 2025. For details of the Audit Report on Internal Control, please see the Audit Report on Internal Control of Central China Securities Co., Ltd. for the Year 2025 disclosed by the Company on the website of the SSE on the same date of this report.

Whether to disclose audit report on internal control: Yes

Type of auditor's opinion on internal control: Standard unqualified opinion

Whether issued a non-standard audit opinion on the internal control during the Reporting Period or the preceding year

Yes  No

### XII OTHERS

#### (I) New establishment and disposal of securities branches, branch offices and subsidiaries of the Company and impact on results during the Reporting Period

##### 1. Establishment of and changes in securities branches

During the Reporting Period, the Company completed the cancellation of 5 securities branches at home and the relocation of the 7 securities branches within the same city.

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

During the Reporting Period, the Company completed the change of 1 securities branch into branch office, and the relocation of 1 securities branch office within the same city.

##### 3. Establishment of and changes in subsidiaries

###### Central China Blue Ocean:

In 2025, Central China Blue Ocean completed a total of three capital reductions, with its registered capital decreasing from RMB3.05 billion to RMB2.226 billion. As of the disclosure date of this report, Central China Blue Ocean has completed the registration procedures for the change with the industrial and commercial administration.

###### Central China International:

In 2025, Central China International deregistered its subsidiary, Central China International Financial Group Limited.

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### (II) Securities brokers

Pursuant to the Regulations on the Supervision and Administration of Securities Companies, the Company established a complete management system for securities brokers, covering qualification management of securities brokers, agency contract management, pre-job training and follow-up vocational training, certificate management and information inquiry, code of practice, risk control, performance evaluation and remuneration payment, and achieved the centralised and unified management of securities brokers. The securities branches were responsible for the daily management of securities brokers. During the Reporting Period, while maintaining effective operation of the basic management system of securities brokers, the Company kept on reinforcing the management of securities broker business of our branches, gained insight into the developing situation of securities broker team in each branch, and optimised relevant daily management procedure of securities brokers. As of the end of 2025, the number of securities brokers of the Company amounted to 122.

### (III) Specific explanation on standardization of the account

Taking standardized management of customers' accounts as an important foundation, the Company focused on the normalization, standardization and systematism of account management and kept perfecting the long effective mechanism of standardized management of customers' accounts. In 2025, according to the requirements of relevant regulations of China Securities Depository and Clearing Corporation Limited and the Company, the Company effectively implemented various measures for standardized management of customers' accounts, conscientiously carried out work such as account information verification, 1 Password account specification, and continued to carry out basic work such as standardization of existing customer account information, completion of customer information, dormant account activation and rectification of nonconforming accounts so as to ensure that the account information is true, accurate, complete and valid.

During the Reporting Period, the Company activated 1,407 dormant cash accounts and 2,542 dormant securities accounts, recording 409,263 dormant cash accounts and 647,338 dormant securities accounts as of the end of the Period; the Company standardized 16 unqualified cash accounts and 17 unqualified securities accounts, recording 1,058 unqualified cash accounts and 1,117 unqualified securities accounts as of the end of the Period; as of the end of the Period, the Company had 1 cash account and 2 securities accounts frozen by the court; and the Company had no risky disposal account. See the following table for details:

Type of account: RMB account

Type of account		2025	2024	YoY Increase/ Decrease
Dormant accounts	Cash accounts	409,263	410,670	-1,407
	Securities accounts	647,338	649,880	-2,542
Unqualified accounts	Cash accounts	1,058	1,074	-16
	Securities accounts	1,117	1,134	-17
Judicially frozen accounts	Cash accounts	1	2	-1
	Securities accounts	2	4	-2
Risky disposal accounts	Cash accounts	0	0	0
	Securities accounts	0	0	0

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### (IV) Information on business innovation

The year 2025 marked a year of deepening reforms for the capital markets and the securities industry. Driven by market transformation, policy guidance, and technological empowerment, the wealth management business of securities firms exhibited a significant trend toward professional, tech-driven, and integrated transformation.

During the Reporting Period, the Company anchored itself to high-quality development and thoroughly implemented its corporate strategy. Focusing on retail clients and retail business with a customer-centric approach, the Company established unified standards for service response and information pushing, constructed a “multi-dimensional labeling system + panoramic customer profiling”, and implemented centralized services for Moment of Truth (MOT). These initiatives enabled the refined identification of customer needs and risk preferences, continuously enhancing precision-based customer operation capabilities. With equal emphasis on systematization and diversification, the Company created the “Wealth Central China” brand exchange activities, developed an intelligent investment advisory assistant, and established a standard process for digital investment advisory. Furthermore, the Company continuously strengthened investor appropriateness management to effectively protect the legitimate rights and interests of investors, accelerating the pace of its digital transformation in wealth management and steadily enhancing the brand influence and competitiveness of its wealth management business.

During the Reporting Period, the Company was honored with the Best Channel Cooperation Award in the “2025 Wealth Management·Huazun Award (華尊獎)” by the CLS (財聯社). “Caishengbao (財升寶)” APP of Central China Securities was awarded the “2025 China Securities Industry APP Pioneer Jun Ding Award” by Securities Times, reflecting a steady rise in the brand influence of the Company’s wealth management services. The internet operation metrics of “Caishengbao (財升寶)” APP of Central China Securities, including DAU and MAU, ranked 23rd among domestic securities firms, demonstrating the continuous improvement of the Company’s wealth management brand influence and customer service capabilities. **(Source: Qianfan.analysys.cn)**

### (V) Construction of the Company’s risk management system

The Company’s overall risk management was positioned as a prudent risk preference strategy. It always upholds the risk management concept of matching capital, risk and return in order to take moderate risks, achieve an optimal balance of business scale, profitability and risk tolerance, and bring sustainable and stable profit returns for shareholders. The Company continuously improved the organizational structure of risk management, improved the risk management system, strengthened the construction of the risk management information technology system, optimized the risk control index system, and enhanced the risk response mechanism, etc., as follows:

#### 1. Risk management organizational framework

The Company’s risk management organizational framework consists of four levels: Level 1: The Board of Directors and its Risk Control Committee and Audit Committee. Level 2: The Managers. Level 3: The Risk Management Department. Level 4: All departments, branches, and subsidiaries.

The Board of Directors bears the ultimate responsibility for comprehensive risk management. Its main duties include: promoting the development of the Company’s risk culture; reviewing and approving the Company’s risk management strategy and promoting its effective implementation in operations and management; reviewing and approving the Company’s fundamental systems for comprehensive risk management, risk appetite, risk tolerance, and significant risk limits; and reviewing the Company’s periodic risk assessment reports. The Board of Directors has established a Risk Control Committee, which carries out some of the Board’s comprehensive risk management responsibilities. Its main duties include: reviewing and providing recommendations on the overall objectives and basic policies for risk management; reviewing and providing recommendations on the structure and responsibilities of risk

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management functions; reviewing and providing recommendations on the fundamental systems for comprehensive risk management that require Board approval; reviewing and providing recommendations on the Company's risk appetite, risk tolerance, and significant risk limits that require Board approval; and assessing and providing recommendations on the risks associated with major decisions and the solutions for significant risks that require Board review. The Board's Audit Committee bears supervisory responsibility for comprehensive risk management. Its main duties include: supervising and inspecting the performance of the Board and the Managers in their risk management duties and urging corrective action; and recommending the dismissal of directors and senior management who bear primary or leadership responsibility for major risk incidents.

The Managers bear the primary responsibility for comprehensive risk management. Its main duties include: developing systems to implement the Company's risk culture and risk management philosophy, and guiding all employees to adhere to high standards of conduct and professional ethics; drafting the risk management strategy, establishing the Company's risk management systems, and adjusting them as appropriate; establishing and refining the operational and management framework for comprehensive risk management, clarifying the division of responsibilities among the risk management function, business units, and other departments, and establishing an operating mechanism of effective checks and balances and mutual coordination among departments; developing specific implementation plans for risk appetite, risk tolerance, and significant risk limits, ensuring their effective implementation, monitoring their execution, promptly analyzing any deviations, and taking action as authorized by the Board; periodically assessing the Company's overall risk and the status of various significant risk management areas, resolving issues, and reporting to the Board; establishing a company-wide performance appraisal system that reflects the effectiveness of risk management; and establishing robust information technology systems and data quality control mechanisms.

The Company has established functional departments, such as the Risk Management Headquarters, to perform risk management duties. These departments identify, assess, monitor, and report on the various risks in the Company's operations, and guide and inspect the risk management work of all departments, branches, and subsidiaries. The main duties of the Risk Management Headquarters include: driving the construction and continuous improvement of the Company's comprehensive risk management system; establishing training, communication, and corresponding supervision and assessment mechanisms for the Company's risk culture, and implementing a company-wide risk culture training and communication plan; organizing the drafting of risk appetite, risk tolerance, and risk limits to provide a basis for corporate decision-making, and monitoring and supervising their implementation; organizing the identification of risks in all business and management processes, and participating in the design of risk control mechanisms for new business initiatives; monitoring risks in the Company's business and management activities, reporting on the Company's overall risk status and levels, and implementing risk early-warning procedures; organizing risk assessments to qualitatively describe or quantitatively measure the Company's risk levels; establishing clear channels for risk information communication and transmission, conducting risk reporting, and providing risk management recommendations for business decisions; guiding and inspecting the risk management work of all departments, branches, and subsidiaries, and conducting risk management performance assessments for them; and advancing the development of risk management information technology systems.

All departments, branches, and subsidiaries bear direct responsibility for risk management. Their main duties include: implementing the Company's risk management systems, procedures, risk appetite, risk limits, and control standards; developing and implementing risk management systems and operational procedures for key business processes within their own units; fully understanding and considering all relevant risks in their decision-making processes; identifying, analyzing, assessing, and monitoring risks within their units from the source; and responding to risks within their scope of authority.

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### 2. Risk management system

The Company has established a four-tier risk management system. The first-tier system is the overall risk management system; the second-tier system is the risk management system for various types of risks, various businesses, and subsidiaries; the third-tier system is the risk management monitoring rules for each business and product and the rules for various risk management tools; the fourth-tier system is the front-end risk management system of each business and subsidiary. The Company continued to improve the risk management system and enrich the risk control methods.

### 3. Risk management information system

The Company has established and improved a risk management information technology system covering various risk types, business lines, departments, branches and subsidiaries, mainly including a risk monitoring platform covering various types of business, and a comprehensive risk management system covering net capital, stress testing, various risks and subsidiaries. At the same time, the Company has established a system of internal bond rating, public opinion monitoring and the same business and same customer. Through the risk management information technology system for the measurement, summary, early warning and monitoring of risks, the Company accumulated true, accurate and complete internal and external data for risk identification, evaluation, monitoring and reporting, so as to meet the Company's overall risk management needs.

### (VI) Inside information monitoring procedures

The Company knows its relevant obligations under the Securities and Futures Ordinance (SFO) and the Hong Kong Listing Rules in relation to the handling and disclosure of inside information. The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the "safe harbors" as stated in the SFO.

In accordance with the Company's Information Disclosure Matters Management System, all persons with the knowledge of the Company shall maintain confidentiality and the scope of such persons shall be kept to a minimum until the Company's disclosable information is formally disclosed. All persons with knowledge of inside information and other undisclosed information may not disclose such information to any entity or individual in any way, shall not engage in securities or futures trading activities related to such information or express or imply others to engage in relevant trading activities, and shall not cooperate with others to manipulate the trading price of stocks and their derivatives. The Company and the relevant information disclosure obligors shall strictly implement the management measures for information isolation and prevention of interest conflicts, the internal reporting system for material information, the registration and filing system for those who have knowledge of inside information and other relevant regulations to strengthen the management of inside information and other undisclosed information.

### (VII) Establishment of compliance management system of the Company

In accordance with the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies issued by the China Securities Regulatory Commission and the Company's Compliance Management Provisions (2025 Revision), the Company has established a comprehensive, multi-level compliance management organizational system under the leadership of the Board of Directors. This system integrates proactive compliance by the management, all departments, and all employees with the professional management of the Compliance Director, the compliance department, and compliance management personnel. The Board of Directors determines the Company's compliance management objectives and assumes responsibility for the effectiveness of compliance management. The General Manager is responsible for the Company's compliant operations and promotes the construction of compliance management organizations and systems. Other senior management personnel assume leadership responsibility for compliant operations within their respective assigned areas, proactively advocating compliance concepts and supervising the implementation of management requirements. Heads

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of all units assume primary responsibility for the compliant operations of their respective units, organizing the implementation of rules and regulations and embedding compliance requirements into business processes. All staff members are responsible for the compliance of their own professional conduct. The Company has set up a Chief Compliance Officer who is directly responsible to the Board and assists the Board in organizing and promoting compliance management. The Compliance and Legal Headquarters has been established to report to the Compliance Director and specifically organize the advancement of daily compliance management. The Company has equipped key business lines, branches, and subsidiaries with dedicated compliance teams or compliance officers, and has appointed part-time compliance officers in functional departments to assist heads of their respective units in fulfilling compliance management duties, such as establishing rules and regulations, consultation and review, monitoring and inspection, and risk reporting. In parallel, the Compliance and Legal Headquarters coordinates and cooperates with internal control departments, such as the Risk Management Headquarters and the Audit Headquarters, playing an effective role in controlling the business management of all units and the professional conduct of staff members.

The Company paid close attention to industry regulatory trends, tracked and advocated laws and regulations and rules, and improved the compliance management system continuously. According to the management needs, the Company built the compliance management system on the basis of the Articles of Association. Among others, the basic compliance management policies for compliance management, compliance assessment management, and compliance accountability management specify the overall objectives and basic principles of our compliance management, standardize compliance assessment and accountability mechanisms, with a view to providing a guarantee basis for compliance management; the compliance performance management policies for compliance review and consultation, compliance inspection, compliance publicity and training, compliance effectiveness evaluation, and compliance administrators management define more specific compliance management duties such as compliance review and consultation, compliance supervision and inspection, and compliance training and publicity with a view to strengthening the implementation of compliance management requirements; the special compliance management policies for information isolation, conflict of interest, clean practices, employee securities investment, integrity management, and anti-money laundering strengthen special compliance management measures with a view to effectively preventing and controlling related risks; the Company also developed targeted business compliance management policies for key business segments and areas, such as investment banking, proprietary trading, asset management, wealth management, information technology, and subsidiaries to effectively prevent business compliance risks. The Company's compliance management system covers all business lines, subsidiaries, and all employees, and is optimised and improved in line with its realities continuously. Also, the Company appropriately steered all departments to review, assess and improve its internal policies and processes in response to the changes in laws, regulations and rules, to really make "internalization of external regulations".

In line with the requirements in the Measures for Compliance Management of Securities Companies and Securities Investment Fund Management Companies, Implementation Guidelines for Compliance Management of Securities Companies, etc., the Company continuously optimised the staffing of compliance management personnel and improved the compliance management personnel system. Apart from establishing a dedicated compliance management department, the Company also set up compliance teams in areas with higher risks and greater difficulty in control, appointed full-time compliance administrators in key business departments or business management departments, branches, sales departments with 15 or more employees, or sales departments that were found by the Company qualified and were under independent regulatory jurisdiction, and appointed internal control officer to take overall charge of the compliance management in each subsidiary. Moreover, the Company appointed part-time compliance administrators in functional departments, and sales departments with 5 to 15 employees. The Company made sufficient efforts to ensure that compliance management personnel enjoys the right to information and right of investigation, and is independent to perform duties, continuously strengthened the incentive and restraint mechanism for compliance management personnel, and increased training efforts for them to ensure that they have necessary professional capabilities for performing duties.

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The Company fully utilised information technology means to identify, assess, and control compliance risks, and continuously established and improved compliance management platform and various compliance monitoring systems. The Company combined the compliance management platform with office automation system to standardize compliance management routines and workflows, thereby enhancing the efficiency and effectiveness of compliance management. The Company employed systems for customer abnormal transaction monitoring, information isolation monitoring, and employee investment behavior monitoring to prevent market manipulation, insider trading, non-compliant securities trading, and other compliance risk points, thereby effectively managing conflicts of interest. The Company continuously improved the anti-money laundering management system and achieved the core function of anti-money laundering risk prevention, such as customer due diligence and classification management, large-scale suspicious transaction monitoring and analysis and reporting, and blacklist monitoring and alerting, through the organic integration of the anti-money laundering system with brokerage counter system, investment banking system, and centralised customer management system. The Company continued to increase resource investment in compliance management systems, fully utilised financial technology to enhance the informatization and specialization level of compliance management, and effectively prevented and controlled compliance and money laundering risks.

### 1. Inspections completed by the Compliance Management Department

In 2025, the Company continued to strengthen proactive risk management, with the compliance department actively coordinating multi-dimensional and multi-level compliance inspections. First, the Company actively organized and cooperated with external regulatory inspections, leading teams to fully assist the Henan Bureau of the CSRC in “double random” (randomly selected inspectors and inspection targets) onsite inspections of two branch offices, as well as special inspections covering proprietary trading, asset management bond business, brokerage business, appropriateness management, and product distribution. The Company successfully passed the onsite inspection for the restoration of its bond business qualifications and timely mitigated potential risks through self-inspection, self-rectification, and supervised improvements. Second, the Company systematically conducted independent compliance inspections. A total of 11 compliance inspections were organized throughout the year, covering key businesses and priority areas. For all issues identified during these inspections, the Company established tracking ledgers, supervised rectifications, and implemented closed-loop management, effectively preventing and resolving potential penalty risks. Third, the Company conducted in-depth special AML (Anti-Money Laundering) screenings and self-inspections. Based on risk bulletins from the People’s Bank of China (PBOC) and regulatory requirements, the Company organized a firm-wide self-inspection and rectification regarding money laundering risks and duty performance. Furthermore, it performed deep-dive screenings and analyses on key clients and businesses, such as transactions from the same source, high-net-worth clients, and block trades, effectively enhancing the effectiveness and precision of AML management. Through compliance inspections and self-inspections, the Company effectively identified and prevented compliance risks, screened potential compliance risks, and encouraged departments to strengthen their compliance risk defense line and standardize their business management.

### 2. Performance of the Audit Department

The Company’s internal audit work followed its fundamental positioning in economic oversight while concentrating on its primary responsibility and principal operation and was problem-and risk-oriented during the Reporting Period. Focusing on the principles and policies of the Party and the state to strengthen internal audit work, the Company served its overall development. By continuously optimizing work mechanisms and models, the Company solidified the foundation of audit quality. Leveraging technology-driven auditing and digital empowerment, the Company launched an audit data analysis system. These efforts established a digital foundation for the efficient execution of audit projects and consistently improved audit quality in key areas and critical links.

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In 2025, the Audit Department of the Company organised over 100 audit projects, including routine audits on the Company's major business lines, headquarters departments, branches and holding subsidiaries, financial responsibility audits of some management personnel, and special audits on some important issues. In addition, the Company took the lead in organizing the annual internal control evaluation of the Company, and the effectiveness of internal control of investment banking business.

Through the supervision and inspection of audit, the Company actively played the role of the "third line of defense" of internal audit, objectively reflecting certain problems in the operation and management process of the Company. By strengthening the rectification implementation, the Company enhanced the application of audit results, prevented and resolved risks, and promoted the Company to continuously improve internal control so that all lines of defense of the internal control system can fully function.

### 3. Monitoring of risk control indicators and building of net capital replenishment mechanism

The Company set up a dynamic monitoring and management model of risk control index system centering on net capital and liquidity according to a series of relevant regulations including Measures for the Management of the Risk Control Indexes of Securities Companies of the CSRC, and continuously optimised the functions of the dynamic monitoring system of net capital and liquidity to realize dynamic monitoring and automatic warning of risk control indicators such as net capital, and ensure that all risk control indicators such as net capital of the Company meet regulatory requirements. In compliance with the requirements such as the Guidelines on Securities Companies Stress Test issued by Securities Association of China, the Company has established a normalised stress testing mechanism and conducted stress tests on a regular or irregular basis to assess the Company's risk tolerance under stress scenarios and took necessary countermeasures to ensure the sustainable operations of the Company.

The Company has established a dynamic replenishment mechanism for net capital. When the main risk control indicators such as net capital approached or met the early warning standards stipulated by the CSRC, the Company would replenish the net capital by controlling the business scale, adjusting the asset structure, issuing subordinated bonds, raising capital and so on, so as to ensure that the Company's net capital and other risk control indicators to meet regulatory requirements. Meanwhile, the Company continued to enhance the capital management capability to further improve capital's role in guiding and restricting the development of various businesses, and guaranteed sustainable and healthy development of business lines with sufficient capital, thus maximizing value for the shareholders.

During the Reporting Period, based on the monitoring and measurement of various risk control indexes including net capital, the Company regularly analyzed and evaluated the support of net capital for the Company's business development, studied and tested the reasonable and efficient allocation of net capital and built the dynamic linking mechanism between business scale and net capital level. The Company, based on the aforesaid risk management activities, regularly prepared the Evaluation Report on Net Capital Risk to provide a comprehensive analysis and evaluation on the profile of the Company's net capital risks, realizing effective control on various risk control indexes such as net capital. During the Reporting Period, net capital and other risk control indexes of the Company were in line with regulatory requirements.

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### (VIII) Shareholders' rights

The Company called and convened 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 attended the general meetings and answered the shareholders' questions in accordance with the provisions of the Articles of Association.

Procedures of shareholders' application for convening of general meetings and for making proposals at the general meetings:

According to the Article 81 of the Articles of Association, Shareholder(s) severally or jointly holding 10% (inclusive) or more shares (including preferred shares in which the voting rights are restored, etc.) of the Company shall be entitled to request in writing the Board to convene an extraordinary general meeting or class general meeting of the Company. Two or more shareholders aggregately holding 10% or more shares with the voting right in the proposed meeting shall be entitled to sign a written requisition in one or more counterparts in the same form and content, requiring the Board to convene an extraordinary general meeting or class general meeting and state in such written requisition the matters to be discussed at the meeting. The aforesaid number of shares shall be calculated in accordance with the shares held on the day on which the written requisition is made by the shareholders. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal, 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 a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding no less than 10% of the shares of the Company shall be entitled to propose in writing to the Audit Committee to convene an extraordinary general meeting. If the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained. If the Audit Committee fails to issue the notice for the general meeting within the specified time, the Audit Committee shall be deemed as failing to convene and preside over such meetings. The shareholder(s) severally or jointly holding no less than 10% shares (including preferred shares in which the voting rights are restored, etc.) of the Company for no less than 90 consecutive days may convene and preside over such meetings. According to the Article 109 of the Articles of Association, when the Company convenes a shareholders' meeting, the Board, the Audit Committee, and shareholder(s) severally or jointly holding 1% (inclusive) or more shares (including preferred shares in which the voting rights are restored, etc.) of the Company shall be entitled to submit proposal(s) to the Company. According to the Article 110 of the Articles of Association, the shareholder(s) severally or jointly holding no less than 1% shares of the Company may submit written provisional proposals to the convener 10 days before a shareholders' meeting is convened. The convener shall serve a supplementary notice of shareholders' meeting to other shareholders within two days after receipt of such proposal, announce the content of the provisional proposal, and submit the provisional proposal to the shareholders' meeting for deliberation. However, this does not apply to temporary proposals that violate laws, administrative regulations, or the Articles of Association, or that do not fall within the scope of authority of the shareholders' meeting. Except for circumstances provided in the above paragraph, the convener, after issuing the notice and announcement of the shareholders' meeting, shall neither revise the proposals stated in the notice of shareholders' meetings nor add new proposals. The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the shareholders' meeting or resolutions not in conformity with the following article of the Articles of Association. The Articles of Association have been disclosed on the website of the Company and the HKExnews website of the Hong Kong Stock Exchange.

### (IX) Company secretary

The Company appointed Ms. Kwong Yin Ping, Yvonne, senior president of SWCS Corporate Services Group (Hong Kong) Limited, as the Company Secretary of the Company.

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The main contact person of Ms. Kwong Yin Ping, Yvonne in the Company is Mr. Guo Liangyong, the secretary to the Board. During the Reporting Period, Ms. Kwong Yin Ping, Yvonne received not less than 15 hours of professional trainings in accordance with Rule 3.29 of the Hong Kong Listing Rules.

### (X) Compliance with Model Code

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules concerning the securities transactions by directors and supervisors. The Company has made specific inquiries to all the Directors and Supervisors for the compliance with Model Code. All Directors confirmed that they fully complied with the Model Code during the Reporting Period. All Supervisors fully complied with the Model Code during the period from 1 January 2025 to 30 June 2025 (when the Company canceled its Supervisory Committee).

The Company has adopted the Model Code for supervising the unpublished price-sensitive information of the Company or its securities that is likely to be possessed by its employees. During the Reporting Period, the Company was not aware of any violation of the Model Code by any of its employees.

### (XI) Responsibilities of Directors concerning financial statements

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

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.

### (XII) Communications with shareholders

The general meeting shall be the supreme authority of the Company. All shareholders exercise their power through the general meeting. The Company called and convened 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.

The Articles of Association was amended once during the Reporting Period. For details, please see the Circular of the Company dated 9 June 2025 and the Articles of Association published on 30 June 2025. There are persons specially designated for contacting and communicating with shareholders. The Company attaches great importance to the opinions and suggestions of shareholders and tries to meet the reasonable requests of the shareholders in time.

The Company set "Investor Relations" column in its website for publishing announcements and financial information of the Company. Shareholders can also directly call the Company to inquire about relevant information, and the Company will deal with such inquiry in a timely and proper manner.

The Board would like to thank our shareholders and other stakeholders for their continued support and welcome their comments and enquiries regarding the Group's management and governance matters. Shareholders and other stakeholders may at any time send their enquiries and concerns to the Board by addressing them to the Office of the Board of Directors of the Company by mail to 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China or by investor@ccnew.com. Attn: Company Office (Office of the Board of Directors).

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### **(XIII) Investor relation activities**

Since its listing, the Company has always been attaching great importance to the investor relations. It maintains a good image in the capital market by establishing sound relationship between the Company and investors. The Company has formulated the information submission and disclosure measures in accordance with laws, rules, and department regulations such as the Company Law, the Securities Law, and the Administrative Measures for the Information Disclosure of the Listed Companies.

The Company has formulated the Investor Relations Management System. According to the Investor Relations Management System, the Company communicates with investors through multiple channels, platforms and ways. The ways of communication include but are not limited to: (I) announcements, including regular reports and interim announcements; (II) General Meeting; (III) the Company shall actively use the website of the SSE, SSE E-interaction platform and other network facilities to carry out investor relations management activities; (IV) the Company's website; (V) telephone and fax; (VI) on-site visits and seminars; (VII) investor briefing sessions.

In terms of daily communication, the Company has established the complete regular communication mechanism, reports the operation conditions of the Company to shareholders on a regular basis via mobile Internet and annual general meetings, and continuously recommends the investment value of the Company. In 2025, the Company organized special personnel to be on duty, monitor, inquire and reply to the e-interactive platform of SSE, investor hotline and investor email on a daily basis, and promptly and properly handled investors' inquiries, complaints and suggestions. After the release of regular reports, the Company actively organized three performance briefings, and received research from CITIC Securities, Changzhou Investment Group and other institutions. Through the above methods, the Company strengthened communication and exchange with investors, especially medium and small investors, guaranteed their rights to know and participate, and enhanced investors' understanding and recognition of the Company. The Company has reviewed the implementation of the Shareholders' Communication Policy for 2025 and considered it to be effective.

The Company focuses on reports on the Company on the public media and the transaction of its shares, verifies the authenticity of reports with related parties, promptly analyzes and judges the possible enterprise expectations of investors according to public opinions on the capital, and provides guidance for the development of investor relations.

### **(XIV) Appointment and remuneration of auditors**

Please refer to II. "APPOINTMENT OR TERMINATION OF SERVICE OF ACCOUNTING FIRM" under Section 5 "SIGNIFICANT EVENTS" of this report.

### **(XV) Review by the Audit Committee**

The Audit Committee has reviewed the Company's 2025 Audit Report and 2025 Annual Results.

## SECTION 4 CORPORATE GOVERNANCE REPORT

### (XVI) Board diversity policy

#### 1. Board diversity policy

The Company has adopted the board diversity policy according to the Corporate Governance Code. The Company's board diversity policy can be summarized as follows: The Company knows and believes that the board diversity will be beneficial to the Company, and views it as an important element in maintaining its competitive edge. In designing the Board's composition, the Company considers board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service, etc. The election of the Directors will be based on the principle of combining morality and ability, and candidates will be considered with due regard for the capacity, skill, and experience required for the overall operation of the Board, so as to ensure the proper balance of the members of the Board. The Remuneration and Nomination Committee of the Company will review and assess the composition of the Board, and provide suggestions to the Board for the election of new directors. The Remuneration and Nomination Committee of the Company will discuss annually all the agreed measurable objectives for implementing the board diversity, and provide relevant suggestions on the objectives to the Board.

#### 2. Reasons for adopting the Board diversity policy

The Company believes that diversity underpins the effective and successful operation on Board and helps the Remuneration and Nomination Committee and the Board to ensure that the Board has balanced skills, experience, and diversity of perspectives appropriate to the requirements of the Company's business. With a view to achieving a sustainable and balanced development, the Company regards increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The appointment of the Directors will be based on the principle of combining morality and ability, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. When selecting candidates for Directors, the Company, as a financial enterprise, will take into consideration the education background and industry background related to economics, finance and management education for the sake of diversity.

#### 3. Measurable objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. In selecting and making recommendations on suitable candidates for directorships, the Board will take the opportunity to increase the proportion of female members. The Company will ensure that the Board has at least one Director of different gender and that the Company has achieved this objective in 2025. The current diversity of the Board of the Company (including gender educational background and age, etc.) is set out in the paragraph (4) "Implementation and monitoring" below. The Company will continue to devote efforts to implement the board diversity policy.

## SECTION 4 CORPORATE GOVERNANCE REPORT

### 4. Implementation and monitoring

The Remuneration and Nomination Committee reviews the structure, size, and composition (including the skills, knowledge, and experience) of the Board annually, makes suggestions in respect of any changes to the Board arising from the changes in the Company's strategies, and monitors the implementation in line with the Board diversity policy. As at the date of this report, the composition of the Board at a diversity level is summarized as follows:

- A. Gender: Among the existing 10 Directors, 2 are female and the remaining 8 are male;
- B. Educational background: Among the existing 10 Directors, 6 have doctoral degrees; and 4 have master's degrees;
- C. Age: Among the existing 10 Directors, 3 are aged 60 and over, and 7 are under 60;
- D. Positions: Among the existing 10 Directors, 1 is executive Director, 5 are non-executive Directors, and 4 are independent non-executive Directors.

Accordingly, the Board considers the Board diversity policy to be effective.

### (XVII) Mechanism for independent opinion of the Board

The Company ensures independent views and opinions available to the Board through the following mechanisms:

1. The Company currently has four independent non-executive Directors, accounting for more than one-third of the seats on the Board, which is conducive to maintaining the independent advice and judgment of the Board. In 2025, the Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Hong Kong Listing Rules that at least one-third (not less than three) of the Directors are independent non-executive Directors and at least one independent non-executive Director has appropriate professional qualifications or specializes in accounting or related financial management. The Company shall supervise the performance of independent non-executive Directors. If a Director fails to attend in person for two consecutive meetings of the Board and does not appoint other Directors to attend such meetings, as stipulated in Article 163 of the Articles of Association, he/she shall be deemed to be unable to perform his/her duties and the Board shall recommend to the Shareholders' Meeting for removal.
2. The Company has received the written confirmation from each of the independent non-executive Directors regarding their independence from the Company pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.
3. The Chairman/Chairlady of the Board meets with the independent non-executive Directors at least once a year.
4. Members of the professional committees of the Board may engage intermediaries to provide professional advice for their decisions, and the related expenses shall be paid by the Company.

After review, the Company considers the above mechanism for ensuring independent advice of the Board and implementation effective.

By order of the Board  
**Zhang Qiuyun**  
Chairlady

27 March 2026

## SECTION 5 SIGNIFICANT EVENTS

### I PERFORMANCE OF UNDERTAKINGS

#### (I) Undertakings by undertaking related parties including de facto controller, shareholders, related parties, acquirer and the Company made or subsisting during the Reporting Period

Background	Type of undertakings	Undertaking party	Contents of undertakings	Date of undertakings	Any deadline for performance	Duration of undertakings	Whether timely and strictly performed	In case of failure to perform in time, the specific reasons for the incomplete performance shall be stated	In case of failure to perform in time, future plans shall be described
Undertakings in relation to the initial public offering	Non-competition	Henan Investment Group	Undertaking in relation to non-competition	Entering into the Non-competition Agreement with Central China Securities on 10 March 2014	Yes	Long-term	Yes		
	Non-competition	The Company	Undertaking in relation to non-competition	Entering into the Non-competition Agreement with Henan Investment Group on 10 March 2014	Yes	Long-term	Yes		

## SECTION 5 SIGNIFICANT EVENTS

### II APPOINTMENT OR TERMINATION OF SERVICE OF ACCOUNTING FIRM

Unit: Ten thousand Currency: RMB

	Currently engaged
Name of the domestic accounting firm	ShineWing Certified Public Accountants (Special General Partnership)
Remuneration of the domestic accounting firm	132 (including interim review)
Term of the audit services provided by domestic accounting firm	2 years
Name of certified public accountants of the domestic accounting firm	Cui Weiwei, Qi Xiaorui
Continued term of audit services by certified public accountants of the domestic accounting firm	1 year

	Name	Remuneration
Accounting firm engaged for internal control audit	ShineWing Certified Public Accountants (Special General Partnership)	35

Description of appointment or termination of service of accounting firm

The Company appointed Da Hua Certified Public Accountants (Special General Partnership) as the Company's auditing firm for the year of 2023, to provide both domestic and overseas audit services in accordance with the Chinese Accounting Standards for Business Enterprises.

In 2024, the Company appointed ShineWing to provide the Company with review services for 2024 interim report and serve as the accounting firm of the Company for the annual audit for 2024. Please refer to the announcements of the Company dated 19 July 2024 and 2 December 2024 for details.

To ensure the continuity of audit work and considering the professional expertise and service experience of ShineWing Certified Public Accountants (Special General Partnership), the Company has reappointed ShineWing Certified Public Accountants (Special General Partnership) as its auditor for the year 2025. The term of appointment is one year, during which ShineWing shall be responsible for providing both domestic and overseas audit services in accordance with the China Accounting Standards for Business Enterprises. Please refer to the announcements of the Company dated 9 June 2025 and 30 June 2025 for details.

### III MATERIAL LITIGATION AND ARBITRATION

The Company has no significant litigation or arbitration during the year.

### IV CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

None of the Group, its controlling shareholder or de facto controller had unperformed enforceable court judgments, unpaid debts with larger sums at maturity or bad credibility record.

## SECTION 5 SIGNIFICANT EVENTS

### V. CONNECTED TRANSACTIONS

Non-exempt continuing connected transactions conducted by the Group during the Reporting Period are listed below:

#### Securities and Financial Services Framework Agreement with Henan Investment Group

The Group has been, in the ordinary and usual course of its business, engaged in continuing transactions with Henan Investment Group and its associates, including securities and financial product transactions and the provision of securities and financial services. According to the Hong Kong Listing Rules, Henan Investment Group, a substantial shareholder of the Company, together with its associates, is the connected person of the Company. Transactions between the Group and Henan Investment Group and its associates constitute continuing connected transactions of the Group. Therefore, the Company entered into the Securities and Financial Services Framework Agreement with Henan Investment Group on 23 December 2024 (the "Securities and Financial Services Framework Agreement with Henan Investment Group") for a term of three years from 1 January 2025 to 31 December 2027, and respectively set the annual caps (for each of the three financial years ended 31 December 2027, annual caps for the revenue to be derived from provision of securities and financial services to Henan Investment Group and its associates are RMB23.4912 million, RMB25.1012 million and RMB25.5612 million, respectively; Fee of provision of securities and financial services to the Company from Henan Investment Group and its associates and provision of margin loans to Henan Investment Group and its associates are RMB57.0000 million, RMB57.0000 million and RMB57.0000 million, respectively), so as to regulate such continuing connected transactions of the Company more effectively.

In accordance with the Securities and Financial Services Framework Agreement with Henan Investment Group, the Group and Henan Investment Group and its associates provide securities and financial services to each other. Both the Company and Henan Investment Group agreed that the general pricing principles for service fee or commission or brokerage fee charged for securities and financial services shall be based on negotiations between the parties with reference to the prevailing market prices and in accordance with the provisions of the applicable laws and regulations of the PRC.

In 2025, the annual caps and actual amounts incurred for the provision of various securities and financial services to each other between the Group and Henan Investment Group and its associates are set out as follows:

	<b>2025</b> <b>Annual caps</b> <i>(in RMB million)</i>	<b>2025</b> <b>Actual amounts</b> <i>(in RMB million)</i>
<b>Securities and financial services</b>		
Revenue from the provision of securities and financial services to Henan Investment Group and its associates*	23.4912	1.1135
Fee of provision of securities and financial services to the Company from Henan Investment Group and its associates and provision of margin loans to Henan Investment Group and its associates**	57.0000	0.0000

\* The figure represents gains derived from subscriptions by the Group of securities and financial products set up by Henan Investment Group and its associates.

\*\* Primarily for payments to Henan Investment Group and its associates of platform business fee and margin business loans. The aggregated annual amount for margin business loans of each year shall not exceed RMB55,000,000.

## SECTION 5 SIGNIFICANT EVENTS

For details of the continuing connected transactions mentioned above, please refer to the announcement of the Company dated 23 December 2024 published on the HKExnews website of the Hong Kong Stock Exchange.

### **Securities and Financial Products Transactions and Services Framework Agreement with Equity Exchange Co.**

The Group has been, in the ordinary and usual course of its business, engaged in continuing transactions with Equity Exchange Co., including securities and financial products transactions and securities and financial services. According to the Hong Kong Listing Rules, Equity Exchange Co. is a connected subsidiary of the Company (Henan Investment Group, the substantial shareholder of the Company, holds 10% of its equity). Transactions between the Group and Equity Exchange Co. constitute continuing connected transactions of the Group. Therefore, the Company and Equity Exchange Co. renewed the Securities and Financial Products Transactions and Services Framework Agreement on 23 December 2024 (the “Securities and Financial Products Transactions and Services Framework Agreement with Equity Exchange Co.”) for a term of three years from 1 January 2025 to 31 December 2027, and respectively set the annual caps (for the three financial years ended 31 December 2027, ① the annual caps of the total net cash inflow to the Group for transactions in respect of the securities and financial products are RMB90.00 million, RMB90.00 million and RMB90.00 million, respectively, and the annual caps of the total net cash outflow from the Group are RMB90.00 million, RMB90.00 million and RMB90.00 million, respectively; ② the annual caps for revenue from the provision of securities and financial services to Equity Exchange Co. in respect of securities and financial services are RMB52.14 million, RMB52.14 million and RMB52.14 million, respectively, and the annual caps for expenses to be incurred by the provision of securities and financial services to the Group are RMB6.05 million, RMB6.05 million and RMB6.05 million, respectively), in order to regulate such continuing connected transactions of the Company more effectively.

According to the Securities and Financial Products Transactions and Services Framework Agreement with Equity Exchange Co., the Group enters into various securities and financial products transactions with Equity Exchange Co. in the ordinary and usual course of its business, and mutually provides various securities and financial services to each other. The Company and Equity Exchange Co. agreed that the securities and financial products transactions will be conducted at the prevailing market prices in the ordinary and usual course of the Group’s business. In terms of subscriptions by Equity Exchange Co. set up by the Group, the subscription price is at the same subscription price as the subscriptions by other investors. Such subscription price is determined by the Group after considering the fundamentals of the assets/business to be invested. The general pricing principle of service fees charged for the mutual provision of securities and financial services shall be negotiated and determined by both parties with reference to the prevailing market price in accordance with the provisions of applicable PRC laws and regulations.

## SECTION 5 SIGNIFICANT EVENTS

In 2025, the annual caps and actual amounts of securities and financial products transactions between the Group and Equity Exchange Co., and the annual caps and actual amounts of securities and financial services mutually provided between the Group and Equity Exchange Co. are set out as follows:

	<b>2025</b> <b>Annual caps</b> <i>(in RMB million)</i>	<b>2025</b> <b>Actual amounts</b> <i>(in RMB million)</i>
<b>Securities and financial products transactions</b>		
Total net cash outflow from the Group	90.00	60.00
Total net cash inflow to the Group	90.00	11.95
<b>Securities and financial services</b>		
Revenue from the provision of securities and financial services to Equity Exchange Co.*	52.14	10.19
Expenses incurred by the provision of securities and financial services to the Group**	6.05	0.04

\* Primarily the Group's asset management products, private funds management income and resource referral fee income.

\*\* Primarily the membership fee, financial advisory fee and partial business fee charged by Equity Exchange Co.

For details of the continuing connected transactions mentioned above, please refer to the announcement of the Company dated 23 December 2024 published on the HKExnews website of the Hong Kong Stock Exchange.

During the Reporting Period, the above continuing connected transactions were executed in accordance with the relevant framework agreements signed by the Company with Henan Investment Group and Equity Exchange Co. respectively and the pricing principles of the relevant transactions were strictly observed.

The auditor engaged by the Company has reviewed the above-mentioned non-exempt continuing connected transactions and has sent a letter to the Board, stating that:

- Nothing has come to the auditor's attention that causes them to believe that the continuing connected transactions have not been approved by the Board of the Company;
- In respect of the transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes them to believe that the continuing connected transactions have not been conducted in accordance with the Group's pricing policy in all material respects;
- Nothing has come to the auditor's attention that causes them to believe that the continuing connected transactions in all material respects were not carried out in accordance with the relevant agreements governing the transactions;
- Regarding the total amount of each continuing connected transaction listed in the appendix of the continuing connected transaction letter, nothing has come to the auditor's attention that causes them to believe the disclosed continuing connected transactions have exceeded the annual caps set by the Company.

## SECTION 5 SIGNIFICANT EVENTS

The independent non-executive Directors of the Company have confirmed to the Board that they have reviewed the above non-exempt continuing connected transactions and considered that the transactions were:

- conducted in the ordinary course of business of the Group;
- on normal commercial terms or better;
- conducted in accordance with the terms set out in relevant transactions agreement, which were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Save as disclosed above, there is no related party transaction or continuing related party transaction as set out in IX “RELATED PARTIES AND RELATED TRANSACTIONS” under Section 8 “FINANCIAL REPORT” of this report that falls into the category of connected transaction or continuing connected transaction that needs to be disclosed under the Hong Kong Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules with respect to the connected transactions and continuing connected transactions of the Company.

## SECTION 5 SIGNIFICANT EVENTS

### Material related transactions involving joint external investment

#### 1. Matters that have been disclosed in the Interim announcement, and have no progress or changes in subsequent implementation

Applicable Not Applicable

#### 2. Matters that have been disclosed in the interim announcement, but have progress or changes in subsequent implementation

##### Description

##### Inquiry Index

On 8 September 2025, the thirty-seventh meeting of the seventh session of the Board of Directors of the Company considered and approved the Proposal on the Initiation and Establishment of a Private Equity Fund by a Wholly-owned Subsidiary and Related Party Transaction, agreeing the subsidiary of the Company Zhongding Kaiyuan to subscribe for a capital contribution not exceeding RMB50 million to jointly establish Henan Hongding Equity Investment Partnership (Limited Partnership) with related/connected parties, Henan Asset Fund Management Co., Ltd. and Henan Asset Management Co., Ltd. Zhongding Kaiyuan is a wholly-owned subsidiary of the Company. Henan Investment Group holds approximately 22.05% of the issued share capital of the Company and is a substantial shareholder of the Company. Both Henan Asset Fund Management Co., Ltd. and Henan Asset Management Co., Ltd. are subsidiaries of Henan Investment Group. Therefore, both Henan Asset Fund Management Co., Ltd. and Henan Asset Management Co., Ltd. are connected persons of the Company. According to Chapter 14A of the Hong Kong Listing Rules, the transaction also constitutes a connected transaction for the Company.

SSE Announcements No.: 2025-029

Announcements on the website of the Hong Kong Stock Exchange dated 8 September 2025

### VI. EXPLANATION OF OTHER MATERIAL EVENTS HAVING A SIGNIFICANT INFLUENCE ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISION-MAKING

On 17 October 2024, the China Securities Regulatory Commission (hereinafter referred to as "CSRC") issued the Decision on Suspension of the Bond Underwriting Business of Central China Securities Co., Ltd. ([2024] No. 34) (《關於對中原證券股份有限公司採取暫停債券承銷業務措施的決定》([2024]34號)), which pointed out the violations of the Company in certain investment banking business, and decided to suspend the Company' bond underwriting business from 17 October 2024 to 16 April 2025.

On 19 September 2025, the Company received the Notice on Lifting Relevant Business Restrictions on Central China Securities Co., Ltd. (CSRC Letter [2025] No. 360) (《關於解釋中原證券股份有限公司相關業務限制的通知》(證監函[2025]360號)) from the CSRC, which agreed to lift the restrictions imposed on the Company's bond underwriting business. The Company will continue to strengthen compliance and risk control management, enhance the level of standardized operations, and continuously improve the quality of its investment banking practices.

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### I Changes in share capital

#### (I) CHANGES IN SHARE CAPITAL

##### 1. Changes in shares

During the Reporting Period, there was no change in the total number of shares and share capital structure.

### II ISSUANCE AND LISTING OF SECURITIES

#### (I) Particulars about issuances of securities during the Reporting Period

Unit: 0'000 shares/0'000 bonds Currency: RMB

Type of shares and derivative securities	Date of issuance	Issue price (or interest rate)	Issue size	Date of listing	Number of shares approved for listing and trading	Date of termination of trading
Bonds (including enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises)						
2025 Corporate Bonds Privately Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	24 April 2025	2.35%	2,000.00	30 April 2025	2,000.00	25 April 2028
2025 Public Issuance of Subordinated Bonds to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	7 November 2025	2.20%	500.00	13 November 2025	500.00	10 November 2028
2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	18 November 2025	1.98%	500.00	24 November 2025	500.00	19 November 2028

Explanation on issuances of securities during the Reporting Period (Please provide separate explanations for bonds with different interest rates during the duration):

During the Reporting Period, the Company issued 3 tranches of bonds, including: one tranche of privately issued corporate bonds, namely "25 Central China 01," with an issuance size of RMB2.0 billion, an interest rate of 2.35%, and a term of 3 years; one tranche of publicly issued subordinated bonds, namely "25 Central China C1," with an issuance size of RMB500 million, an interest rate of 2.20%, and a term of 3 years; and one tranche of publicly issued technological innovation corporate bonds, namely "25 Central China K1," with an issuance size of RMB500 million, an interest rate of 1.98%, and a term of 3 years.

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### III SHAREHOLDERS AND DE FACTO CONTROLLERS

#### (I) Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period 112,026  
Among which: 111,990 holders of A shares; 36 registered holders of H shares

Total number of ordinary shareholders as of the end of the month prior to the disclosure date of this report 107,335  
Among which: 107,299 holders of A shares; 36 registered holders of H shares

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### (II) Shareholdings of the top ten shareholders, the top ten holders of tradable shares (or shareholders not subject to trading moratorium) as of the end of the Reporting Period

Unit: Share

Name of shareholders (Full name)	Changes during the Reporting Period	Shareholdings of the top ten shareholders (excluding share lending through refinancing)		Number of shares held subject to trading moratorium	Status of shares	Shares pledged, marked or frozen  Number	Nature of shareholders
		Number of shares held as at the end of the Period	Percentage (%)				
HKSCC Nominees Limited	-75,000	1,195,111,550	25.74	0	Nil	0	Overseas legal person
Henan Investment Group Co., Ltd. (河南投資集團有限公司)	0	822,983,847	17.73	0	Nil	0	State-owned legal person
Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)	7,903,500	149,070,907	3.21	0	Nil	0	State-owned legal person
Anyang Iron & Steel Group Co., Ltd. (安陽鋼鐵集團有限責任公司)	0	131,085,215	2.82	0	Pledged	65,000,000.00	State-owned legal person
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 — 國泰中證全指證券公司交易型開放式指數證券投資基金)	35,628,666	75,842,277	1.63	0	Nil	0	Others
China Pingmei Shenma Energy & Chemical Group Co., Ltd. (中國平煤神馬控股集團有限公司)	0	63,694,267	1.37	0	Nil	0	State-owned legal person
China Construction Bank Corporation — Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 — 華寶中證全指證券公司交易型開放式指數證券投資基金)	19,211,362	52,794,133	1.14	0	Nil	0	Others
Zheng Yu	0	50,000,090	1.08	0	Nil	0	Domestic natural person
Anyang Industry Investment Group Co., Ltd.	0	48,824,693	1.05	0	Nil	0	State-owned legal person
Henan Railway Construction & Investment Group Co., Ltd. (河南省鐵路建設投資集團有限公司)	0	46,219,915	1.00	0	Nil	0	State-owned legal person

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### Shareholdings of the top ten shareholders not subject to trading moratorium (excluding share lending through refinancing)

Name of shareholders	Number of tradable shares not subject to trading moratorium	Type and number of shares	
		Type	Number
HKSCC Nominees Limited	1,195,111,550	Overseas-listed foreign shares	1,195,111,550
Henan Investment Group Co., Ltd. (河南投資集團有限公司)	822,983,847	RMB-denominated ordinary shares	822,983,847
Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)	149,070,907	RMB-denominated ordinary shares	149,070,907
Anyang Iron & Steel Group Co., Ltd. (安陽鋼鐵集團有限責任公司)	131,085,215	RMB-denominated ordinary shares	131,085,215
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 — 國泰中證全指證券公司交易型開放式指數證券投資基金)	75,842,277	RMB-denominated ordinary shares	75,842,277
China Pingmei Shenma Energy & Chemical Group Co., Ltd. (中國平煤神馬控股集團有限公司)	63,694,267	RMB-denominated ordinary shares	63,694,267
China Construction Bank Corporation — Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 — 華寶中證全指證券公司交易型開放式指數證券投資基金)	52,794,133	RMB-denominated ordinary shares	52,794,133
Zheng Yu	50,000,090	RMB-denominated ordinary shares	50,000,090
Anyang Industry Investment Group Co., Ltd.	48,824,693	RMB-denominated ordinary shares	48,824,693
Henan Railway Construction & Investment Group Co., Ltd. (河南省鐵路建設投資集團有限公司)	46,219,915	RMB-denominated ordinary shares	46,219,915
Explanation on related party or concert party relationship among the above shareholders	The Company is not aware of any related party relationship among the above-mentioned shareholders or whether they are parties acting in concert as defined in the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》).		

Note 1: As known to the Company, as of the end of the Reporting Period, in addition to the 822,983,847 A shares of the Company directly held by it, Henan Investment Group Co., Ltd. also held 46,733,000 H shares of the Company through its wholly-owned subsidiary, Dahe Paper (Hong Kong) Co., Limited, and held 153,840,000 H shares of the Company through Hong Kong Stock Connect, totaling 1,023,556,847 shares of the Company, accounting for 22.05% of the total issued shares of the Company.

# SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

## IV CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

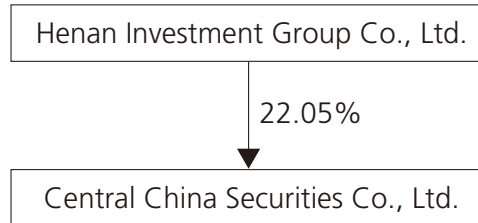
### (I) Controlling shareholders

#### 1. Legal person

Name	Henan Investment Group Co., Ltd. (河南投資集團有限公司)
Person in charge of the entity or legal representative	Yan Wanpeng
Date of incorporation	December 18, 1991
Principal business	Investment management, investment in construction projects, industrial production materials and machinery and equipment required for construction projects, sale of raw materials of products for investment projects (other than those subject to national specific regulations); housing lease (for those subject to approval among the abovementioned, the company is not allowed to operate such business before obtaining approvals)
Details of controlling interests and investments in other domestic and overseas-listed companies during the Reporting Period	The controlling interests in domestic listed companies are: YUNENG Holdings (001896) which accounts for 61.85% of its total share capital; City Development Environment (000885) which accounts for 56.47% of its total share capital; and Ancai Hi-Tech (600207) which accounts for 41.00% of its total share capital. The investments in domestic listed companies are: China Aviation Optical (002179), Bank of Zhengzhou (002936), WINGTECH (600745) and Career International (300662). The investments in overseas listed companies are: Zhongyuan Bank (01216.HK) and Bank of Zhengzhou (06196.HK).
Other explanation	None

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### 2. Chart of the ownership and controlling relationships between the Company and the controlling shareholder



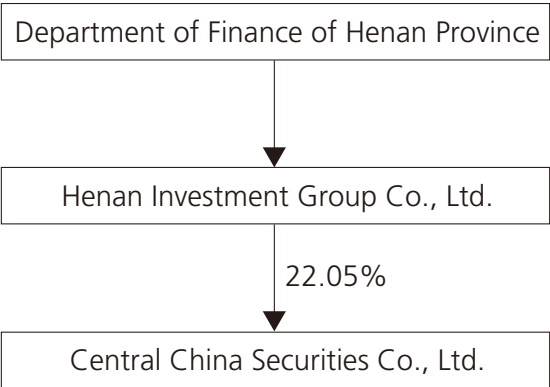
### (II) De facto controller

#### 1. Legal person

Name	Department of Finance of Henan Province
Person in charge of the entity or legal representative	Zhao Qingye
Other explanation	Henan Investment Group is under the Henan Provincial Government. Responsibilities of the promoter are performed by the Department of Finance of Henan Province as authorized by the Henan Provincial Government. The Department of Finance of Henan Province is the de facto controller of the Company.

# SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

## 2. Chart of the ownership and controlling relationships between the Company and the de facto controller



### (III) Other description on controlling shareholder and de facto controller

Henan Investment Group is under the Henan Provincial Government. Responsibilities of the promoter are performed by the Department of Finance of Henan Province as authorized by the Henan Provincial Government. The Department of Finance of Henan Province is the de facto controller of the Company.

# SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

## I CORPORATE BONDS (ENTERPRISE BONDS INCLUSIVE) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

### (I) Corporate bonds

#### 1. Basic information of corporate bonds

Unit: 100 million    Currency: RMB

Name of bonds	Abbreviation	Code	Date of issuance	Value date	The latest	Maturity	Balance of	Interest rate	Method to	Venue of	Lead underwriter	Trustee	Arrangement	Trading	Whether
					putback date										
					April 2026		bonds	(%)	interest				investors		of listing and
2023 Corporate Bonds Publicly Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	23 Central China 01	115016.SH	10 March 2023	13 March 2023	—	13 March 2026	10	3.68	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Shenwan Hongyuan Securities Co., Ltd.	Shenwan Hongyuan Securities Co., Ltd.	Issuance to professional investors	By matching, clicking, inquiry, bidding and agreement	No
2023 Public Issuance of Subordinated Bonds to Professional Institutional Investors (Tranche 1) of Central China Securities Co., Ltd.	23 Central China C1	115809.SH	17 August 2023	18 August 2023	—	18 August 2026	5	3.70	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Guotai Haitong Securities Company Limited	Guotai Haitong Securities Company Limited	Issuance to professional institutional investors	By matching, clicking, inquiry, bidding and agreement	No
2024 Corporate Bonds Publicly Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	24 Central China 01	240528.SH	24 January 2024	25 January 2024	—	25 January 2027	7	2.90	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Shenwan Hongyuan Securities Co., Ltd.	Shenwan Hongyuan Securities Co., Ltd.	Issuance to professional investors	By matching, clicking, inquiry, bidding and agreement	No
2024 Public Issuance of Subordinated Bonds to Professional Institutional Investors (Tranche 1) of Central China Securities Co., Ltd.	24 Central China C1	240999.SH	3 June 2024	4 June 2024	—	4 June 2027	10	2.44	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Guotai Haitong Securities Company Limited	Guotai Haitong Securities Company Limited	Issuance to professional institutional investors	By matching, clicking, inquiry, bidding and agreement	No

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

Name of bonds	Abbreviation	Code	Date of issuance	Value date	The latest putback date following 30 April 2025	Maturity date	Balance of bonds	Interest rate (%)	Method to repay principal and pay interest	Venue of trading	Lead underwriter	Trustee	Arrangement to ensure the suitability of investors	Trading mechanism	Whether there are risks of termination of listing and trading
2024 Corporate Bonds Publicly Issued to Professional Investors (Tranche 2) of Central China Securities Co., Ltd.	24 Central China 02	241202.SH	3 July 2024	4 July 2024	—	4 July 2027	20	2.22	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Shenwan Hongyuan Securities Co., Ltd.	Shenwan Hongyuan Securities Co., Ltd.	Issuance to professional investors	By matching, clicking, inquiry, bidding and agreement	No
2025 Corporate Bonds Privately Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	25 Central China 01	258335.SH	24 April 2025	25 April 2025	—	25 April 2028	20	2.35	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Guotai Haitong Securities Company Limited, CSC Financial Co., Ltd.	Guotai Haitong Securities Company Limited	Issuance to professional investors	By clicking, inquiry, bidding and agreement	No
2025 Public Issuance of Subordinated Bonds to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	25 Central China C1	244175.SH	7 November 2025	10 November 2025	—	10 November 2028	5	2.20	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Shenwan Hongyuan Securities Co., Ltd., China Galaxy Securities Co., Ltd.	Shenwan Hongyuan Securities Co., Ltd.	Issuance to professional investors	By matching, clicking, inquiry, bidding and agreement	No
2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	25 Central China K1	244238.SH	18 November 2025	19 November 2025	—	19 November 2028	5	1.98	Interest on an annual basis and the principal repayable upon maturity in full	SSE	Shenwan Hongyuan Securities Co., Ltd., Guotai Haitong Securities Company Limited, Soochow Securities Co., Ltd.	Shenwan Hongyuan Securities Co., Ltd.	Issuance to professional investors	By matching, clicking, inquiry, bidding and agreement	No

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

Name of bonds	Explanations on interests payment and due repayment
2024 Corporate Bonds Publicly Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	Interest payment in full as scheduled
2022 Corporate Bonds Publicly Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	Payment in full as scheduled
2023 Corporate Bonds Publicly Issued to Professional Investors (Tranche 1) of Central China Securities Co., Ltd.	Interest payment in full as scheduled
2024 Public Issuance of Subordinated Bonds to Professional Institutional Investors (Tranche 1) of Central China Securities Co., Ltd.	Interest payment in full as scheduled
2024 Corporate Bonds Publicly Issued to Professional Investors (Tranche 2) of Central China Securities Co., Ltd.	Interest payment in full as scheduled
2023 Public Issuance of Subordinated Bonds to Professional Institutional Investors (Tranche 1) of Central China Securities Co., Ltd.	Interest payment in full as scheduled
2022 Public Issuance of Subordinated Bonds to Professional Institutional Investors (Tranche 1) (Type 1) of Central China Securities Co., Ltd.	Payment in full as scheduled

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### 3. Intermediaries providing services for the issuance and duration of the bonds

Intermediary name	Office address	Names of signing accountants (if applicable)	Associate	Contact number
CSC Financial Co., Ltd.	9/F, Taikang Group Building, Building No. 1, 16 Jinghui Street, Chaoyang District, Beijing		Geng Hua, Du Ding	010-56051915
Guotai Haitong Securities Company Limited	Room 2106, Ping An Financial Center, Jiang'an District, Wuhan, Hubei Province		Xiong Jieyu, Zhang Ying	027-82832320
Shenwan Hongyuan Securities Co., Ltd.	Shenwan Hongyuan Securities, 6/F, Tower C, Hengao Center, 19 Taipingqiao Street, Xicheng District, Beijing		Feng Haoran, Duan Pengfei	010-88013859
China Galaxy Securities Co., Ltd.	Room 101, Floors 7-18, Building 1, No. 8 Xiyi Street, Fengtai District, Beijing		Chen Qu, Deng Xiaoxia, Liu Jiahui	010-80927268
Soochow Securities Co., Ltd.	No. 5 Xingyang Street, Suzhou Industrial Park		Peng Lu	0512-62936293
ShineWing Certified Public Accountants (Special General Partnership)	F9, Tower A, Fuhua Mansion, 8 Chaoyangmen North Street, Dongcheng District, Beijing	Yan Fanqing, Daihui, Cui Weiwei (崔巍巍), Cui Weiwei, Qi Xiaorui (齐晓瑞)		010-65542288
Da Hua Certified Public Accountants (Special General Partnership)	11/F, Building 7, No. 16, West Fourth Ring Middle Road, Haidian District, Beijing	Aodu Jiya, Li Tiantian	Aodu Jiya	010-58350006
Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14F, Huasheng Building, 398 Hankou Road, Shanghai		Xu Xingcun	021-63500711
Henan Luda Law Firm	6/F and 20/F, Building A, Meiqiao Century Plaza, 109 Jinshui East Road, Zhengzhou City, Henan Province		Wang Peiwu, Chai Yunfei	0371-88927791

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### 4. Adjustment of credit rating results

#### *Other explanations*

Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the tracking rating report on “24 Central China C1”, “23 Central China C1” and “22 Central China C1” on 22 May 2025, maintaining the AAA rating for the Company’s entity credit and AA+ rating for its bonds credit, with a stable rating outlook. Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the entity credit rating report on the Company on 22 September 2025, maintaining the AAA rating for the Company’s entity credit, with a stable rating outlook. Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the bond rating report on “25 Central China C1” on 27 October 2025, maintaining the AAA rating for the Company’s entity credit and AA+ rating for its bonds credit, with a stable rating outlook.

### 5. Changes and implementation of guarantees, debt repayment plans and other debt repayment protection measures during the Reporting Period and their impact

Bond code	Bond abbreviation	Current status	Implementation	Change	Is there any change	Situation before change	Reason for the change	Whether the change has been approved by competent authorities	Situation as of the end of the Reporting Period	Impact of the change on rights and interests of bonds investors
115016.SH	23 Central China 01	As of the end of the Reporting Period, all outstanding	During the Reporting Period, the Company strictly	Nil	No					
115809.SH	23 Central China C1	corporate bonds are unsecured bonds. The	adhered to the debt repayment plans and							
240528.SH	24 Central China 01	Company's debt repayment protection measures include	protection measures, paid bond interest and/							
240999.SH	24 Central China C1	the formulation of the Rules of the Bondholders'	or principal in full and on time, disclosed bond-related							
241202.SH	24 Central China 02	Meeting, the formulation and strict execution of	information in a timely manner, and maintained the							
258335.SH	25 Central China 01	capital management plans, the full utilization of the	standardized operation of special accounts.							
244175.SH	25 Central China C1	bond trustee's role, and the rigorous fulfillment								
244238.SH	25 Central China K1	of information disclosure obligations.								

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### (II) Proceeds from the corporate bonds

Corporate bonds involving the use of proceeds or rectification during the Reporting Period

#### 1. Basic information

Unit: 100 million Currency: RMB

Bond code	Bond abbreviation	Whether it is a specialised type of bond	Specific type of specialised bond	Total funds raised	Balance of funds raised at the end of the Reporting Period	Balance of the special account for funds raised at the end of the Reporting Period
258335.SH	25 Central China 01	No	—	20	0	0
244175.SH	25 Central China C1	No	—	5	0	0
244238.SH	25 Central China K1	Yes	Technological innovation corporate bonds	5	0	0

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### 2. Use of proceeds

#### (1). Actual use of proceeds (excluding temporary replenishment)

Unit: 100 million    Currency: RMB

Bond code	Bond abbreviation	Actual amount of proceeds utilised during the Reporting Period	Amount of interest-bearing debt repayment (excluding corporate bonds)	Amount of repayment of corporate bonds	Amount of liquidity replenishment	Amount involved in fixed asset investment projects	Amount involved in equity investments, debt or asset acquisitions	Amount of other uses
258335.SH	25 Central China 01	20	—	20	—	—	—	—
244175.SH	25 Central China C1	5	—	5	—	—	—	—
244238.SH	25 Central China K1	5	—	—	—	—	—	5

#### (2). Proceeds used for other purposes

Bond code	Bond abbreviation	Specifics of other uses
244238.SH	25 Central China K1	Used to support business operations in the field of technological innovation, and to refinance investments made in technological innovation corporate bonds within the 12 months prior to issuance.

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### 3. Compliance of use of proceeds

Bond code	Bond abbreviation	Intended use of proceeds in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the intended use (including the intended use in the prospectus and the use after compliance change)	Whether the use of proceeds and the management of special account for proceeds are compliant during the Reporting Period	Whether the use of proceeds complied with regulations on local government debt management
258335.SH	25 Central China 01	Self-owned funds used to refinance and repay the principal of the matured corporate bonds	Self-owned funds used to refinance and repay the principal of the matured "22 Central China 01" corporate bonds	Yes	Yes	Yes
244175.SH	25 Central China C1	Self-owned funds used to refinance and repay the principal of the matured "22 Central China C1" subordinated bonds	Self-owned funds used to refinance and repay the principal of the matured "22 Central China C1" subordinated bonds	Yes	Yes	Yes
244238.SH	25 Central China K1	Used for supporting business operations in the field of technological innovation. No less than 70% of the proceeds is intended for investments that comply with relevant capital market requirements, including but not limited to, investing in technological innovation corporate bonds and refinancing investments in such bonds made within 12 months prior to the current issuance; the remaining portion, not exceeding 30%, will be used to replenish working capital.	Used to support business operations in the field of technological innovation, and to refinance investments made in technological innovation corporate bonds within the 12 months prior to issuance.	Yes	Yes	Yes

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### 4. The Company is an issuer of technological innovation corporate bonds or innovation and entrepreneurship corporate bonds.

Unit: 100 million    Currency: RMB

The issuer category applicable to the current bond issuance	<input type="checkbox"/> Technological innovation <input type="checkbox"/> Technological innovation update <input type="checkbox"/> Technological innovation investment <input type="checkbox"/> Technological innovation incubation <input checked="" type="checkbox"/> Financial institution
Bond code	244238.SH
Bond abbreviation	25 Central China K1
Balance of bonds	0
Progress on the allocation of proceeds from technological innovation projects or financial institutions to technological innovation fields	As of the end of the Reporting Period, RMB500 million had been specifically deployed to support businesses in the technological innovation field through bond investments and other financial instruments.
Impact on promoting technological innovation	Successfully channeled funds to technology enterprises and facilitated the allocation of financial resources to the technological innovation field, thereby enhancing the quality and efficiency of financial services supporting the real economy
Operation of the Fund Products (if any)	Nil
Other matters	Nil

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### (IV) Significant events relating to the Company's bonds during the Reporting Period

#### 1. Non-operating current account and capital borrowings

##### (1). *Non-operating current account and capital borrowings*

At the beginning of the Reporting Period, the balance of the Company's consolidated accounts receivable for current account and capital borrowings to other parties that are not directly attributable to production and operations (hereinafter referred to as non-operating current account and capital borrowings): RMB0.00 million;

New increase in non-operating current account and capital borrowings during the Reporting Period: RMB0.00 billion, Collected: RMB0.00 billion;

Whether there was any non-compliance with the relevant covenants or undertakings in the prospectus in respect of non-operating current account and capital borrowings during the Reporting Period

Yes No

At the end of the Reporting Period, the total amount of uncollected non-operating current account and capital borrowings: RMB0.00 million, including the total amount of current account and capital borrowings by controlling shareholder, de facto controller, and other related parties: RMB0.00 billion.

##### (2). *Breakdown of non-operating current account and capital borrowings*

At the end of the Reporting Period, uncollected non-operating current accounts and capital borrowings of the Company's consolidated accounts as a percentage of the net assets of the consolidated accounts: 0.00%

Whether it exceeds 10% of the net assets of the consolidated accounts: Yes No

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### 2. Liabilities

#### (1). Interest-bearing debt and changes

##### 1.1 Debt structure of the Company

At the beginning of the Reporting Period and at the end of the Reporting Period, the Company's (non-consolidated) interest-bearing debt balance amounted to RMB18.632 billion and RMB19.991 billion, respectively, with a year-on-year change of 7.30% in the balance of interest-bearing debt during the Reporting Period.

Unit: 100 million    Currency: RMB

Type of interest-bearing debt	Expiry time			Total amount	Percentage of interest bearing debt (%)
	Overdue	Within 1 year (inclusive)	Over 1 year (exclusive)		
Corporate credit bonds		16.27	66.98	83.25	41.64
Bank loans					
Loans from non-bank financial institutions					
Other interest-bearing debt		113.33	3.33	116.67	58.36
<b>Total</b>		<b>129.60</b>	<b>70.31</b>	<b>199.91</b>	<b>—</b>

At the end of the Reporting Period, among the Company's corporate credit bonds in existence, the balance of corporate bonds amounted to RMB8.325 billion, the balance of enterprise bonds amounted to RMB0.00 billion, the balance of non-financial corporate debt financing instruments amounted to RMB0.00 billion.

##### 1.2 Interest-bearing debt structure of the Company's consolidated accounts

At the beginning of the Reporting Period and at the end of the Reporting Period, the Company's interest-bearing debt balance within consolidated financial statements amounted to RMB19.268 billion and RMB19.967 billion, respectively, with a year-on-year change of 3.63% in the balance of interest-bearing debt during the Reporting Period.

Unit: 100 million    Currency: RMB

Type of interest-bearing debt	Expiry time			Total amount	Percentage of interest bearing debt (%)
	Overdue	Within 1 year (inclusive)	Over 1 year (exclusive)		
Corporate credit bonds		16.27	66.98	83.25	41.69
Bank loans					
Loans from non-bank financial institutions					
Other interest-bearing debt		113.09	3.33	116.42	58.31
<b>Total</b>		<b>129.36</b>	<b>70.31</b>	<b>199.67</b>	<b>—</b>

At the end of the Reporting Period, among the Company's corporate credit bonds of consolidated accounts in existence, the balance of corporate bonds amounted to RMB8.325 billion, the balance of enterprise bonds amounted to RMB0.00 billion, the balance of non-financial corporate debt financing instruments amounted to RMB0.00 billion.

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### 1.3 Overseas bonds

As at the end of the Reporting Period, the balance of overseas bonds issued within the scope of the Company's consolidated statements amounted to RMB0.00 billion.

### (2). *Priority liabilities with opposability against third parties*

As of the end of the Reporting Period, there exist priority liabilities with opposability against third parties within the scope of the Company's consolidated financial statements:

Applicable Not Applicable

### 3. **Changes in the Information Disclosure Matters Management System during the Reporting Period**

Yes No

Description of changes in the Information Disclosure Matters Management System during the Reporting Period	On 31 December 2025, the 41st meeting of the Company's 7th session of the Board of Directors considered and approved the Proposal on the Revision of the Information Disclosure Matters Management System, agreeing to amend the previous Information Disclosure Matters Management System. For further details, please refer to the relevant announcement dated 1 January 2026, disclosed on the website of the Shanghai Stock Exchange. (Announcement No.: 2026-001)
Major clauses after changes in the Information Disclosure Matters Management System	The revised system further optimizes the Company's corporate governance structure by transferring the information disclosure oversight responsibilities—previously held by the Board of Supervisors—to the Audit Committee, thereby enhancing professional rigor and independence. Furthermore, in alignment with the latest regulatory rules, the term "General Meeting" is standardized, and the division of duties across departments is refined to improve the compliance, timeliness, and consistency of information disclosure.
Impact on rights and interests of investors	The revised system implements more stringent information disclosure obligations for Directors, senior management, and relevant responsible persons. By strengthening the management of inside information and voluntary disclosures, these amendments aim to improve the disclosure quality and transparency. This ensures the effective protection of the right to stay informed and the legitimate interests of both domestic and overseas investors, particularly minority shareholders.

## SECTION 7 INFORMATION ON BONDS ISSUED BY THE COMPANY

### (V) Accounting data and financial indicators of the Company for the past 2 years as of the end of the Reporting Period

Unit: Yuan    Currency: RMB

Principal indicators	2025	2024	Increase/ Decrease as compared with the corresponding period of last year (%)	Reason for the change
Net profit after non-recurring profit or loss attributable to the shareholder of the listed company	474,817,919.53	209,918,233.37	126.19	Increase in operating profit
Current ratio	2.05	2.16	-5.09	
Quick ratio	2.05	2.16	-5.09	
Gearing ratio (%)			Increased by 0.93	
	60.28	59.35	percentage point	
Debt-to-EBITDA ratio			Increased by 0.9	
	5.52	4.62	percentage point	
Interest coverage ratio				Year-on-year increase in EBIT
	2.38	1.42	67.61	Increase in net cash flow from operating activities
Cash interest coverage ratio				Increase in EBITDA
	30.96	14.86	108.34	
EBITDA interest coverage ratio				
	2.68	1.65	62.42	
Loan repayment ratio (%)	100	100	—	
Interest payment ratio (%)	100	100	—	

# SECTION 8 FINANCIAL REPORT

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# INDEPENDENT AUDIT REPORT

XYZH/2026BJAB2B0109  
Central China Securities Co., Ltd.

**To the Shareholders of Central China Securities Co., Ltd.:**

## **I. Audit opinion**

We have audited the financial statements of Central China Securities Co., Ltd. (hereinafter referred to as “the Company”), including the consolidated and the Parent Company’s balance sheet as at December 31st, 2025, the consolidated and the Parent Company’s income statement, the consolidated and the Parent Company’s cash flow statement, the consolidated and the Parent Company’s change of equity statement for the year 2025, and notes to the financial statements.

In our opinion, the accompanying financial statements were prepared in accordance with the Accounting Standards for Business Enterprises in all material respects, and presented fairly the consolidated and the Parent Company’s financial position of the Company as of December 31st, 2025, and the consolidated and the Parent Company’s results of operations and cash flows for the year 2025.

## **II. Basis for opinion**

We conducted our audit in accordance with the China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. In accordance with the independence requirements applicable to audits of financial statements of public interest entities under the Chinese Standards on Independence for Certified Public Accountants and the Code of Ethics for Chinese Certified Public Accountants, we are independent of the Company and have fulfilled our other responsibilities regarding independence and professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for expressing our audit opinion.

## **III. Key audit matters**

Key audit matters are those matters that, in our professional judgment, are considered to be most significant to the audit of the financial statements for the period. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters individually.

# INDEPENDENT AUDIT REPORT

The key audit matters identified in our audit are set out below:

## 1. Determination of provision for impairment of margin accounts receivable, financial assets held under resale agreements, debt investments, and other debt investments

### Key audit matters

As of December 31st, 2025, the book values of the margin accounts receivable, financial assets held under resale agreements, debt investments, and other debt investments of the Company were RMB10,937.00 million, RMB709.00 million, RMB74.00 million, and RMB3,146.00 million, respectively, and the balance of impairment provision recognized totaled RMB390.00 million.

The management uses the expected loss model to measure expected credit losses. For the above financial assets classified under Stages 1 and 2, the management assesses the provision for impairment by applying a measurement model that includes key parameters such as probability of default, loss given default, and exposure at default. For credit-impaired financial assets classified under Stage 3, the management measures the provision for impairment by estimating the future cash flows of the financial assets.

Significant management judgments and assumptions included in the expected credit loss measurement models for different types of products include, among others: the criteria used to determine a significant increase in credit risk; the selection of appropriate models and assumptions for measuring expected credit losses; and the forward-looking information and weights used.

As the Company's expected credit loss measurement model is complex, utilizes a significant number of parameters and data, and involves significant management judgments and assumptions, and given the materiality of the above financial assets and impairment provision, the determination of provision for impairment of the financial assets has been identified as a key audit matter.

For details of margin accounts receivable, financial assets held under resale agreements, debt investments, and other debt investments, please refer to Note VI. 3, 7, 9 and 10 to the financial statements.

### Audit response

The audit procedures we performed in connection with the management's assessment of impairment included:

1. Obtain an understanding of the internal controls related to the provision for expected credit impairment and test the effectiveness of the implementation of related internal controls;
2. Sample and perform audit procedures to examine the delinquency status of the financial assets, the value of collateral, the creditworthiness of borrowers or issuers, and any negative information, and to evaluate the reasonableness of the management's judgments as to whether the credit risk of the above financial assets has increased significantly since the initial recognition, and whether credit impairment has occurred;
3. Examine the reliability of the expected credit loss models and parameters used by the management in assessing the provision for impairment, including probability of default, loss given default, and exposure at default, and forward-looking adjustments, and evaluate their consistency, accuracy, and completeness;
4. Evaluate the reasonableness of the loss given default for financial assets that are credit-impaired based on selected samples; examine the financial information of debtors and guarantors, the market value of collaterals or seized assets, and other information to make a consideration of the recoverable amount of the financial assets.
5. Evaluate whether the financial statement disclosures related to the provision for impairment of financial assets comply with the disclosure requirements of the Accounting Standards for Business Enterprises.

# INDEPENDENT AUDIT REPORT

## 2. Assessment of fair value of financial instruments

### Key audit matters

As of December 31st, 2025, the book values of financial assets held for trading, other debt investments, and financial liabilities held for trading of the Company were RMB17,118.00 million, RMB3,146.00 million, and RMB950.00 million, respectively.

The valuation of financial instruments measured at fair value by the Company is based on a combination of market data and valuation models, where the valuation models typically require a large number of inputs. Most input values are derived from data that can be reliably accessed. When input values cannot be reliably obtained—i.e., in the context of Level 3 fair value measurements—the determination of unobservable inputs requires the management to make appropriate estimates, a process that involves significant judgment by the management.

Due to the complexity of assessing the fair value of financial instruments measured at fair value and the significant management judgment involved in determining the inputs to be used in the valuation models, we identified the assessment of the fair value of financial instruments as a key audit matter.

For details of financial assets held for trading, other debt investments, financial liabilities held for trading, please refer to Note VI. 8, 10, 26 and Note XI. to the financial statements.

### Audit response

The audit procedures we performed in connection with the management's assessment of fair value of financial instruments included:

1. Obtain an understanding of the reasonableness of the design of internal controls related to the valuation of financial assets and perform related control effectiveness testing;
2. Review the fair value of stock and fixed-income bond investments based on a reasonable source of quoted prices in active markets, if such active market quotes are available. For restricted shares, less liquid corporate bonds, NEEQ stocks, and suspended stocks without quoted prices in an active market, we review the methodology or model used on the basis of the Company's valuation;
3. For financial assets in Level 2 and 3, we implement appropriate valuation review procedures based on the characteristics of the financial assets; for private equity funds, asset management plans and financial products that are financial assets in Level 2 and 3 measured at fair value, and for which comparable market transaction prices for the same or similar assets are not available, we obtain relevant audit reports, GP reports, etc. and use these reports to reasonably assess the fair value of private equity funds, management plans and financial products. For unlisted equity investments (e.g., non-public market specialized investments), we review the valuation model, methodology and parameters based on the Company's valuation;
4. Evaluate whether the financial statement disclosures related to the valuation of financial assets comply with the disclosure requirements of the Accounting Standards for Business Enterprises.

# INDEPENDENT AUDIT REPORT

## IV. Other information

The management of the Company (hereinafter referred to as “the Management”) is responsible for the other information. Other information includes the information covered in the 2025 Annual Report of the Company, but excludes the financial statements and our auditor’s report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the other information, we are required to report that fact. We have nothing to report in this regard.

## V. Responsibilities of the Management and those charged with governance for the financial statements

The Management is responsible for the preparation of the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve a fair presentation, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company’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 Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

## VI. Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that expresses our opinion. Although reasonable assurance is a high level of assurance, it is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users of the financial statements make on the basis of the financial statements.

# INDEPENDENT AUDIT REPORT

During the course of the audit in accordance with auditing standards, we exercise professional judgement and maintain professional skepticism. We also carry out the following works:

- (1) Identify and assess the risks of material misstatement of the 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 expressing audit opinions. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or overriding internal controls.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's 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 ability of the Company 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 financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on information available as of the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for directing, supervising and performing 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.

# INDEPENDENT AUDIT REPORT

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 prohibited public disclosure about the matter or when, in 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.

ShineWing Certified Public Accountants (LLP)

Chinese Certified Public  
Accountant:  
(Engagement partner) Cui Weiwei

Chinese Certified Public  
Accountant: Qi Xiaorui

Beijing, China  
March 27th, 2026

# CONSOLIDATED BALANCE SHEET

December 31st, 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	December 31st, 2025	December 31st, 2024
<b>Assets:</b>			
Cash and bank balances	VI. 1	<b>19,288,837,976.68</b>	14,400,984,039.97
Including: Client's capital deposit		<b>17,730,124,369.85</b>	12,005,245,325.90
Clearing settlement funds	VI. 2	<b>3,401,684,665.84</b>	4,531,325,343.18
Including: Client's reserve funds		<b>3,275,047,374.99</b>	4,280,886,570.91
Margin accounts receivable	VI. 3	<b>10,937,435,576.51</b>	9,326,761,787.66
Derivative financial assets	VI. 4		16,126,760.68
Refundable deposits	VI. 5	<b>1,132,108,669.16</b>	1,216,799,648.55
Accounts receivable	VI. 6	<b>126,783,514.23</b>	331,013,831.49
Financial assets held under resale agreements	VI. 7	<b>709,036,883.79</b>	1,445,001,679.44
Financial investment:			
Financial assets held for trading	VI. 8	<b>17,117,977,734.01</b>	17,629,247,370.42
Debt investments	VI. 9	<b>73,734,853.74</b>	49,846,701.66
Other debt investments	VI. 10	<b>3,145,918,204.30</b>	114,330,970.55
Investments in other equity instruments	VI. 11	<b>1,400,000.00</b>	1,400,000.00
Long-term equity investments	VI. 12	<b>902,008,479.83</b>	905,250,626.42
Investment properties	VI. 13	<b>17,271,373.08</b>	18,193,072.87
Fixed assets	VI. 14	<b>179,746,590.48</b>	184,631,837.37
Construction in progress	VI. 15	<b>288,399,541.44</b>	225,069,712.95
Right-of-use assets	VI. 16	<b>101,380,676.21</b>	122,494,321.95
Intangible assets	VI. 17	<b>261,150,571.38</b>	264,549,238.93
Deferred tax assets	VI. 18	<b>547,214,455.05</b>	586,488,128.84
Goodwill	VI. 19	<b>7,268,756.37</b>	7,268,756.37
Other assets	VI. 20	<b>187,957,551.52</b>	237,564,250.77
<b>Total assets</b>		<b>58,427,316,073.62</b>	51,614,348,080.07

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# CONSOLIDATED BALANCE SHEET

December 31st, 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	December 31st, 2025	December 31st, 2024
<b>Liabilities:</b>			
Short-term loans	VI. 23		7,008,341.66
Short-term financing instruments payable	VI. 24	<b>2,798,087,200.02</b>	3,896,489,565.69
Due to banks and other financial institutions	VI. 25	<b>3,030,308,361.12</b>	3,962,603,712.35
Financial liabilities held for trading	VI. 26	<b>950,463,348.74</b>	578,887,667.66
Derivative financial liabilities	VI. 4		1,996,580.00
Financial assets sold under repurchase agreements	VI. 27	<b>7,017,190,370.59</b>	5,289,084,372.35
Accounts payable to brokerage clients	VI. 28	<b>21,702,396,171.66</b>	16,476,010,375.54
Employee benefits payable	VI. 29	<b>564,881,872.79</b>	433,567,876.54
Taxes payable	VI. 30	<b>97,272,732.09</b>	41,403,810.37
Accounts payable	VI. 31	<b>133,056,959.21</b>	205,338,964.19
Contract liabilities	VI. 32	<b>904,428.60</b>	2,400,665.20
Provisions	VI. 33	<b>46,454,062.70</b>	
Bonds payable	VI. 34	<b>7,121,278,049.37</b>	6,112,729,880.19
Lease liabilities	VI. 35	<b>89,602,782.05</b>	114,709,864.43
Deferred tax liabilities	VI. 18	<b>6,830,718.03</b>	6,619,866.41
Other liabilities	VI. 36	<b>280,626,971.32</b>	202,678,184.19
<b>Total liabilities</b>		<b>43,839,354,028.29</b>	37,331,529,726.77
<b>Shareholders' equity:</b>			
Share capital	VI. 37	<b>4,642,884,700.00</b>	4,642,884,700.00
Capital reserve	VI. 38	<b>6,260,352,113.85</b>	6,260,122,106.33
Other comprehensive income	VI. 39	<b>62,162,139.30</b>	78,049,511.11
Surplus reserve	VI. 40	<b>1,019,512,413.04</b>	1,013,452,026.42
General risk reserve	VI. 41	<b>1,694,824,060.82</b>	1,707,222,955.93
Undistributed profits	VI. 42	<b>704,588,798.17</b>	358,503,723.78
Total equity attributable to shareholders of the parent company		<b>14,384,324,225.18</b>	14,060,235,023.57
Minority shareholders' equity		<b>203,637,820.15</b>	222,583,329.73
<b>Total shareholders' equity</b>		<b>14,587,962,045.33</b>	14,282,818,353.30
<b>Total liabilities and shareholders' equity</b>		<b>58,427,316,073.62</b>	51,614,348,080.07

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# CONSOLIDATED INCOME STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>I. Total operating income</b>		<b>1,962,941,008.85</b>	1,392,409,795.91
Net interest income	VI. 43	<b>411,861,828.04</b>	244,705,312.27
Including: Interest income		<b>859,939,431.98</b>	828,108,569.66
Interest expenses		<b>448,077,603.94</b>	583,403,257.39
Net fee and commission income	VI. 44	<b>977,047,974.27</b>	810,071,316.09
Including: Brokerages business		<b>822,938,775.02</b>	642,907,031.27
Investment banking		<b>24,283,643.18</b>	56,282,928.18
Assets management		<b>22,348,930.11</b>	24,479,998.61
Investment income (loss stated with "-")	VI. 45	<b>678,164,707.44</b>	507,905,625.93
Including: Investment income from associates and joint ventures		<b>80,296,229.00</b>	59,105,673.19
Gains on changes in fair value (loss stated with "-")	VI. 46	<b>-123,470,748.28</b>	-198,814,850.10
Gains on foreign exchange (loss stated with "-")		<b>50,280.04</b>	-1,455,640.68
Other operating income	VI. 47	<b>6,351,048.26</b>	13,699,856.79
Gains from assets disposal (loss stated with "-")	VI. 48	<b>2,510,374.58</b>	3,427,741.26
Other income	VI. 49	<b>10,425,544.50</b>	12,870,434.35
<b>II. Total operating cost</b>		<b>1,324,976,027.51</b>	1,188,383,774.04
Taxes and surcharges	VI. 50	<b>13,428,337.78</b>	12,902,288.08
Business and administrative expenses	VI. 51	<b>1,202,648,735.71</b>	1,142,505,105.72
Loss on impairment of credit	VI. 52	<b>80,762,574.10</b>	19,811,034.92
Other assets impairment losses	VI. 53	<b>25,980,012.60</b>	12,113,303.94
Other operating costs	VI. 54	<b>2,156,367.32</b>	1,052,041.38
<b>III. Operating profit (loss stated with "-")</b>		<b>637,964,981.34</b>	204,026,021.87
Add: Non-operating income	VI. 55	<b>8,163,237.70</b>	36,707,776.37
Less: Non-operating expenses	VI. 56	<b>49,481,131.49</b>	5,440,011.55
<b>IV. Profit before tax (loss stated with "-")</b>		<b>596,647,087.55</b>	235,293,786.69
Less: Income tax expenses	VI. 57	<b>146,222,293.33</b>	13,400,146.28
<b>V. Net profit (net loss stated with "-")</b>		<b>450,424,794.22</b>	221,893,640.41
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss stated with "-")		<b>450,424,794.22</b>	221,893,640.41
2. Net profit from discontinued operations (net loss stated with "-")			
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company		<b>455,818,683.40</b>	245,847,400.51
2. Gains or losses of minority shareholders		<b>-5,393,889.18</b>	-23,953,760.10

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# CONSOLIDATED INCOME STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>VI. Other comprehensive income after tax</b>		<b>-15,887,371.81</b>	14,354,440.33
Items attributable to owners of the parent company		<b>-15,887,371.81</b>	14,354,440.33
(I) Not to be reclassified subsequently to profit or loss			
(II) To be reclassified subsequently to profit or loss		<b>-15,887,371.81</b>	14,354,440.33
1. Items that will be reclassified to profit or loss under equity method		<b>5,400,454.22</b>	550,391.86
2. Changes in fair value of other debt investments		<b>-12,689,936.42</b>	4,146,948.96
3. Provision for credit losses on other debt investments		<b>1,458,938.12</b>	-141,209.01
4. Translation differences of foreign currency financial statements		<b>-10,056,827.73</b>	9,798,308.52
Items attributable to minority shareholders			
<b>VII. Total comprehensive income</b>		<b>434,537,422.41</b>	236,248,080.74
Items attributable to owners of the parent company		<b>439,931,311.59</b>	260,201,840.84
Items attributable to minority shareholders		<b>-5,393,889.18</b>	-23,953,760.10
<b>VIII. Earnings per share (EPS):</b>			
(I) Basic EPS (RMB/share)	VI. 58	<b>0.0982</b>	0.0530
(II) Diluted EPS (RMB/share)	VI. 58	<b>0.0982</b>	0.0530

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# CONSOLIDATED CASH FLOW STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>I. Cash flows from operating activities:</b>			
Net decrease of financial instruments held for trading		1,466,596,502.62	5,966,532,744.18
Cash receipt from interest, fees and commissions		2,262,880,533.23	2,192,572,920.13
Net increase in due to banks and other financial institutions			665,000,000.00
Net increase of repurchase business		1,728,137,519.85	
Net decrease of resale business		735,276,305.41	
Net cash received from brokerage clients		5,226,385,796.12	4,937,959,772.54
Other cash received related to operating activities	VI. 59	214,246,231.13	940,884,542.46
<b>Subtotal of cash inflows from operating activities</b>		<b>11,633,522,888.36</b>	<b>14,702,949,979.31</b>
Cash payments of interest, fees and commissions		600,125,310.29	646,047,099.20
Net decrease in due to banks and other financial institutions		930,000,000.00	
Net decrease of repurchase business			5,308,387,751.69
Net increase of resale business			432,839,613.63
Net increase in margin accounts receivable		1,594,833,287.92	1,747,546,876.80
Cash payments to and on behalf of employees		679,969,268.50	801,536,188.39
Cash payments of taxes		135,345,783.85	161,090,529.35
Other cash payments related to operating activities	VI. 59	312,477,290.80	1,437,333,259.86
<b>Subtotal of cash outflows from operating activities</b>		<b>4,252,750,941.36</b>	<b>10,534,781,318.92</b>
<b>Net cash flows from operating activities</b>	VI. 59	<b>7,380,771,947.00</b>	<b>4,168,168,660.39</b>
<b>II. Cash flows from investing activities:</b>			
Cash received from investment recovery			665,268,307.42
Cash received from investment income		24,563,275.10	38,735,268.75
Cash received from disposal of fixed assets, intangible assets and other long-term assets		3,766,605.74	4,209,594.56
<b>Subtotal of cash inflows from investing activities</b>		<b>28,329,880.84</b>	<b>708,213,170.73</b>
Cash payments for investments		2,923,937,490.13	
Cash payments to acquire fixed assets, intangible assets and other long-term assets		176,134,854.82	121,528,380.90
<b>Subtotal of cash outflows from investing activities</b>		<b>3,100,072,344.95</b>	<b>121,528,380.90</b>
<b>Net cash flows from investing activities</b>		<b>-3,071,742,464.11</b>	<b>586,684,789.83</b>

Legal representative:  
Zhang Qiuyun

Officer in charge of accounting:  
Guo Liangyong

Head of accounting department:  
Han Xihua

# CONSOLIDATED CASH FLOW STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>III. Cash flows from financing activities:</b>			
Cash received from loans			7,000,000.00
Cash received from issuance of bonds		<b>3,820,573,000.00</b>	7,074,089,304.26
<b>Subtotal of cash inflows from financing activities</b>		<b>3,820,573,000.00</b>	7,081,089,304.26
Cash repayments of borrowings		<b>3,900,008,918.95</b>	5,866,360,948.72
Cash payments for distribution of dividends or profit or interest expenses		<b>379,395,741.74</b>	396,374,355.14
Including: Cash payments of subsidiaries to minority shareholders as distribution of dividends or profit			1,200,000.00
Other cash payments related to financing activities	VI. 59	<b>58,861,326.02</b>	80,204,665.86
<b>Subtotal of cash outflows from financing activities</b>		<b>4,338,265,986.71</b>	6,342,939,969.72
<b>Net cash flows from financing activities</b>		<b>-517,692,986.71</b>	738,149,334.54
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>50,280.04</b>	-1,455,640.68
<b>V. Net increase in cash and cash equivalents</b>		<b>3,791,386,776.22</b>	5,491,547,144.08
Add: Opening balance of cash and cash equivalents		<b>18,885,077,274.92</b>	13,393,530,130.84
<b>VI. Closing balance of cash and cash equivalents</b>	VI. 59	<b>22,676,464,051.14</b>	18,885,077,274.92

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# CONSOLIDATED CHANGE OF EQUITY STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	FY 2025								Minority shareholders' equity	Total shareholders' equity
	Equity attributable to shareholders of the parent company							Subtotal		
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits				
<b>I. Balance at the end of prior year</b>	4,642,884,700.00	6,260,122,106.33	78,049,511.11	1,013,452,026.42	1,707,222,955.93	358,503,723.78	14,060,235,023.57	222,583,329.73	14,282,818,353.30	
Add: Changes in accounting policies										
Correction of prior-period errors										
Others										
<b>II. Balance at the beginning of current year</b>	4,642,884,700.00	6,260,122,106.33	78,049,511.11	1,013,452,026.42	1,707,222,955.93	358,503,723.78	14,060,235,023.57	222,583,329.73	14,282,818,353.30	
<b>III. Increase or decrease in the current year</b>		230,007.52	-15,887,371.81	6,060,386.62	-12,398,895.11	346,085,074.39	324,089,201.61	-18,945,509.58	305,143,692.03	
1. Total comprehensive income			-15,887,371.81			455,818,683.40	439,931,311.59	-5,393,889.18	434,537,422.41	
2. Shareholder's inputs and decreases in capital										
(1) Ordinary shares invested by shareholders										
(2) Capital contributed by holders of other equity instruments										
(3) Amount of share-based payment included in shareholders' equity										
(4) Others										
3. Profit distribution				6,060,386.62	12,777,593.83	-134,910,097.95	-116,072,117.50	-13,551,620.40	-129,623,737.90	
(1) Appropriation to surplus reserve				6,060,386.62		-6,060,386.62				
(2) General risk reserve					12,777,593.83	-12,777,593.83				
(3) Distribution to shareholders						-116,072,117.50	-116,072,117.50	-13,551,620.40	-129,623,737.90	
(4) Others										
4. Internal carry-forward of shareholders' equity										
(1) Transfer of capital reserve to share capital										
(2) Transfer of surplus reserve to share capital										
(3) Surplus reserve to cover loss										
(4) Others										
5. Others		230,007.52			-25,176,488.94	25,176,488.94	230,007.52		230,007.52	
<b>IV. Balance at the end of current year</b>	4,642,884,700.00	6,260,352,113.85	62,162,139.30	1,019,512,413.04	1,694,824,060.82	704,588,798.17	14,384,324,225.18	203,637,820.15	14,587,962,045.33	

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# CONSOLIDATED CHANGE OF EQUITY STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	FY 2024									
	Equity attributable to shareholders of the parent company							Subtotal	Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits				
<b>I. Balance at the end of prior year</b>	4,642,884,700.00	6,269,993,825.68	63,695,070.78	1,002,549,897.12	1,681,171,705.39	242,467,397.11	13,902,762,596.08	247,737,089.83	14,150,499,685.91	
Add: Changes in accounting policies										
Correction of prior-period errors										
Others										
<b>II. Balance at the beginning of current year</b>	4,642,884,700.00	6,269,993,825.68	63,695,070.78	1,002,549,897.12	1,681,171,705.39	242,467,397.11	13,902,762,596.08	247,737,089.83	14,150,499,685.91	
<b>III. Increase or decrease in the current year</b>		-9,871,719.35	14,354,440.33	10,902,129.30	26,051,250.54	116,036,326.67	157,472,427.49	-25,153,760.10	132,318,667.39	
1. Total comprehensive income			14,354,440.33			245,847,400.51	260,201,840.84	-23,953,760.10	236,248,080.74	
2. Shareholder's inputs and decreases in capital										
(1) Ordinary shares invested by shareholders										
(2) Capital contributed by holders of other equity instruments										
(3) Amount of share-based payment included in shareholders' equity										
(4) Others										
3. Profit distribution				10,902,129.30	26,051,250.54	-129,811,073.84	-92,857,694.00	-1,200,000.00	-94,057,694.00	
(1) Appropriation to surplus reserve				10,902,129.30		-10,902,129.30				
(2) General risk reserve					26,051,250.54	-26,051,250.54				
(3) Distribution to shareholders						-92,857,694.00	-92,857,694.00	-1,200,000.00	-94,057,694.00	
(4) Others										
4. Internal carry-forward of shareholders' equity										
(1) Transfer of capital reserve to share capital										
(2) Transfer of surplus reserve to share capital										
(3) Surplus reserve to cover loss										
(4) Others										
5. Others		-9,871,719.35					-9,871,719.35		-9,871,719.35	
<b>IV. Balance at the end of current year</b>	4,642,884,700.00	6,260,122,106.33	78,049,511.11	1,013,452,026.42	1,707,222,955.93	358,503,723.78	14,060,235,023.57	222,583,329.73	14,282,818,353.30	

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# PARENT COMPANY BALANCE SHEET

December 31st, 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	December 31st, 2025	December 31st, 2024
<b>Assets:</b>			
Cash and bank balances		<b>17,680,161,459.80</b>	12,486,371,278.43
Including: Client's capital deposit		<b>17,010,935,785.00</b>	11,453,067,614.42
Clearing settlement funds		<b>2,893,948,670.28</b>	3,647,427,636.26
Including: Client's reserve funds		<b>2,604,624,888.28</b>	3,201,337,204.68
Margin accounts receivable		<b>10,913,055,534.17</b>	9,245,318,527.54
Derivative financial assets			16,126,760.68
Refundable deposits		<b>179,719,231.21</b>	437,965,250.69
Accounts receivable	XVII. 1	<b>4,024,832.95</b>	39,231,018.74
Financial assets held under resale agreements		<b>646,306,663.17</b>	1,434,997,153.41
Financial investment:			
Financial assets held for trading		<b>14,949,656,598.27</b>	15,466,228,022.06
Other debt investments		<b>3,145,918,204.30</b>	114,330,970.55
Long-term equity investments	XVII. 3	<b>3,637,233,054.38</b>	4,426,207,083.94
Investment properties		<b>14,081,618.64</b>	14,934,613.80
Fixed assets		<b>165,637,568.81</b>	168,405,756.46
Construction in progress		<b>288,399,541.44</b>	225,069,712.95
Right-of-use assets		<b>95,739,871.01</b>	113,666,900.53
Intangible assets		<b>257,810,426.05</b>	260,893,604.53
Deferred tax assets		<b>395,294,401.79</b>	407,171,555.81
Other assets	XVII. 2	<b>86,950,244.78</b>	128,569,621.92
<b>Total assets</b>		<b>55,353,937,921.05</b>	48,632,915,468.30

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# PARENT COMPANY BALANCE SHEET

December 31st, 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	December 31st, 2025	December 31st, 2024
<b>Liabilities:</b>			
Short-term financing instruments payable		2,848,812,864.41	3,257,399,734.85
Due to banks and other financial institutions		3,030,308,361.12	3,962,603,712.35
Financial liabilities held for trading		492,320,856.43	223,811,867.81
Derivative financial liabilities			1,996,580.00
Financial assets sold under repurchase agreements		6,990,962,069.91	5,289,084,372.35
Accounts payable to brokerage clients		19,402,893,123.44	14,340,297,512.20
Employee benefits payable		532,655,841.49	403,186,877.16
Taxes payable		86,985,139.88	38,162,336.61
Accounts payable		132,748,831.00	203,320,096.93
Contract liabilities		547,169.78	2,039,339.59
Provisions		29,382,500.00	
Bonds payable		7,121,278,049.37	6,122,735,578.82
Lease liabilities		85,692,242.80	105,702,583.48
Deferred tax liabilities		428,557.62	1,820,602.39
Other liabilities		148,433,007.36	143,364,428.98
<b>Total liabilities</b>		<b>40,903,448,614.61</b>	<b>34,095,525,623.52</b>
<b>Shareholders' equity:</b>			
Share capital		4,642,884,700.00	4,642,884,700.00
Capital reserve		6,606,160,370.84	6,606,160,370.84
Other comprehensive income		-5,722,398.49	5,508,599.81
Surplus reserve		1,019,512,413.04	1,013,452,026.42
General risk reserve		1,611,495,261.88	1,628,187,209.55
Undistributed profits		576,158,959.17	641,196,938.16
<b>Total shareholders' equity</b>		<b>14,450,489,306.44</b>	<b>14,537,389,844.78</b>
<b>Total liabilities and shareholders' equity</b>		<b>55,353,937,921.05</b>	<b>48,632,915,468.30</b>

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# PARENT COMPANY INCOME STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>I. Total operating income</b>		<b>1,846,416,404.75</b>	1,185,333,709.49
Net interest income	XVII. 4	<b>393,773,947.57</b>	204,184,232.24
Including: Interest income		<b>830,943,813.01</b>	751,406,283.52
Interest expenses		<b>437,169,865.44</b>	547,222,051.28
Net fee and commission income	XVII. 5	<b>907,273,060.53</b>	719,044,687.48
Including: Brokerages business		<b>758,625,473.96</b>	568,344,887.37
Investment banking		<b>20,272,664.61</b>	49,607,745.29
Assets management		<b>24,835,263.32</b>	24,328,823.74
Investment income (loss stated with "-")	XVII. 6	<b>611,436,760.96</b>	211,291,489.07
Gains on changes in fair value (loss stated with "-")		<b>-81,916,991.29</b>	22,110,503.58
Gains on foreign exchange (loss stated with "-")		<b>-291,273.30</b>	-27,001.79
Other operating income		<b>3,336,020.76</b>	15,917,164.94
Gains from assets disposal (loss stated with "-")		<b>2,476,579.88</b>	484,035.41
Other income		<b>10,328,299.64</b>	12,328,598.56
<b>II. Total operating cost</b>		<b>1,679,449,683.44</b>	1,126,054,889.21
Taxes and surcharges		<b>11,634,556.28</b>	10,961,456.31
Business and administrative expenses	XVII. 7	<b>1,072,047,337.04</b>	973,251,189.96
Loss on impairment of credit		<b>5,940,765.40</b>	-9,079,773.06
Other assets impairment losses		<b>588,974,029.56</b>	150,000,000.00
Other operating costs		<b>852,995.16</b>	922,016.00
<b>III. Operating profit (loss stated with "-")</b>		<b>166,966,721.31</b>	59,278,820.28
Add: Non-operating income		<b>753,819.07</b>	3,239,502.96
Less: Non-operating expenses		<b>32,139,617.64</b>	4,444,800.74
<b>IV. Profit before tax (loss stated with "-")</b>		<b>135,580,922.74</b>	58,073,522.50
Less: Income tax expenses		<b>95,178,345.28</b>	-14,607,339.53
<b>V. Net profit (net loss stated with "-")</b>		<b>40,402,577.46</b>	72,680,862.03
Net profit from continuing operations (net loss stated with "-")		<b>40,402,577.46</b>	72,680,862.03
Net profit from discontinued operations (net loss stated with "-")			

# PARENT COMPANY INCOME STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>VI. Other comprehensive income after tax</b>		<b>-11,230,998.30</b>	4,005,739.95
(I) Not to be reclassified subsequently to profit or loss			
(II) To be reclassified subsequently to profit or loss		<b>-11,230,998.30</b>	4,005,739.95
1. Items that will be reclassified to profit or loss under equity method			
2. Changes in fair value of other debt investments		<b>-12,689,936.42</b>	4,146,948.96
3. Provision for credit losses on other debt investments		<b>1,458,938.12</b>	-141,209.01
4. Translation differences of foreign currency financial statements			
<b>VII. Total comprehensive income</b>		<b>29,171,579.16</b>	76,686,601.98

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# PARENT COMPANY CASH FLOW STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>I. Cash flows from operating activities:</b>			
Net decrease of financial instruments held for trading		1,220,665,210.41	5,815,665,349.13
Cash receipt from interest, fees and commissions		2,024,410,659.97	1,850,976,698.60
Net increase in due to banks and other financial institutions			665,000,000.00
Net increase of repurchase business		1,701,909,219.17	
Net decrease of resale business		788,801,435.00	
Net cash received from brokerage clients		5,062,595,611.24	4,603,426,653.06
Other cash received related to operating activities		373,614,520.63	527,446,068.23
<b>Subtotal of cash inflows from operating activities</b>		<b>11,171,996,656.42</b>	<b>13,462,514,769.02</b>
Cash payments of interest, fees and commissions		475,352,375.72	476,175,995.13
Net decrease in due to banks and other financial institutions		930,000,000.00	
Net decrease of repurchase business			5,307,910,219.17
Net increase of resale business			466,864,633.33
Net increase in margin accounts receivable		1,652,860,229.30	1,790,988,712.78
Cash payments to and on behalf of employees		594,632,930.08	701,357,626.60
Cash payments of taxes		108,577,193.67	126,090,299.77
Other cash payments related to operating activities		266,220,483.27	926,178,765.66
<b>Subtotal of cash outflows from operating activities</b>		<b>4,027,643,212.04</b>	<b>9,795,566,252.44</b>
<b>Net cash flows from operating activities</b>	XVII. 8	<b>7,144,353,444.38</b>	<b>3,666,948,516.58</b>
<b>II. Cash flows from investing activities:</b>			
Cash received from investment recovery			548,921,719.20
Cash received from investment income		146,690,937.93	12,787,891.28
Cash received from disposal of fixed assets, intangible assets and other long-term assets		3,604,434.57	2,445,290.77
<b>Subtotal of cash inflows from investing activities</b>		<b>150,295,372.50</b>	<b>564,154,901.25</b>
Cash payments for investments		2,839,444,623.01	
Cash payments to acquire fixed assets, intangible assets and other long-term assets		174,334,741.20	118,027,376.63
<b>Subtotal of cash outflows from investing activities</b>		<b>3,013,779,364.21</b>	<b>118,027,376.63</b>
<b>Net cash flows from investing activities</b>		<b>-2,863,483,991.71</b>	<b>446,127,524.62</b>

# PARENT COMPANY CASH FLOW STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	Note	FY 2025	FY 2024
<b>III. Cash flows from financing activities:</b>			
Cash received from issuance of bonds		<b>3,860,573,000.00</b>	7,071,920,000.00
<b>Subtotal of cash inflows from financing activities</b>		<b>3,860,573,000.00</b>	7,071,920,000.00
Cash repayments of borrowings		<b>3,273,999,000.00</b>	5,859,862,000.00
Cash payments for distribution of dividends or profit or interest expenses		<b>353,419,132.36</b>	373,459,819.98
Other cash payments related to financing activities		<b>50,120,746.34</b>	57,930,703.45
<b>Subtotal of cash outflows from financing activities</b>		<b>3,677,538,878.70</b>	6,291,252,523.43
<b>Net cash flows from financing activities</b>		<b>183,034,121.30</b>	780,667,476.57
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>-291,273.30</b>	-27,001.79
<b>V. Net increase in cash and cash equivalents</b>	<i>XVII. 8</i>	<b>4,463,612,300.67</b>	4,893,716,515.98
Add: Opening balance of cash and cash equivalents		<b>16,097,515,104.49</b>	11,203,798,588.51
<b>VI. Closing balance of cash and cash equivalents</b>		<b>20,561,127,405.16</b>	16,097,515,104.49

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# PARENT COMPANY CHANGE OF EQUITY STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	FY 2025							Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits		
I. Balance at the end of prior year	4,642,884,700.00	6,606,160,370.84	5,508,599.81	1,013,452,026.42	1,628,187,209.55	641,196,938.16	14,537,389,844.78	
Add: Changes in accounting policies								
Correction of prior-period errors								
Others								
II. Balance at the beginning of current year	4,642,884,700.00	6,606,160,370.84	5,508,599.81	1,013,452,026.42	1,628,187,209.55	641,196,938.16	14,537,389,844.78	
III. Increase or decrease in the current year								
1. Total comprehensive income			-11,230,998.30	6,060,386.62	-16,691,947.67	-65,037,978.99	-86,900,538.34	
2. Shareholder's inputs and decreases in capital								
(1) Ordinary shares invested by shareholders								
(2) Capital contributed by holders of other equity instruments								
(3) Amount of share-based payment included in shareholders' equity								
(4) Others								
3. Profit distribution				6,060,386.62	8,484,541.27	-130,617,045.39	-116,072,117.50	
(1) Appropriation to surplus reserve				6,060,386.62		-6,060,386.62		
(2) General risk reserve					8,484,541.27	-8,484,541.27		
(3) Distribution to shareholders						-116,072,117.50	-116,072,117.50	
(4) Others								
4. Internal carry-forward of shareholders' equity								
(1) Transfer of capital reserve to share capital								
(2) Transfer of surplus reserve to share capital								
(3) Surplus reserve to cover loss								
(4) Others								
5. Others					-25,176,488.94	25,176,488.94		
IV. Balance at the end of current year	4,642,884,700.00	6,606,160,370.84	-5,722,398.49	1,019,512,413.04	1,611,495,261.88	576,158,959.17	14,450,489,306.44	

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# PARENT COMPANY CHANGE OF EQUITY STATEMENT

FY 2025 Prepared by: Central China Securities Co., Ltd.

Expressed in RMB

Item	FY 2024							Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits		
<b>I. Balance at the end of prior year</b>	4,642,884,700.00	6,606,160,370.84	1,502,859.86	1,002,549,897.12	1,610,571,866.54	689,891,242.44	14,553,560,936.80	
Add: Changes in accounting policies								
Correction of prior-period errors								
Others								
<b>II. Balance at the beginning of current year</b>	4,642,884,700.00	6,606,160,370.84	1,502,859.86	1,002,549,897.12	1,610,571,866.54	689,891,242.44	14,553,560,936.80	
<b>III. Increase or decrease in the current year</b>								
<b>year</b>			4,005,739.95	10,902,129.30	17,615,343.01	-48,694,304.28	-16,171,092.02	
1. Total comprehensive income			4,005,739.95			72,680,862.03	76,686,601.98	
2. Shareholder's inputs and decreases in capital								
(1) Ordinary shares invested by shareholders								
(2) Capital contributed by holders of other equity instruments								
(3) Amount of share-based payment included in shareholders' equity								
(4) Others								
3. Profit distribution				10,902,129.30	17,615,343.01	-121,375,166.31	-92,857,694.00	
(1) Appropriation to surplus reserve				10,902,129.30		-10,902,129.30		
(2) General risk reserve					17,615,343.01	-17,615,343.01		
(3) Distribution to shareholders						-92,857,694.00	-92,857,694.00	
(4) Others								
4. Internal carry-forward of shareholders' equity								
(1) Transfer of capital reserve to share capital								
(2) Transfer of surplus reserve to share capital								
(3) Surplus reserve to cover loss								
(4) Others								
5. Others								
<b>IV. Balance at the end of current year</b>	4,642,884,700.00	6,606,160,370.84	5,508,599.81	1,013,452,026.42	1,628,187,209.55	641,196,938.16	14,537,389,844.78	

Legal representative:  
**Zhang Qiuyun**

Officer in charge of accounting:  
**Guo Liangyong**

Head of accounting department:  
**Han Xihua**

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## I. GENERAL INFORMATION

Central China Securities Co., Ltd. (hereinafter referred to as “Central China Securities” or “the Company”) was established on October 25th, 2002, with the approval of the *Reply on Approving the Opening of Central China Securities Co., Ltd.* (Zheng Jian Ji Gou Zi [2002] No. 326) of the China Securities Regulatory Commission (hereinafter referred to as “CSRC”), based on the merger and reorganization of the securities business department of Henan Finance Securities Company and Anyang Trust and Investment Company, combined with other qualified companies to increase capital and shares. The Company was registered with the Henan Administration for Industry and Commerce on November 8th, 2002, with a registered capital of RMB1,033.79 million. After the establishment of the Company, according to the Opening Reply of the China Securities Regulatory Commission, the Company acquired securities assets such as the securities business department and securities service department of the former Henan Securities.

On January 15th, 2008, with the approval of the China Securities Regulatory Commission, the registered capital of the Company was changed from RMB1,033.79 million to RMB2,033.5157 million.

On June 10th, 2008, the China Securities Regulatory Commission approved Henan Investment Group to acquire 196,704,200 shares of the Company held by Henan Construction Investment Corporation (accounting for 9.673% of the registered capital) and 715,253,600 shares of the Company held by Henan Economic and Technological Development Corporation (accounting for 35.173% of the registered capital). After the equity change, Henan Investment Group held a total of 911,957,800 shares of the Company (accounting for 44.846% of the registered capital of the Company).

On September 22nd, 2011, the China Securities Regulatory Commission approved Bohai Industrial Investment Fund Management Co., Ltd. (on behalf of Bohai Industrial Investment Fund) to hold more than 5% equity of the Company and received 608 million shares held by XJ Group Co., Ltd. (accounting for 29.899% of the registered capital of the Company).

On June 25th, 2014, the Company issued 598,100,000 H-shares and listed them on the Main Board of the Hong Kong Stock Exchange, with a par value of RMB1 per share at an issue price of HKD2.51 per H-share, stock abbreviation: CCSC, stock code: 01375. According to the *Reply on Issues Related to the Management of State-owned Equity and the Transfer of State-owned Shares of Central China Securities Co., Ltd.* (Guo Zi Chan Quan [2013] No. 1070) issued by the State-owned Assets Supervision and Administration Commission of the State Council, after the Company completed the issuance, the state-owned shareholders Henan Investment Group, Angang Group, Pingmei Shenma, Anyang Economic Development, Jiangsu Suhao, Shenhua Group, Jiaozuo Economic Development, Shenzhen Guangsheng, and Hebi Construction Investment respectively transferred 40,994,778 shares, 8,842,345 shares, 3,738,231 shares, 2,432,074 shares, 1,348,575 shares, 884,166 shares, 678,113 shares, 449,525 shares, and 442,193 shares held by them to the National Social Security Fund Council. The above nine shareholders transferred a total of 59,810,000 shares to the National Social Security Fund Council. On October 28th, 2014, the Company completed the industrial and commercial change registration of registered capital with the Henan Administration for Industry and Commerce, and the registered capital increased to RMB2,631,615,700.

On August 3rd, 2015, the Company completed the non-public issuance of 592,119,000 H-shares, with a par value of RMB1 per share at an issue price of HKD4.28 per H-share. On August 14th, 2015, the Company completed the industrial and commercial change registration of registered capital with the Henan Administration for Industry and Commerce, with the registered capital of the Company increased to RMB3,223,734,700.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## I. GENERAL INFORMATION (CONTINUED)

On November 18th, 2016, the Company issued no more than 700,000,000 ordinary shares with a par value of RMB1 per share. According to *Implementation Measures for the Transfer of Certain State-owned Shares in the Domestic Securities Market to Enrich the National Social Security Fund* (Cai Qi [2009] No.94) and the *Approval on the Management Plan of Central China Securities Co., Ltd. Issuing A-Shares of State-owned Equity and the Transfer of State-owned Shares* (Yu Guo Zi Chan Quan [2015] No. 26) issued by the SASAC of Henan Province, of the 700,000,000 shares to be issued under this issuance, the state-owned shareholders Henan Investment Group, Angang Group, Pingmei Shenma, Anyang Economic Development, Jiangsu Suhao, Shenhua Group, Jiaozuo Economic Development, Shenzhen Guangsheng, and Hebi Construction Investment respectively transferred 47,979,175 shares, 10,348,840 shares, 4,375,124 shares, 2,846,433 shares, 1,578,336 shares, 1,034,804 shares, 793,645 shares, 526,112 shares, and 517,531 shares held by them to the National Social Security Fund Council. The above nine shareholders transferred a total of 70,000,000 shares to the National Social Security Fund Council.

On January 3rd, 2017, the Company's A-shares were listed on the Shanghai Stock Exchange. On February 16th, 2017, the Company completed the registration of industrial and commercial change of registered capital with the Henan Administration for Industry and Commerce, and the registered capital increased to RMB3,923,734,700.

From February 12th, 2018, the Company repurchased some H-shares in the form of on-site share repurchases. On May 18th, 2018, the repurchase of the Company's H-shares was completed. The Company had repurchased 54,664,000 H-shares on a cumulative basis. On July 11th, 2018, the Company completed the procedures of industrial and commercial change registration and obtained the business license reissued by the Henan Administration for Industry and Commerce. The registered capital changed to RMB3,869,070,700.

On July 30th, 2020, the Company completed the non-public issuance of 773,814,000 A-shares, with a par value of RMB1 per share and an issue price of RMB4.71 per A-share. On September 4th, 2020, the Company completed the industrial and commercial change registration of registered capital with the Henan Administration for Industry and Commerce, and the registered capital increased to RMB4,642,884,700.

The Company now holds a business license with a unified social credit code of 91410000744078476K.

As of December 31st, 2025, the Company had issued a total of 4,642.8847 million shares with a registered capital of RMB4,642.8847 million. The registered address is No. 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China, and its headquarters address is No. 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China. The controlling shareholder is Henan Investment Group Co., Ltd., and the actual controller of the Company is Henan Provincial Department of Finance.

The Company belongs to the financial industry. The business scope of the Company and its subsidiaries (hereinafter referred to as "the Group") includes: wealth management business (securities brokerage, investment advisory, and financial product distribution services, etc.), investment banking business (equity financing, financial consultancy, and bond financing), credit business (margin trading and short selling business, stock-pledged repurchase business, and agreed repurchase securities trading business), investment management business (asset management, direct investment, and fund management), futures business, proprietary trading business, overseas business, and headquarters and other businesses (equity trading center, research businesses, etc.)

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## I. GENERAL INFORMATION (CONTINUED)

As of December 31st, 2025, the Company had 68 approved and opened securities business departments, 31 approved branches, 5 first-level holding subsidiaries, namely Central China Futures Co., Ltd. (referred to as "Central China Futures"), Zhongding Kaiyuan Venture Capital Management Co., Ltd. (referred to as "Zhongding Kaiyuan"), Central China Equity Exchange Co., Ltd. (referred to as "Equity Exchange"), Central China International Financial Holdings Co., Ltd. (referred to as "Central China International"), and Central China Blue Ocean Investment Management Co., Ltd. (referred to as "Central China Blue Ocean"), and 6 second-level holding subsidiaries, namely Yuxin Investment Management (Shanghai) Co., Ltd. (referred to as "Yuxin Investment"), Henan Kaiyuan Private Equity Fund Management Co., Ltd. (referred to as "Kaiyuan Private Equity"), Central China International Securities Co., Ltd. (referred to as "Central China International Securities"), Central China International Investment Co., Ltd. (referred to as "Central China International Investment"), Central China International Financing Co., Ltd. (referred to as "Central China International Financing"), and Wending Zhongyuan Company Limited.

## II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

The scope of the Group's consolidated financial statements includes subsidiaries and structured entities that are directly or indirectly controlled.

For details, please refer to "Note VIII. Equity in other entities".

## III. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

### 1. Basis for the preparation

The Group's financial statements have been prepared based on transactions and events that have actually occurred, in accordance with the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance and its application guidelines, interpretations, and other relevant provisions (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), the disclosure requirements under the *Rules Governing the Preparation of Information Disclosure by Companies Issuing Public Securities No. 15 — General Requirements for Financial Reports* issued by the CSRC and related provisions, the *Hong Kong Companies Ordinance*, and the *Listing Rules* of the Stock Exchange of Hong Kong, and based on the accounting policies and accounting estimates described in "Note IV. Significant accounting policies and accounting estimates".

### 2. Going concern

The Group has assessed its ability to continue as a going concern for the twelve months commencing December 31st, 2025, and has identified no matters or circumstances that give rise to significant doubt about its ability to continue as a going concern. These financial statements are presented on a going concern basis.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates: The specific accounting policies and accounting estimates formulated by the Group in accordance with the actual production and operation characteristics include client transaction settlement funds, financial instruments, securities underwriting business, entrusted asset management business, margin trading and short selling business, purchase for resale and sale for repurchase payments, revenue recognition, credit impairment losses, and other assets impairment losses.

### 1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of the *Accounting Standards for Business Enterprises* and truly, accurately and completely reflect the financial position of the Group and the Company as at December 31st, 2025, the results of operations for the year 2025, and cash flows and other related information.

### 2. Accounting period

The accounting period of the Group is from January 1st to December 31st of the calendar year.

### 3. Business cycle

The Group takes 12 months as a business cycle, and the liquidity classification of related assets and liabilities is based on the business cycle.

### 4. Functional currency

The functional currency of the Company's accounts is Renminbi (RMB), and the foreign subsidiaries' accounts are recorded in the currencies of the primary economic environments in which the subsidiaries operate and are translated into RMB for the purpose of preparing the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 5. Methodology for determining materiality criteria and basis for selection

The Company prepares and discloses its financial statements in accordance with the principle of materiality. The matters disclosed in the notes to the financial statements that are subject to materiality assessments, as well as the methodology for determining materiality criteria and basis for selection, are as follows:

<b>Disclosure matters involving materiality assessments</b>	<b>Methodology for determining materiality criteria and basis for selection</b>
Significant idle fixed assets	The original value of a single idle fixed asset accounts for more than 3% of the total original value of fixed assets.
Important joint ventures and associates	The book value of a single long-term equity investment accounts for more than 1% of consolidated net assets and exceeds RMB500 million, and the investment gains or losses under the equity method account for more than 10% of consolidated net profit.
Significant contingencies	Litigation and arbitration matters involving the Company as a defendant, where the amount involved exceeds 1% of the consolidated net assets and exceeds RMB10 million, or matters that are deemed significant contingencies based on their nature
Other significant transactions and matters affecting investor decisions	The Company identifies other significant transactions and matters that have a significant impact on investor decisions based on their nature.

### 6. Accounting for business combinations under common control and not under common control

Assets and liabilities acquired by the Group as a consolidator in a business combination under common control are measured at the book value of the consolidated party in the consolidated statements of the ultimate controlling party at the date of consolidation. The difference between the book value of the net assets acquired and the book value of the consideration paid for the combination is adjusted to capital reserves. If capital reserves are not sufficient to offset the difference, retained earnings are adjusted.

Identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in a business combination not under common control are measured at fair value at the acquisition date. The cost of the combination is the sum of the fair value of cash or non-cash assets paid, liabilities issued or assumed, and equity securities issued by the Company to obtain control over the acquiree at the date of purchase, and each directly related expense incurred in the business combination (for business combinations achieved in stages through multiple transactions, the cost of the combination is the sum of the costs of each single transaction). If the cost of the combination is greater than the share of the fair value of the identifiable net assets of the acquiree acquired in the combination, the difference is recognized as goodwill. If the cost of the combination is less than the share of the fair value of the identifiable net assets of the acquiree acquired in the combination, the fair value of each identifiable asset, liability, and contingent liability acquired in the combination, and the fair value of non-cash assets as the consideration for the combination or equity securities issued are first reviewed, and if, after the review, the cost of the combination is still less than the share of the fair value of the identifiable net assets of the acquiree acquired in the combination, the difference is recognized as non-operating income in the period of the combination.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 7. Criteria for determining control and method for preparation of the consolidated financial statements

The consolidation scope of the Group's consolidated financial statements is determined on a control basis and includes the Company and all subsidiaries and structured entities controlled by the Company. The Group's criteria for determining control are that the Group has power over the investee, enjoys variable returns through participation in the relevant activities of the investee, and has the ability to use the power over the investee to affect the amount of its returns.

In preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary and the Company are not consistent, the necessary adjustments are made to the financial statements of the subsidiary in accordance with the Company's accounting policies or accounting periods.

All significant internal transactions, transaction balances, and unrealized profits within the scope of consolidation are eliminated in the preparation of the consolidated financial statements. The shares of owners' equity of subsidiaries that are not attributable to the parent company and the shares of net profit or loss, other comprehensive income and total comprehensive income for the period that are attributable to minority shareholders' equity are presented in the consolidated financial statements under "minority shareholders' equity, gains or losses of minority shareholders, other comprehensive income attributable to minority shareholders, and total comprehensive income attributable to minority shareholders", respectively.

For subsidiaries acquired through business combinations under common control, their operating results and cash flows are included in the consolidated financial statements from the beginning of the period of consolidation. When preparing the comparative consolidated financial statements, the relevant items in the prior year's financial statements are adjusted as if the reporting entity formed by the combination had existed since the point at which control by the ultimate controlling party began.

For a subsidiary acquired through a business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Company obtains control. In preparing the consolidated financial statements, the financial statements of the subsidiary are adjusted on the basis of the fair value of each identifiable asset, liability, and contingent liability determined at the date of purchase.

Where the Group partially disposes of its long-term equity investment in a subsidiary without loss of control, for the difference between the disposal price and the share of the subsidiary's net assets calculated on a continuing basis from the purchase date or the combination date corresponding to the disposal of the long-term equity investment, the capital premium or equity premium shall be adjusted in the consolidated financial statements, or the retained earnings shall be adjusted if the capital reserves are insufficient to be written down.

If the Group loses control over an investee due to, for example, the disposal of a portion of an equity investment, the remaining equity interest shall be remeasured at its fair value at the date of the loss of control in the preparation of the consolidated financial statements. The difference between the sum of the consideration obtained from the disposal of the equity interest and the fair value of the remaining equity interest and the share of the original subsidiary's net assets continuously calculated from the date of purchase or the date of consolidation based on the original shareholding ratio is included in investment gains and losses in the period in which control is lost, and goodwill is also written down. Other comprehensive income related to original equity investments in the subsidiary is transferred to current investment gains and losses when control is lost.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 7. Criteria for determining control and method for preparation of the consolidated financial statements (continued)

When the Group disposes of its equity investment in a subsidiary in stages through multiple transactions until it loses control over the subsidiary, if each transaction of disposing of the equity investment in the subsidiary until it loses control over the subsidiary belongs to a package deal, each transaction shall be accounted for as a single transaction of disposing of the subsidiary and losing control of the subsidiary. However, the difference between the price of each disposal prior to the loss of control and the share of the subsidiary's net assets corresponding to the investment disposed of is recognized in the consolidated financial statements as other comprehensive income and transferred to investment gains and losses for the period of the loss of control when control is lost.

### 8. Cash and cash equivalents

Cash in the Group's cash flow statement represents cash on hand and deposits that are readily available for disbursement. Cash equivalents in the cash flow statement are investments that are held for a short period of time, are highly liquid, can be easily converted to known amounts of cash, and are subject to an insignificant risk of changes in value.

### 9. Foreign currency operations and translation of foreign currency financial statements

#### (1) Foreign currency transactions

The Group's foreign currency operations translate foreign currency amounts into RMB amounts at rates approximating the spot rates on the date of the operations. At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at the balance sheet date. The resulting translation differences are recognized directly in profit or loss for the current period, except for the exchange differences arising from special borrowings in foreign currencies for the acquisition or production of assets eligible for capitalization, which are treated in accordance with the principle of capitalization. Non-monetary items measured in foreign currencies at historical cost are still translated using the spot exchange rate at the date of the transaction, without changing their RMB amounts. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using spot exchange rates at the date when the fair value is determined, and the resulting differences are recognized in profit or loss or other comprehensive income, depending on the nature of the non-monetary item.

#### (2) Translation of foreign currency financial statements

When preparing the consolidated financial statements, the Group translates the financial statements of foreign operations into RMB. Among them, assets and liabilities on the foreign currency balance sheet are translated using the spot exchange rate at the balance sheet date; items in equity, except for "undistributed profits", are translated using the spot exchange rate at the time of occurrence. Income and expense items in the income statement are translated using the spot exchange rate on the date of the transaction. The translation differences of foreign currency financial statements arising from the above translation are recognized in other comprehensive income. Cash flows in foreign currencies are translated using the average exchange rate for the period of the transaction.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Foreign currency operations and translation of foreign currency financial statements (continued)

#### (2) Translation of foreign currency financial statements (continued)

Upon disposal of a foreign operation, the difference in the translation of the financial statements of the foreign currency related to that foreign operation presented on the balance sheet under the item of other comprehensive income is transferred from the item of other comprehensive income to profit or loss for the period in which the disposal occurs. On disposal of a portion of an equity investment or if other reasons result in a decrease in the proportionate interest in a foreign operation but without a loss of control over the foreign operation, the translation differences of the foreign currency financial statements relating to the portion of the foreign operation disposed of will be attributed to minority shareholders' equity and will not be transferred to profit or loss for the current period. Upon disposal of a foreign operation as part of an associate or joint venture, the translation difference of the foreign currency statement relating to that foreign operation is transferred to profit or loss for the period of disposal in proportion to the disposal of that foreign operation.

### 10. Financial assets and financial liabilities

A financial instrument is a contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

#### (1) Initial recognition and measurement of financial instruments

A financial asset or a financial liability is recognized when the Group becomes a party to a financial instrument contract. Financial assets and financial liabilities are measured at fair value on initial recognition. For financial assets or financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other categories of financial assets or financial liabilities, the related transaction costs are included in the initial recognition amount.

#### (2) Classification of financial assets

Based on the Group's business model for managing financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified into the following three categories:

- (i) Financial assets measured at amortized cost;
- (ii) Financial assets at fair value through other comprehensive income (FVOCI);
- (ii) Financial assets at fair value through profit or loss (FVPL).

The classification of financial assets depends on the Group's business model for managing its assets and the cash flow characteristics of the assets.

A business model reflects how the Group manages the financial assets in order to generate cash flows. That is, whether the Group's objective is to collect the contractual cash flows from the assets, sell financial assets, or both. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows from these assets were collected, how the assets' performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial assets and financial liabilities (continued)

#### (2) Classification of financial assets (continued)

The contractual cash flow characteristics of the financial assets represent the cash flow characteristics that the financial instrument contracts agree to and reflect the economic characteristics of related financial assets. The contractual cash flow characteristic that is consistent with a basic lending agreement means the contractual cash flows generated from the related financial instrument on specified dates are solely payments of principal and interest on the principal amount outstanding (SPPI). The principal means the fair value of the financial asset on initial recognition. Interest includes the consideration for the time value of money, the credit risk associated with the outstanding principal amount in a particular period, other basic borrowing risks, costs, and profits. The contractual cash flow characteristics of the Group's financial assets classified as measured at amortized cost and financial assets (debt instruments) measured at fair value through other comprehensive income are consistent with the basic lending arrangements.

When the Group modifies its business model for managing financial assets, it will reclassify all the impacted financial assets and make adjustments prospectively starting from the date of reclassification. The Group is not allowed to adjust its gains, losses (including impairment losses or gains), or interest retroactively. The reclassification date is the first day of the first reporting period after the business model is modified, which results in the reclassification of financial assets.

The classification requirements for debt instruments, assets, and equity instruments are described below:

#### ① **Debt instruments**

Debt Instruments refer to the instruments that meet the definition of financial liabilities from the issuer's perspective. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, the Group classifies its debt instruments into one of the following three measurement categories:

**Amortized cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI and that are not designated as at FVPL are measured at amortized cost.

**Fair value through other comprehensive income:** Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows represent SPPI and that are not designated as at FVPL, are measured at FVOCI.

**Fair value through profit or loss:** Assets that do not meet the criteria for being measured at amortized cost or FVOCI are measured at FVPL.

In addition, if the accounting mismatch can be eliminated or significantly reduced during initial recognition, the Group can designate financial assets as financial assets at fair value through profit or loss. Once the designation is made, it shall not be revoked.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial assets and financial liabilities (continued)

#### (2) Classification of financial assets (continued)

##### ② *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective. The financial assets held by the Group are equity instruments, provided that the following conditions are met simultaneously:

- a. The financial instruments shall not include the contractual obligation to deliver cash or other financial assets to other parties or exchange financial assets or financial liabilities with other parties under potentially adverse conditions;
- b. In the future, the financial instruments must or may be settled with the issuer's own equity instruments. If it is a non-derivative instrument, the financial instrument should not include the contractual obligation to deliver a variable amount of its own equity instruments for settlement; if it is a derivative instrument, the issuer can only exchange a fixed amount of its own equity instruments for a fixed amount of cash or other financial assets to settle the financial instruments.

The Group's equity instrument investments are all classified as financial assets at fair value through profit or loss, except for financial assets that have been irrevocably designated as at fair value through other comprehensive income. The Group's policy on the above-mentioned designation is to designate equity instrument investments that are not for the purpose of obtaining investment income to be measured at fair value through other comprehensive income.

For financial assets with embedded derivatives, when determining whether the contractual cash flow is only for principal and interest payments, the assets are analyzed as a whole.

#### (3) Classification of financial liabilities

Financial liabilities are classified as liabilities measured at amortized cost, except:

- ① Financial liabilities at FVPL: It includes financial liabilities held for trading (including derivative instruments that are financial liabilities) and financial liabilities designated at the initial recognition as measured at fair value through profit or loss.
- ② Financial liabilities that are recognized because the transfer of financial assets does not meet the conditions for derecognition, or the continuing involvement method is applied for accounting. When the transfer does not meet the conditions for derecognition, the Group recognizes the financial liabilities according to the consideration received from the transfer and recognizes all expenses arising from the liabilities in subsequent periods.
- ③ Financial guarantee contracts and loan commitments.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial assets and financial liabilities (continued)

#### (4) Subsequent measurement of financial instruments

##### ① *Financial assets or liabilities measured at amortized cost*

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition, adjusted as follows: (i) minus the principal repayments; (ii) plus or minus the cumulative amortization of the difference between that initial recognition amount and the amount on the maturity date using the effective interest method and; (iii) deducting accumulated provision for credit impairment (only applicable to financial assets).

The effective interest rate refers to the interest rate used to discount the estimated future cash flow of a financial asset or financial liability in the expected duration into the book balance of the financial asset or the amortized cost of the financial liability. In determining the effective interest rate, the Group will estimate the expected cash flow on the basis of taking into account all contractual terms of a financial asset or financial liability (such as prepayments, rollover, call options, or other similar options, etc.), but it shall not take into account expected credit losses.

The Group calculates interest income by multiplying the book balance of financial assets by the effective interest rate, except for: (i) purchased or originated credit-impaired financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortized cost; and (ii) financial assets that are not purchased or originated credit-impaired financial assets but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortized cost. If, in a subsequent period, the credit risk of the financial assets has been improved so that they are no longer credit-impaired and the improvement is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their book balance.

##### ② *Financial assets at fair value through other comprehensive income*

Debt instruments: The gains or losses from financial assets that are classified as at fair value through other comprehensive income, except for impairment losses or gains and exchange gains and losses, are included in other comprehensive income until the financial assets are derecognized or reclassified. However, the interest on the financial assets calculated using the effective interest method is included in the current profit or loss. When such financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income should be transferred out of other comprehensive income and included in the current profit or loss.

Equity instruments: The investments in non-trading equity instruments are designated as financial assets at FVOCI, and the changes in the fair value of the financial assets are included in other comprehensive income. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained earnings. Dividend income as return on investment is recognized when the Group determines that the right to receive is established and included in the current profit or loss. Only when the following conditions are met can the enterprise recognize the dividend income and record it into the current profit or loss: (i) the right of the enterprise to receive dividends has been established; (ii) the economic benefits related to dividends are likely to flow into the enterprise; (iii) the amount of dividends can be measured reliably.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial assets and financial liabilities (continued)

#### (4) Subsequent measurement of financial instruments (continued)

##### ③ *Financial assets or liabilities at fair value through profit or loss*

The Group will include the gains or losses of financial assets or financial liabilities at fair value through profit or loss in the current profits or losses unless the financial assets or financial liabilities fall into one of the following circumstances:

- a. It is part of the hedging relationship specified in *Accounting Standards for Business Enterprises No. 24 — Hedging Accounting*;
- b. It is a financial liability designated as at fair value through profit or loss. According to Article 68 of the *Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments*, the changes in the fair value of the liability caused by the changes in the Group's own credit risk shall be included in other comprehensive income. Other changes in the fair value of the financial liability are included in the current profit or loss. When the financial liability is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

#### (5) Impairment of financial assets

The Group, on the basis of expected credit losses, performs impairment accounting treatment on the following financial assets and recognizes loss provisions:

- ① Financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income;
- ② Lease receivables;
- ③ Contract assets;
- ④ Financial guarantee contracts and loan commitments that the Group issued, except those classified as financial liabilities at fair value through profit or loss.

Expected credit loss (ECL) is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Among them, the cash flows of the purchased or originated credit-impaired financial assets of the Group shall be discounted at the effective interest rate adjusted by the credit of the financial assets.

For receivables that do not contain significant financing components, the Group applies a simplified measurement approach and measures the provision for losses at an amount equal to the expected credit losses over the entire duration of the receivables. Generally, the Group measures the provision for losses on the basis of a portfolio of credit risk characteristics. If a customer's credit risk profile is significantly different from that of other customers in the portfolio, or if there is a significant change in the customer's credit risk profile, the loss provision is made on an individual basis for the receivables from that customer.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial assets and financial liabilities (continued)

#### (5) Impairment of financial assets (continued)

For financial assets other than those mentioned above that are measured using the simplified measurement approach, the Group evaluates the expected credit losses based on forward-looking information and recognizes the related loss provision at each balance sheet date. The measurement of expected credit losses reflects the following elements: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

For financial instruments whose impairment losses are measured using the ECL model, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognize their ECL, as follows:

Stage 1: The Group measures the loss allowance for a financial instrument at an amount equal to the next 12-month ECL if the credit risk of that financial instrument has not increased significantly since initial recognition;

Stage 2: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk of that financial instrument has increased significantly since initial recognition, which is not yet deemed to be credit-impaired;

Stage 3: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the financial instrument is credit-impaired.

By comparing the risk of default on the balance sheet date with the risk of default on the initial recognition date, the Group determines the relative change of the risk of default during the expected duration of the financial instrument, so as to evaluate whether the credit risk of the financial instrument has increased significantly since the initial recognition. In determining whether the credit risk has increased significantly since the initial recognition, the Group considers reasonable and evidence-based information, including forward-looking information, that can be obtained without unnecessary additional cost or effort. Information considered by the Group includes:

- The debtor fails to pay the principal and interest on the due date of the contract;
- A serious deterioration in the external or internal credit rating (if any) of a financial instrument that has occurred or is expected;
- A serious deterioration of the debtor's business results that has occurred or is expected;
- Changes in the existing or anticipated technical, market, economic, or legal environment that would materially and adversely affect the debtor's ability to repay the Group.

According to the nature of financial instruments, the Group evaluates whether the credit risk increases significantly based on a single financial instrument or a combination of financial instruments. When evaluating on the basis of a portfolio of financial instruments, the Group may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings. If overdue by more than 30 days, the Group determines that the credit risk of the financial instrument has significantly increased.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial assets and financial liabilities (continued)

#### (5) Impairment of financial assets (continued)

The Group evaluates whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income are credit-impaired at the balance sheet date. When one or more events that adversely affect the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset that has experienced credit impairment. Evidence of credit impairment of a financial asset includes the following observable information:

- Significant financial difficulties of the issuer or debtor;
- Breaches of contract by the debtor, such as default or late payment of interest or principal;
- The Group, out of economic or contractual considerations relating to the debtor's financial difficulties, gives the debtor concessions that would not be made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- Financial difficulties of the issuer or debtor lead to the disappearance of an active market for the financial asset.

For an investment in a debt instrument measured at fair value through other comprehensive income, its loss provision shall be recognized in other comprehensive income, and its impairment loss or gain shall be included in the current profit or loss. The book value of the financial asset should not be reduced on the balance sheet.

If the provision for loss in the previous accounting period was measured according to the amount equivalent to the expected credit loss in the whole duration of the financial instrument, but on the current balance sheet date, the financial instrument no longer belongs to the situation of a significant increase in credit risk since initial recognition, on the balance sheet date of the current period, the Group measures the loss provision of the financial instrument according to the amount equivalent to the expected credit loss in the next 12 months, and the reversal amount of the loss provision is included in the current profit or loss as an impairment gain.

For the purchased or originated credit-impaired financial assets, the Group shall, at the balance sheet date, recognize only the accumulated changes in the expected credit losses over the entire period since the initial recognition as provisions for losses. At each balance sheet date, the Group records the changes in expected credit losses throughout the duration as impairment losses or gains in the current profit or loss.

For disclosures of the Group's judgment criteria for a significant increase in credit risk, the definition of credit-impaired assets, and assumptions of ECL, please refer to "Note X. 2. Credit risk".

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial assets and financial liabilities (continued)

#### (6) Recognition basis and measurement for transfer of financial assets

A financial asset is derecognized when one of the following criteria is satisfied: (i) the contractual right to receive cash flows from the financial asset has terminated; (ii) the financial asset has been transferred, and the Company has transferred substantially all the risks and rewards of ownership of the financial asset; and (iii) the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has surrendered control.

The Group has neither transferred nor retained almost all the risks and rewards of ownership of the financial asset and has not given up control over the financial asset; the relevant financial asset shall be recognized according to the extent of its continuing involvement in the transferred financial asset, and the relevant liabilities should be recognized accordingly.

If the overall transfer of financial assets meets the conditions for derecognition, the balance between the book value of the transferred financial assets and the sum of the consideration received as a result of the transfer and the cumulative amounts of the changes in fair value originally booked into other comprehensive income shall be included in the current profit or loss.

If the partial transfer of financial assets meets the conditions for derecognition, the overall book value of the transferred financial assets shall be apportioned between the derecognized part and the non-derecognized part according to their respective relative fair values, and the difference between the sum of the consideration received due to the transfer and the cumulative amount of changes in fair value originally included in other comprehensive income that should be apportioned to the derecognized part and the apportioned book value mentioned above shall be included in the current profit or loss.

#### (7) Determination method of fair value of financial assets and financial liabilities

- 1) If there is an active market for a financial instrument, the quoted market price in the active market is used to determine its fair value. In an active market, the financial assets that the Company has held or the financial liabilities to be assumed take the fair value of the corresponding assets or liabilities at the current bid price. The current asking price of the financial assets to be purchased or the financial liabilities undertaken by the Company shall be taken as the fair value of the corresponding assets or liabilities. If there are no current bids or asking prices for financial assets or financial liabilities, but there has been no significant change in the economic environment after the latest trading date, the market price of the latest transaction is used to determine the fair value of the financial asset or financial liability. When the economic environment has changed significantly since the latest trading day, the current price or interest rate of similar financial assets or financial liabilities shall be referenced to adjust the market price of the latest transaction to determine the fair value of the financial asset or financial liability. If sufficient evidence shows that the recently traded market quotation is not at fair value, the Company shall make appropriate adjustments to the recently traded market quotation to determine the fair value of the financial asset or financial liability.
- 2) If there is no active market, the Group establishes fair value by using valuation techniques. The valuation techniques include reference to prices used in recent market transactions by parties who are familiar with the situation and voluntary transactions, reference to the current fair value of other financial assets that are substantially the same, the discounted cash flow method, and option pricing models.

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Margin trading and short selling business

Margin trading and short selling business refers to the business in which the Company lends funds to clients for buying securities or lends securities to them for sale, and the corresponding collaterals are provided by clients. The Group's margin trading and short selling business is divided into the financing business and securities lending business.

As for the funds lent, the receivable claim and the corresponding interest income should be recognized. The provision for impairment of margin accounts receivable by the Company is recognized with reference to the financial assets measured at amortized cost described in the impairment of financial assets. For details, please refer to "Note IV. 10. Financial assets and financial liabilities".

As for securities lending activities, the securities lent are not derecognized, and the corresponding interest income is recognized.

When the Company carries out margin trading and short selling and buys and sells securities on behalf of clients, such activity is credited as securities brokerage business.

### 12. Client transaction settlement funds

Client transaction settlement funds are accounted separately from the Company's own funds, and a separate account is set up for accounting under "cash and bank balances" and other items. The Company's client transaction settlement funds received for the Company's agent trading in securities are fully deposited in the Company's designated bank account, recognized as a liability, and settled with the customer. The Company accepts the client's entrustment to buy and sell securities through the stock exchange agent. When clearing with the customer, if the total transaction value of the purchased securities is greater than the total transaction value of the sold securities, the difference between the transaction price of the securities purchased and sold on the liquidation date, plus withholding stamp tax and the customer commissions, and other fees charged is the basis to reduce the client transaction settlement funds; if the total transaction value of the purchased securities is less than the total transaction value of the sold securities, the difference between the transaction price of the securities purchased and sold on the liquidation date, minus withholding stamp taxes, commissions that should be charged to the client, and other fees, is the basis to increase the client transaction settlement funds. The fee income of the Company acting as a proxy for the purchase and sale of securities of the client shall be recognized when the liquidation of the above-mentioned purchase and sale of securities is settled with the client. The Company settles interest uniformly with customers and increases the client transaction settlement funds.

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 13. Accounting method for SRA (Sale and Repurchase Agreement) and PRA (Purchase and Resale Agreement)

PRA transaction refers to the purchase of related assets (including bonds and notes) from counterparties at a fixed price under a contract or agreement, and the resale of the same financial products at agreed prices on the expiration date of the contract or agreement. Purchase for resale is recorded according to the amount actually paid when buying and reselling related assets and listed in “financial assets held under resale agreements” on the balance sheet.

SRA transaction refers to the sale of related assets (including bonds and notes) to counterparties at a fixed price under a contract or agreement, and the repurchase of the same financial products at agreed prices on the expiration date of the contract or agreement. The payments actually paid for the selling and repurchasing of relevant assets are recorded and are listed under the item “financial assets sold under repurchase agreements” on the balance sheet. The financial products sold are still listed in the Company’s balance sheet according to the original classification and are accounted for in accordance with the relevant accounting policies.

Interest income and expenses arising from PRA and SRA transactions are recognized at the effective interest rate during the period of resale or repurchase. If the difference between the effective interest rate and the agreed contractual interest rate is small, interest income and expenses are calculated according to the contractual interest rate.

According to the performance guarantee ratio of the contract, the Company’s stock pledge repurchase business fully considers the credit status, the duration of the contract, and the liquidity of the secured securities, restricted sales, concentration, volatility, performance guarantee, and other factors to set up different warning lines and closing positions. The closing position is not less than 130%.

- (1) For positions where neither principal nor interest is overdue and the performance guarantee ratio remains above the liquidation threshold, these are classified as “Stage 1”;
- (2) Where the principal/interest overdue period is less than 90 days, or the performance guarantee ratio is below the liquidation threshold (inclusive) and greater than or equal to 100%; where the pledged underlying shares are subject to risk warnings or significant risk events; where defects such as judicial freezing of rights arise in the pledged underlying shares; or where other circumstances demonstrating a significant increase in risk occur, the situation shall be classified as “Stage 2”.
- (3) Principal/interest overdue for 90 days or more (inclusive) or performance guarantee ratio below 100%; the borrower faces significant financial difficulties and has lost repayment capacity; major risk events occur involving the pledged shares, such as regulatory-mandated delisting; inability to recover the debt through liquidation of the pledged shares necessitates default resolution via judicial proceedings; other circumstances demonstrating credit impairment shall be classified as “Stage 3”.

For details of the provisions for impairment of financial assets held under resale agreements, please refer to “Note IV. 10. Financial assets and financial liabilities”.

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 14. Long-term equity investments

The Group's long-term equity investments mainly consist of investments in subsidiaries, investments in associates, and equity investments in joint ventures.

#### (1) Judgment of significant influence and joint control

The Group bases its judgment of joint control on the fact that all participants or a combination of participants collectively control the arrangement and that the policies of the activities related to the arrangement must be unanimously agreed upon by those participants who collectively control the arrangement.

The Group is generally considered to have significant influence over an investee when it owns more than 20% (inclusive) but less than 50% of the voting rights in the investee, either directly or indirectly through a subsidiary. If the Group holds less than 20% of the voting rights in the investee, it needs to judge whether it has significant influence over the investee by also taking into account the facts and circumstances such as having representatives on the board of directors or similar authority of the investee, or participating in the process of formulating financial and operating policies of the investee, or having significant transactions with the investee, or sending management personnel to the investee, or providing key technical information to the investee.

#### (2) Accounting treatment

The Group initially measures acquired long-term equity investments at the initial investment cost.

An investee over which control is formed is a subsidiary of the Group. For a long-term equity investment acquired through a business combination under common control, at the date of the combination, the share of the book value of the net assets of the combined party in the consolidated statements of the ultimate controlling party is used as the initial investment cost of the long-term equity investment. If the book value of the net assets of the combined party at the date of the combination is negative, the cost of the long-term equity investment is determined at zero. For long-term equity investments acquired through a business combination not under common control, the cost of the combination is used as the initial investment cost.

Except the long-term equity investments acquired through business combinations mentioned above, for long-term equity investments acquired by paying cash, the actual purchase price paid is used as the investment cost; for long-term equity investments acquired by issuing equity securities, the fair value of equity securities issued is used as the investment cost; for long-term equity investments invested by investors, the value agreed in the investment contract or agreement is used as the investment cost.

The Group accounts for its investments in subsidiaries using the cost method and its investments in joint ventures and associates using the equity method.

For long-term equity investments accounted for by the cost method for subsequent measurement, the book value of the cost of long-term equity investments is increased by the fair value of the cost amount paid for the additional investment and the related transaction costs incurred when the additional investment is made. Cash dividends or profits declared by the investee are recognized as investment income at the amount entitled.

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 14. Long-term equity investments (continued)

#### (2) Accounting treatment (continued)

For long-term equity investments accounted for under the equity method for subsequent measurement, the book value of long-term equity investments is increased or decreased accordingly with changes in the owners' equity of the investee. In particular, the share of net profit or loss in the investee is recognized based on the fair value of each identifiable asset, etc. of the investee at the time the investment is acquired, in accordance with the Company's accounting policies and accounting periods, and after offsetting the portion of the gain or loss from internal transactions with associates and joint ventures that is attributable to the investors in proportion to the shareholding.

The difference between the book value and the actual acquisition price of long-term equity investments disposed of is recognized as investment income in the current period. If a long-term equity investment accounted for by the equity method is recognized in equity as a result of changes in the equity of the investee other than net profit or loss, the portion of the investment that was previously recognized in equity is transferred to the current period's investment profit or loss in proportion to the amount of the investment when the investment is disposed of.

If control over the original subsidiary is lost due to the disposal of a portion of the equity investment or for other reasons, the remaining equity interest is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest and the share of the original subsidiary's net assets continuously measured from the date of purchase based on the original shareholding ratio is recognized as investment income in the period in which control is lost, and goodwill is offset accordingly. Other comprehensive income related to the original equity investment in the subsidiary is transferred to current investment income when control is lost.

If transactions of the step-by-step disposal of equity to loss of controlling interest are not a package deal, the Group accounts for each transaction separately. If they are a package deal, each transaction is accounted for as a transaction in which a subsidiary was disposed of and control was lost, but the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity interest disposed of in each transaction before the loss of control is recognized as other comprehensive income and is transferred to profit or loss in the period when control is lost.

### 15. Investment properties

Investment properties include buildings that have been leased out.

Investment properties of the Group are initially measured at their cost. The costs of the purchased investment properties include the purchase price, relevant taxes and fees, and other expenses directly attributable to the assets. The costs of self-constructed investment properties consist of the necessary expenses incurred before the constructed assets reach their intended serviceable state.

The Group adopts the cost model for the subsequent measurement of investment properties. The average life method is used for depreciation or amortization according to the estimated useful life and net residual value rate.

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 15. Investment properties (continued)

The estimated useful life, net residual value rate, and depreciation rate of the Group's investment properties are as follows:

Type of assets	Estimated useful life (Years)	Estimated net residual value rate (%)	Annual depreciation rate (%)
Business buildings	40	5.00	2.38

When the use purpose of investment properties is changed for self-use, the investment properties will be converted into fixed assets or intangible assets from the date of change. When the use purpose of self-use property is changed to earn rent or capital appreciation, the fixed assets or intangible assets will be converted into investment properties from the date of change. When a conversion occurs, the book value before the conversion is taken as the entry value after the conversion.

When an investment property is disposed of, or is permanently withdrawn from use and is not expected to obtain economic benefits from its disposal, the investment property shall be terminated. The amount of the disposal income of the investment properties sold, transferred, scrapped, or damaged shall be included in the current profits or losses after deducting the book value and relevant taxes and fees.

### 16. Fixed assets

Fixed assets of the Group are tangible assets with the following characteristics: held for the production of goods or the supply of services, for rental or administrative purposes, expected to be used for more than one accounting year, and with a unit value of more than RMB2,000.

Fixed assets include business buildings, non-business buildings, makeshift houses, structures, machinery and equipment, power equipment, transport facilities, electronic equipment, communication equipment, electrical equipment, security equipment, and office facilities. They are recorded at their costs at the time of acquisition. The costs of the purchased fixed assets include the purchase price, import duties, and other related taxes and fees, as well as other expenses incurred before the fixed assets reach the intended use status that can be directly attributed to the assets. The costs of self-constructed fixed assets consist of the necessary expenditure incurred before the assets are constructed to reach their intended use. The fixed assets invested by the investor shall be recorded at the value agreed upon in the investment contract or agreement, or at fair value if the value agreed upon in the contract or agreement is not fair.

If the subsequent expenditures related to fixed assets, including repair expenditures and renovation expenditures, meet the conditions for the recognition of fixed assets, they shall be included in the cost of fixed assets, and the book value of the replaced part shall be terminated. If the expenditures fail to meet the conditions for recognition of fixed assets, they shall be recognized in the current profits or losses when they occur.

The Group shall make depreciation for all the fixed assets except the fixed assets which have been fully depreciated but are still in use, and the land which is separately priced and recorded. Depreciation is calculated using the straight-line method and included in the cost of the relevant assets or current expenses according to the use.

# NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 16. Fixed assets (continued)

The depreciable lives, estimated net residual value rates, and depreciation rates of fixed assets by category are as follows:

Type of assets	Estimated useful life (Years)	Estimated net residual value rate (%)	Annual depreciation rate (%)
Business buildings	40	5.00	2.38
Non-business buildings	35	5.00	2.71
Makeshift houses	5	5.00	19.00
Structures	20	5.00	4.75
Machinery equipment	10	5.00	9.50
Power equipment	15	5.00	6.33
Communication equipment	5	5.00	19.00
Electronic equipment	5	5.00	19.00
Electrical equipment	5	5.00	19.00
Security equipment	5	5.00	19.00
Office facilities	5	5.00	19.00
Other transport facilities	8	5.00	11.88

At the end of each year, the Group shall review the expected useful life, expected net residual value, and depreciation method of the fixed assets. If there is any change, it will be treated as an accounting estimate change.

A fixed asset shall be derecognized when it is disposed of, or when no economic benefits are expected to arise from its use or disposal. Proceeds from the disposal of fixed assets that are sold, transferred, scrapped, or destroyed, net of their book values and related taxes, shall be recognized in profit or loss.

### 17. Construction in progress

Construction in progress is measured at actual costs incurred. Self-employed construction works are measured by direct materials, direct wages, direct construction costs, etc.; outsourced construction works are measured by the price of works to be paid, etc.; and the cost of equipment installation works is determined on the basis of the value of the equipment installed, installation costs, and expenditures incurred for commissioning. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized.

For construction in progress, all expenses incurred before the asset reaches the expected usable state shall be regarded as the entry value of fixed assets. If the construction in progress has reached the expected serviceable state, but the completion settlement has not been handled, from the date of reaching the expected serviceable state, it shall be transferred into fixed assets according to the estimated value according to the project budget, cost or actual cost of the project, and the depreciation of fixed assets shall be accrued according to the Group's fixed assets depreciation policy. After the completion settlement is handled, the original estimated value is adjusted according to the actual cost, but the accrued depreciation amount is not adjusted.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 18. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary costs, and exchange differences incurred on foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction, or production of assets eligible for capitalization begin to be capitalized when expenditures for the assets have been incurred, borrowing costs have been incurred, and the acquisition, construction, or production activities necessary to bring the assets to their intended usable or saleable condition have begun, and capitalization ceases when the assets acquired, constructed, or produced that qualify for capitalization reach their intended usable or saleable condition. Other borrowing costs are recognized as expenses in the period in which they are incurred.

Interest expenses actually incurred in the current period on special borrowings are capitalized, net of interest income earned on unused borrowed funds deposited in banks or investment income earned on temporary investments; general borrowings are capitalized based on the weighted-average amount of accumulated asset expenses in excess of the portion of special borrowings multiplied by the capitalization rate of the general borrowings occupied. The capitalization rate is determined based on the weighted-average interest rate of general borrowings.

Assets eligible for capitalization are assets such as fixed assets, investment properties, and inventories that require a significant period of time (usually more than one year) for acquisition, construction, or production activities to reach their intended use or saleable condition.

If there is an unusual interruption in the acquisition, construction, or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition, construction, or production of the asset resumes.

### 19. Intangible assets

The Group's intangible assets include land-use rights, trading seat fees, and software, etc., which are measured at the actual cost at the time of acquisition. For the purchased intangible assets, the actual cost is the actual payment price and other related expenses. The actual cost of the intangible assets invested by the investor shall be determined at the value agreed in the investment contract or agreement, but if the value agreed in the contract or agreement is not fair, the actual cost shall be determined at the fair value.

The land-use right is amortized on a straight-line basis since the acquisition date. The trading seat fees, software, and other intangible assets are amortized according to the shortest of the expected useful life, the benefit period stipulated in the contract, and the effective life stipulated by law. The amortized amount is included in the relevant asset cost and the current profit or loss.

The estimated useful life and amortization method of intangible assets with finite useful lives are reviewed at the end of each year, and if they change, it is treated as a change in accounting estimates. At the end of each year, the estimated useful life of intangible assets with an indefinite useful life is reviewed. If there is evidence that the useful life of intangible assets is limited, the useful life should be estimated and amortized during that period.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 20. Impairment of long-term non-financial assets

Long-term equity investments, investment properties, fixed assets, construction in progress, and intangible assets with limited useful life are tested for impairment if there is any indication that the assets may be impaired at each balance sheet date. For goodwill and intangible assets with indefinite useful lives, impairment tests shall be conducted at the end of each year, regardless of whether there is any indication of impairment. If it is difficult to test the recoverable amount of a single asset, the test shall be based on the asset group or combination of asset groups to which the asset belongs.

If the result of the impairment test indicates that the recoverable amount of the asset is less than its book value, an impairment loss is recognized based on the difference. Once the impairment loss on the aforesaid asset is recognized, it shall not be reversed in subsequent accounting periods. The recoverable amount of an asset is the higher of the net value of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow of the asset.

The signs of impairment are as follows:

- (1) The market price of the asset has fallen sharply in the current period, and the decline is significantly higher than the expected decline due to the passage of time or normal use.
- (2) A significant change has taken place during the current period, or will take place in the near future, in the economic, technological, or legal environment in which the enterprise operates or in the market to which the asset is dedicated, which will exert an adverse effect on the enterprise.
- (3) The market interest rate or other market investment return rate has increased in the current period, which affects the discount rate of the enterprise to calculate the present value of the expected future cash flow of the asset, resulting in a substantial reduction in the asset's recoverable amount.
- (4) There is evidence that the asset has become obsolete or its entity has been damaged.
- (5) Assets have been or will be idled, terminated, or planned for disposal in advance.
- (6) The evidence in the internal report of the enterprise indicates that the economic performance of the asset has been lower or will be lower than expected, such as the net cash flow created by the asset or the realized operating profit (or loss) is much lower (or higher) than expected.
- (7) Other signs that assets may have been impaired.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 21. Goodwill

Goodwill represents the excess of the cost of an equity investment or the cost of a business combination not under common control over the share of the fair value of the net identifiable assets of the investee or the acquiree obtained in the business combination at the acquisition date or the purchase date.

Goodwill related to subsidiaries is listed separately in consolidated financial statements, while goodwill related to associates and joint ventures is included in the book value of long-term equity investments.

Goodwill presented separately in the financial statements shall be tested for impairment at least annually, regardless of whether there are indications of impairment. During the impairment test, the book value of goodwill is allocated to the asset group or combination of asset groups expected to benefit from the synergies of the business combination. If the test results indicate that the recoverable amount of the asset group or combination of asset groups containing the allocated goodwill is lower than its book value, the corresponding impairment loss is recognized. The amount of the impairment loss is offset against the book value of goodwill allocated to the asset group or combination of asset groups, and then offset against the book value of other assets in proportion to the book value of other assets except goodwill.

### 22. Long-term deferred expenses

The long-term deferred expenses of the Group refer to the expenses that have been paid but should be borne in the current and future periods with an amortization period of more than 1 year (excluding 1 year), which are amortized evenly in the benefit period. If the long-term deferred expenses are no longer beneficial to the subsequent accounting periods, the unamortized balance is then transferred to profit or loss for the period.

### 23. Employee benefits

The Group recognizes employee benefits payable as a liability in the accounting period in which the services are rendered by the employees and includes the cost of the related assets and expenses according to the beneficiaries of the services rendered by the employees. Compensation due to the termination of employment relationships with employees is recognized in profit or loss for the period.

Employee benefits consist primarily of short-term benefits, post-employment benefits, termination benefits, and other expenses related to the acquisition of services provided by employees.

Short-term benefits refer to the employee benefits that the Group needs to pay in full within twelve months after the end of the annual reporting period in which employees provide related services, excluding post-employment benefits and termination benefits. The Group recognizes the short-term benefits payable as a liability during the accounting period when the employees provide services and includes them in the relevant asset costs and expenses based on the beneficiaries of the services provided by the employees.

Post-employment benefits refer to various forms of benefits and welfare provided by the Group for obtaining the services provided by the employee after the employee retires or dissolves the labor relationship with the Group, except for short-term benefits and termination benefits. The Group's post-employment benefit plans are defined-contribution plans. The defined contribution plan for post-employment benefits is mainly for participation in the social basic pension insurance and unemployment insurance organized by the labor and social security agencies. During the accounting period in which an employee provides services for the Group, the amount that should be paid according to the defined contribution plan shall be recognized as liabilities and included in the current profits or losses or the cost of related assets.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 23. Employee benefits (continued)

Termination benefits mainly include compensation for the Group's decision to terminate an employee's employment relationship with the employee before the expiration of the employee's employment contract, regardless of the employee's willingness to do so, and compensation for encouraging employees to voluntarily accept layoffs before the expiration of the employee's employment contract. The Group reasonably anticipates and recognizes employee benefit liabilities arising from termination benefits in accordance with the terms of the termination plan and recognizes them in profit or loss for the current period.

The employees of the Company and its domestic subsidiaries participate in an enterprise pension plan established in accordance with the relevant policies of the national enterprise pension plan system, in addition to their participation in the social basic pension insurance. The costs of the pension plan are jointly borne by the Company and the employees. Under the newly revised pension plan, the Company's employer contribution rate is linked to its "net profit" for the previous financial year; in 2025, the employer contribution rate is 8%, with employees contributing 25% of the amount paid by the employer; domestic subsidiaries establish separate pension plans.

If the Group decides to terminate the labor relationship with the employee before the expiration of the employee's labor contract or puts forward compensation suggestions to encourage the employee to accept the layoff voluntarily, if the Group has formulated a formal plan to terminate the labor relationship or put forward a voluntary layoff proposal and will implement it soon, at the same time, the Group cannot unilaterally withdraw the plan to terminate the labor relationship or layoff proposal. The provisions arising from compensation for the termination of labor relations with employees shall be recognized and included in the current profits or losses.

### 24. Provisions

The Group recognizes a provision for operations related to external guarantees, discounting of commercial acceptance bills, pending litigation or arbitration, and other contingencies if the following conditions are met: the obligation is a present obligation assumed by the Group, it is probable that the performance of the obligation will result in an outflow of economic benefits from the enterprise, and the amount of the obligation can be measured reliably.

The provision is initially measured on the basis of the best estimate of the expenditure required to meet the related present obligation, taking into account factors such as risk, uncertainty, and time value of money, which are related to contingencies. Where the effect of the time value of money is material, the best estimate is determined by discounting the relevant future cash outflows. The book value of provisions is reviewed by the Group at the balance sheet date and may be adjusted to reflect the current best estimate if any changes occur.

If all or part of the expenditure required by the Group to settle the provision is expected to be reimbursed by a third party, the amount of reimbursement is recognized separately as an asset when it is substantially certain that it will be received, and the amount of reimbursement recognized does not exceed the book value of the provision.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 25. General risk reserve and transaction risk reserve

According to *Financial Rules for Financial Enterprises* and the *Notice on the 2007 Annual Report of Securities Company* (Zheng Jian Ji Gou Zi [2007] No.320), the general risk reserve shall be withdrawn at 10% of the current net profit after making up losses. According to the *Operational Guidelines for the Application of the Opinions on Regulating Asset Management Business of Financial Institutions to the Large Collection Asset Management Business of Securities Companies* (China Securities Regulatory Commission Announcement [2018] No. 39) and the *Provisions on Liquidity Risk Management of Publicly Offered Open-End Securities Investment Funds*, a risk reserve for asset management operations shall be withdrawn. According to the *Interim Provisions for the Supervision of Important Money Market Funds*, a risk reserve for fund sales operations shall be withdrawn. In accordance with the *Provisions of the Securities Law* and the Zheng Jian Ji Gou Zi [2007] No 320, the transaction risk reserve shall be withdrawn at 10% of the current net profit after making up losses.

To mitigate the bond repayment risks, upon approval by the 14th Meeting of the 4th Board of Directors and the 6th Extraordinary General Meeting of Shareholders in 2013, the Company increased the proportions of discretionary surplus reserve and general risk reserve during the bond's tenure. Specifically, the discretionary surplus reserve is withdrawn at 5% of the current net profit after making up for losses, and the general risk reserve is withdrawn at 11% of the current net profit after making up for losses. In case of failure to pay the principal and interest of the bond on schedule or failure to pay the principal and interest of the bond on schedule at maturity, the Company will withdraw the discretionary surplus reserve at 10% of the current net profit after making up for losses during the remaining duration of the bond, and the general risk reserve at 12% of the current net profit after making up for losses.

According to the *Interim Provisions on the Supervision of Important Money Market Funds* (China Securities Regulatory Commission Announcement [2023] No. 42) jointly issued by the China Securities Regulatory Commission and the People's Bank of China, fund sales organizations shall establish a risk reserve mechanism for important money market funds, and the proportion of the risk reserve to be provided from all sales revenue of important money market funds shall not be less than 20% per month, and the balance of the risk reserve can no longer be withdrawn when the balance of the risk reserve reaches 0.25% of the retained size of the sales of important money market funds as of the end of the previous quarter.

### 26. Revenue recognition principles

The revenue of the Group is recognized when the performance obligations of the contract are fulfilled, i.e., when the customer obtains control of the relevant goods (referring to the goods or services). To gain control over the relevant goods means that the customer can dominate the use of the goods and get almost all the economic benefits from them.

Performance obligations represent the Group's commitments to transfer clearly distinguishable goods or render services to the customer. The commitments include express commitments in the contract and commitments that the customer reasonably expects the Group to perform at the time the contract is entered into based on the Group's publicly announced policies, specific statements, or past practices.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Revenue recognition principles (continued)

The Group evaluates the contract at the beginning of the contract, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation should be performed within a certain period of time or at a certain point. If one of the following conditions is met, the contract obligations shall be fulfilled within a certain period of time; otherwise, the performance of a contractual obligation at a certain point:

- The customer concurrently receives and consumes the economic benefits provided by the Group's performance as the Group performs.
- The customer can control the goods that are under construction during the Group's contract execution.
- The Group's performance does not create goods with an alternative use, and the Group has a right to receive payments for performance completed to date.

For the performance obligations performed within a certain period of time, the Group recognizes the revenue according to the performance progress within that period of time. When the performance schedule cannot be reasonably determined, if the costs incurred by the Group are expected to be compensated, the revenue shall be recognized according to the amount of costs incurred until the performance schedule can be reasonably determined. For the performance obligation performed at a certain time point, the Group recognizes the revenue when the customer obtains control over the relevant goods.

The Group's right to receive consideration (and the right depends on factors other than the passage of time) as a result of transferring the goods or services to customers is presented as contract assets, and impairment provisions are made for the contract assets based on ECL. The right of the Group to charge the customer unconditionally (only dependent on the passage of time) is listed as a receivable. The Group's obligation to transfer the goods or services, because the Group received or got consideration from the customers, should be listed as contract liabilities.

The specific accounting policies relating to the Group's main business to generate revenue are as follows:

#### (1) Fee and commission income

The fee income from buying and selling securities on behalf of customers shall be recognized on the trading day of securities trading.

The income from securities underwriting shall be recognized when the Group completes the performance obligations in the underwriting contract.

The income from the asset management business of the entrusted customer, when the entrusted management contract expires and is settled with the entrusting unit, the profit or loss that should be enjoyed by the Company is calculated according to the proportion specified in the contract and recognized as the current gain or loss. If the contract stipulates that the Company charges management fees and performance compensation fees in accordance with the agreed proportions, the management fees and performance compensation gains shall be recognized in installments.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Revenue recognition principles (continued)

(1) Fee and commission income (continued)

The income from issuance recommendation, financial consulting business, and investment consulting business shall be recognized during the performance of the Group's performance obligations or at the time of completion of the performance obligations according to the terms of the contract.

(2) Interest income

When the relevant income can be measured reliably, and relevant economic benefits can be received, the interest income is recognized according to the time of fund utilization and the agreed interest rate. If there is little difference between the effective interest rate and the contractual interest rate, the interest income shall be calculated according to the contractual interest rate.

The financial assets held under resale agreements due in the current period, the difference between the resale price and the purchase price shall be recognized as income in the current period. If there is no maturity in the current period, the interest accrued at the end of the period shall be recognized as the current income according to the amortized cost and the effective interest rate. If there is a small difference between the effective interest rate and the contractual interest rate, the income shall be recognized as the current income according to the contractual interest rate.

(3) Investment income

The Group recognizes the difference between the fair value of the financial assets held for trading and the initial recognition amount as investment income and adjusts the gain or loss from changes in fair value. Upon disposal of other debt investments, the difference between the sum of the price obtained and the cumulative changes in fair value previously recognized directly in other comprehensive income and the book value of the financial asset is recognized in investment income.

For long-term equity investments accounted for by the cost method, cash dividends or profits declared by the investee are recognized as investment income for the current period; for long-term equity investments accounted for by the equity method, investment income is recognized on the basis of the investee's share of net profit realized or adjusted net profit.

(4) Spot market trading revenue and service revenue

Yuxin Investment Management (Shanghai) Co., Ltd, a subsidiary of the Company, is involved with spot market trading revenue and service revenue. For spot market trading revenue, Yuxin Investment Management (Shanghai) Co., Ltd. engages in the practice of entering into frequent contracts for the purchase and sale of standard warehouse receipts on futures trading platforms to earn price differentials, without taking physical delivery of the commodities corresponding to the standard warehouse receipts. It has established a practice of reselling the contract subject matter shortly after receipt to profit from short-term price fluctuations. Consequently, the contracts for buying and selling standard warehouse receipts entered into by the company are treated as financial instruments. Accounting treatment is conducted in accordance with the provisions of Accounting Standard No. 22, with the difference between the consideration received and the carrying amount of the standard warehouse receipts sold recognised as investment income. Any standard warehouse receipts held at the end of the period that remain unsold shall be reported as other assets. Service revenue is recognised when the service has been rendered, and the amount receivable can be reasonably estimated.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 27. Recognition and measurement of the client asset management business

The Company's client asset management business includes collective asset management business, single asset management business, and special asset management business. The Company is entrusted to operate collective asset management business, single asset management business, and special asset management business, with custody customers or collective plans as the main body, independent establishment of accounts, independent accounting, and not listed in the Company's financial statements.

### 28. Government grants

The government grants related to assets are the government grants that are obtained by the Group for purchasing long-term assets or otherwise. The government grants related to revenue are the government grants except those related to assets. If the grant's target is not clearly specified in the government documents, the Group will make judgments according to the above principle of distinction. If it is difficult to make a distinction, the whole is classified as a government grant related to revenue.

If the government grant is a monetary asset, it is measured according to the amount actually received. For the grant paid according to a fixed quota standard, or there is evidence at the end of the year that can meet the relevant conditions specified in the financial support policy, and is expected to receive financial support funds, it is measured according to the amount actually receivable. If the government grant is a non-monetary asset, it should be measured at its fair value. If its fair value cannot be obtained reliably, it shall be measured at its nominal amount (RMB1).

The government grants related to assets shall be recognized as deferred income, and the government grants related to assets that have been recognized as deferred income shall be recognized in the current profit or loss in stages within the useful life of the relevant assets.

When the related assets are sold, transferred, scrapped, or destroyed before the end of their useful lives, the related unallocated balance of deferred income is transferred to profit or loss in the period of disposal of the assets.

Government grants related to revenue that compensate for related costs or losses in subsequent periods are recognized as deferred income and recognized in the current profit or loss in the period in which the related costs or losses are recognized. Government grants related to ordinary activities are included in other income or charged against related costs, based on the substance of economic operations. Government grants not related to ordinary activities are included in non-operating income.

### 29. Deferred tax assets and deferred tax liabilities

The Group's deferred tax assets and deferred tax liabilities are recognized on the basis of the difference between the tax bases of assets and liabilities and their book values (temporary difference). For deductible losses and tax credits that can be offset against taxable income in subsequent years in accordance with the provisions of the tax law, a corresponding deferred tax asset is recognized as if they were temporary differences. Deferred tax assets and deferred tax liabilities are measured at the balance sheet date at the tax rates that apply in the period in which it is expected to recover the assets or settle the liabilities.

The Group recognizes deferred tax assets arising from deductible temporary differences to the extent that the taxable income used to offset against the deductible temporary differences is likely to be obtained. The book value of deferred tax assets recognized should be written down when it is probable that sufficient taxable income will not be available to offset the deferred tax assets in future periods. The write-downs are reversed when it is probable that sufficient taxable income will be available.

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 30. Leases

At the inception of a contract, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one of the parties to the contract has given up the right to control the use of one or more identified assets for a specified period of time in exchange for consideration. To determine whether the contract cedes the right to control the use of the identified assets for a certain period of time, the Group assesses whether the customer under the contract is entitled to receive substantially all of the economic benefits arising from the use of the identified assets during the period of use and has the right to dominate the use of the identified assets during that period of use.

If a contract contains several separate leases at the same time, the Group splits the contract and accounts for each separate lease separately. The right to use an identified asset constitutes a separate lease under the contract if the following conditions are all met:

- ① The lessee may profit from the use of the asset alone or in conjunction with other resources that are readily available;
- ② The asset is not highly dependent or highly related to other assets in the contract.

Where a contract contains both lease and non-lease components, the Group accounts for the lease and non-lease components separately when it acts as a lessor or lessee.

#### (1) The Group as the lessee

The types of assets leased by the Group are mainly buildings and structures.

##### 1) Initial measurement

At the inception date of a lease, the Group recognizes the right to use the leased asset over the lease term as a right-of-use asset and the present value of the outstanding lease payments as a lease liability, except for short-term leases and leases of low-value assets. In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the lessee's incremental borrowing rate shall be used as the discount rate.

The lease term is the period during which the Group has the right to use the leased asset, and the right is non-cancellable. Where the Group has a renewal option, i.e., the right to elect to renew the lease of the asset, and it is reasonably certain that the option will be exercised, the lease term also includes the period covered by the renewal option. Where the Group has a termination option, i.e., the right to elect to terminate the lease of the asset, but it is reasonably certain that the option will not be exercised, the lease term includes the period covered by the termination option. Where a significant event or change within the Group's control occurs, and it affects whether the Group is reasonably certain that it will exercise the corresponding option, the Group reassesses whether it is reasonably certain that it will exercise the option to renew the lease or the option to purchase, or not exercise the option to terminate the lease.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 30. Leases (continued)

#### (1) The Group as the lessee (continued)

##### 2) *Subsequent measurement*

The Group depreciates right-of-use assets using the straight-line method. If it is reasonably certain that ownership of the leased assets will be obtained at the end of the lease term, the Group depreciates the leased assets over their remaining useful lives. If it is not reasonably certain that ownership of a leased asset will be obtained at the end of the lease term, the Group depreciates the asset over the shorter of the lease term or the remaining useful life of the leased asset. The Group calculates the interest expenses on lease liabilities at a fixed periodic rate for each period of the lease, and recognizes them in the current profit or loss.

Variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss when they are actually incurred.

Subsequent to the commencement date of the lease term, when there is a change in the substantially fixed payments, a change in the amount expected to be payable for the residual value of the guarantee, a change in the index or rate used to determine the lease payments, a change in the appraisal of, or the actual exercise of, an option to purchase, an option to renew, or an option to terminate, the Group remeasures the lease liability based on the present value of the lease payments as a result of the change and adjusts the book value of the right-of-use assets accordingly. If the book value of the right-of-use assets has been reduced to zero but the lease liabilities are subject to further reduction, the Group recognizes the remaining amount in the current profit or loss.

##### 3) *Lease changes*

A lease change refers to a change of lease scope, lease consideration, or lease term other than the original contractual terms, including adding or terminating the right to use one or more leased assets, extending or shortening the lease term stipulated in the contract, etc.

If there is a change in the lease and the following conditions are met, the Group will treat the lease change as a separate lease for accounting purposes:

- ① The lease change expands the scope of the lease by increasing the right to use one or more of the leased assets;
- ② The increased consideration is equivalent to the separate price of the expanded part of the lease scope adjusted for the circumstances of that contract.

When a lease change is not accounted for as a separate lease, the Group re-determines the lease term on the effective date of the lease change and re-measures the lease liability by discounting the changed lease payment amount using the revised discount rate. In calculating the present value of the changed lease payments, the Group uses the interest rate implicit in the lease for the remaining lease term as the discount rate. If the interest rate implicit in the lease for the remaining lease term cannot be determined, the Group uses the interest rate of the Group's incremental borrowing on the effective date of the lease change as the discount rate.

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(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 30. Leases (continued)

#### (1) The Group as the lessee (continued)

##### 3) Lease changes (continued)

With respect to the effect of the above adjustments to lease liabilities, the Group distinguishes between the following scenarios for accounting purposes:

- ① When a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the book value of the right-of-use asset to reflect the partial termination or complete termination of the lease. The Group recognizes gains or losses related to partial or complete termination of leases in profit or loss for the period.
- ② For other lease changes, the Group adjusts the book value of right-of-use assets accordingly.

##### 4) Short-term leases and leases of low-value assets

On the commencement date of the lease term, the Group recognizes leases with a lease term not exceeding 12 months and not including purchase options as short-term leases and leases with a lower value when a single leased asset is a brand-new asset as leases with low-value assets. Where the Group subleases or expects to sublease leased assets, the original lease is not recognized as a lease of a low-value asset. The Group elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments are charged to the cost of the related assets or to current profit or loss on a straight-line basis in each period during the lease term, and contingent rentals are charged to profit or loss as incurred.

#### (2) The Group as the lessor

Leases that transfer substantially all the risks and rewards associated with ownership of the leased asset at the inception date of the lease are finance leases, while all other leases are operating leases. The Group's leases are all operating leases.

As the lessor of operating leases, rental income from operating leases is recognized in profit or loss on a straight-line basis in each period during the lease term, and contingent rentals are recognized in profit or loss when they are actually incurred.

### 31. Income tax accounting

The balance sheet liability method is used for income tax accounting. Income tax expenses include current income taxes and deferred income taxes. Except that the current income tax and deferred income tax related to transactions and events directly included in shareholders' equity are included in shareholders' equity, and the book value of goodwill is adjusted by deferred income tax generated from the business combination, the remaining current income tax and deferred income tax expenses or income are included in current profits or losses.

Current income tax is the amount due to the tax authorities for transactions and events that have occurred in the current period, as determined by the enterprise in accordance with tax regulations. Deferred income tax is the difference between the amount of deferred tax assets and deferred tax liabilities that should be recognized under the balance sheet liability method at the end of the period and the amount originally recognized.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 32. Hedging accounting

On the basis of the hedging relationship, the Group classifies hedging into fair value hedges, cash flow hedges, and hedges of a net investment in a foreign operation.

#### (1) *For hedging instruments that satisfy all the following conditions, hedge accounting is applied for accounting treatment:*

- ① The hedging relationship is comprised of only qualifying hedging instruments and hedged items;
- ② At the inception of the hedge, the Group has formally designated the hedging instruments and the hedged items, and prepared the documentation regarding hedging relationships, risk management strategies, and objectives for undertaking the hedging;
- ③ The hedging relationship meets the hedge effectiveness requirements.

A hedge that meets all the following conditions is regarded as meeting hedge effectiveness requirements:

- 1) There is an economic relationship between the hedged item and the hedging instrument, which makes the values of the hedging instrument and the hedged item generally move in the opposite direction because of the same hedged risk.
- 2) The effect of credit risk does not dominate the value changes that result from the economic relationship between the hedged item and the hedging instrument.
- 3) The hedge ratio of the hedging relationship is the ratio of the quantity of the hedged item that the Company hedges to the quantity of the hedging instrument that the Company uses. However, such ratio shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument, which would cause hedge ineffectiveness and may result in an accounting result that is inconsistent with the purpose of hedge accounting.

#### (2) **Accounting for fair value hedges**

- 1) Gains or losses arising from hedging instruments shall be included in profit or loss for the current period. If the hedging instrument hedges the non-trading equity instrument investment (or its components) that is selected to be measured at fair value through other comprehensive income, the gains or losses generated by the hedging instrument are included in other comprehensive income.
- 2) Gains or losses of the hedged item arising from the hedged risk exposure are included in profit or loss for the current period, and the book value of the hedged item that is not measured at fair value should be adjusted. If the hedged item is a financial asset (or its component) measured at fair value through other comprehensive income, the profit or loss generated from the hedged risk exposure is included in profit or loss for the current period, and as its book value has been measured at fair value, no adjustment is needed. If the hedged item is a non-trading equity instrument investment (or its components) measured at fair value through other comprehensive income, the gains or losses arising from the hedged risk exposure are included in other comprehensive income, and as its book value has been measured at fair value, no adjustment is needed.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 32. Hedging accounting (continued)

#### (2) Accounting for fair value hedges (continued)

If the hedged item is an unrecognized definite commitment (or its component), the accumulated change in fair value caused by the hedged risk after the designation of the hedging relationship shall be recognized as an asset or liability, and the relevant gains or losses shall be included in the profit or loss of each relevant period. When the commitment is delivered, assets are acquired, or liabilities are assumed, the initial recognition amount of the assets or liabilities should be adjusted to include the cumulative change in the fair value of the recognized hedged item.

If the hedged item is a financial instrument (or its component) measured at amortized cost, the adjustment to the book value of the hedged item shall be amortized based on the effective interest rate recalculated on the amortization date and included in profit or loss. The amortization can start from the adjustment date, but not later than the time point when the adjustment to hedging gains and losses of the hedged item is terminated. If the hedged item is a financial asset (or its component) measured at fair value through other comprehensive income, the accumulated recognized hedging gains or losses shall be amortized in the same way and included in the current profit or loss, but the book value of the financial asset (or its component) shall not be adjusted.

#### (3) Accounting for cash flow hedges

- 1) The effective part of the gain or loss generated by the hedging instrument shall be recognized in other comprehensive income as a cash flow hedge reserve. The amount of cash flow hedge reserve should be measured as the lower of the absolute amounts of the following two:
  - a. The cumulative gain or loss on the hedging instrument from inception of the hedge.
  - b. The present value of the cumulative change in the expected future cash flows of the hedged item from the inception of the hedge. The amount of the cash flow hedge reserve recognized in the other comprehensive income during each accounting period is the change in the cash flow hedge reserve for the accounting period.
- 2) Any remaining gain or loss on the hedging instrument (other than the gain or loss included in other comprehensive income) is regarded as ineffective and shall be recognized in profit or loss.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 32. Hedging accounting (continued)

#### (3) Accounting for cash flow hedges (continued)

- 3) The amount that has been accumulated in the cash flow hedge reserve shall be accounted for as follows:
  - a. If the hedged item is an expected transaction that will subsequently results in the recognition of a non-financial asset or non-financial liability, or the expected transaction of a non-financial asset or a non-financial liability becomes a definite commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve in other comprehensive income, and reallocate it to the initial recognition amount of the asset or the liability.
  - b. For cash flow hedges other than those covered by the previous rule, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the periods during which the hedged expected future cash flows affect profit or loss.
  - c. If cash flow hedge reserve in other comprehensive income is a loss and the Company expects that all or part of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

#### (4) Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, shall be accounted for similarly to cash flow hedges:

- 1) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income. The gain or loss of the hedging instrument in other comprehensive income shall be reclassified to profit or loss on the disposal or partial disposal of the foreign operation.
- 2) The ineffective portion shall be recognized in profit or loss.

#### (5) Termination of hedge accounting

In case of any of the following circumstances, the application of hedge accounting shall be terminated:

- 1) The risk management objective has changed, and the hedging relationship no longer meets the risk management objective;
- 2) The hedging instruments have expired, been sold, terminated, or exercised;
- 3) There is no longer an economic relationship between the hedged item and the hedging instrument, or the effect of credit risk starts to dominate the value changes that result from that economic relationship;

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 32. Hedging accounting (continued)

#### (5) Termination of hedge accounting (continued)

- 4) The hedging relationship does not satisfy other conditions of undertaking hedge accounting. If rebalancing of the hedging relationship applies, the Company shall consider rebalancing the hedging relationship first and subsequently assess whether the hedging relationship satisfies the conditions of undertaking hedge accounting.

The termination of hedge accounting may affect the hedging relationship or part of it. If only part of it is affected, hedge accounting still applies to the remaining.

#### (6) Option to designate a credit exposure as measured at fair value

When the credit risk exposure of a financial instrument (or its components) is managed by using a credit derivative instrument measured at fair value through profit or loss, the financial instrument (or its components) can be designated as a financial instrument measured at fair value through profit or loss at, before or after the time of initial recognition, and written records shall be kept at the same time while the following conditions shall be met simultaneously:

- 1) The subject of the financial instrument's credit exposure (for example, the borrower, or the holder of a loan commitment) matches the subject of the credit derivative;
- 2) The repayment level of financial instruments is consistent with the repayment level of the instruments to be delivered according to the terms of credit derivatives.

### 33. Segment information

The Group determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system, while the report segment is determined based on the operating segment. An operating segment is a component of the Group that meets the following conditions simultaneously: the component is able to generate income and incur expenses in its day-to-day business; the Company's management is able to periodically evaluate the operating results of the component in order to decide on the allocation of resources to it and evaluate its performance; the Group has access to accounting information on the financial position, operating results and cash flows of the component, with inter-segment transfer prices determined by reference to market prices.

### 34. Held for sale and discontinued operations

#### (1) Held-for-sale assets

When the Group recovers its book value mainly through the sale rather than the continuous use of a non-current asset or disposal group, the non-current asset or disposal group is classified as held for sale.

Disposal group refers to a group of assets disposed of as a whole through sale or other means in a transaction, as well as the liabilities directly related to these assets transferred in the transaction.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 34. Held for sale and discontinued operations (continued)

#### (1) Held-for-sale assets (continued)

The Group classifies non-current assets or disposal groups that meet the following conditions as held for sale:

- 1) The non-current asset or disposal group is immediately available for sale in its current condition, in accordance with the practice of selling such assets or disposal groups in similar transactions;
- 2) A sale is extremely likely to occur where the Group has resolved on a plan of sale and has entered into legally binding purchase agreements with other parties. The sale is expected to be completed within a year.

The Group makes initial measurement and subsequent measurement on the non-current assets held for sale (excluding financial assets and deferred tax assets) or disposal group according to the lower of the book value and the net amount after the fair value minus the selling expenses. The difference between the book value and the net amount after the fair value minus the selling expenses is recognized as an asset impairment loss and included in the current profits or losses.

#### (2) Discontinued operations

The Group will discontinue operations as defined by a separately distinguishable component that meets one of the following conditions, and that has been disposed of or classified as held for sale by the Group:

- 1) The component represents a separate principal operation or a separate principal area of operation.
- 2) The component is part of an associated plan to dispose of a separate principal operation or a separate principal area of operation.
- 3) This component is a subsidiary acquired specifically for resale.

For discontinued operations reported in the current period, the Group reports the profit or loss from continuing operations and the profit or loss from discontinued operations separately in the current period's income statement. At the same time, in the income statement of the comparative period, the information previously reported as continuing operation profits or losses is restated as the discontinued operation profit or loss of the comparable accounting period.

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## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 35. Fair value measurement

The Group measures derivative financial instruments and equity instrument investments at fair value at each balance sheet date. Fair value is the price that a market participant would receive for selling an asset or pay for transferring a liability in an orderly transaction occurring on the measurement date.

Assets and liabilities that are measured or disclosed at fair value in the financial statements are assigned to a fair value hierarchy based on the lowest level input that is significant to the overall fair value measurement: level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date; level 2 inputs are inputs other than level 1 inputs that are directly or indirectly observable for the related assets or liabilities; and level 3 inputs are unobservable inputs for the related assets or liabilities.

At each balance sheet date, the Group reassesses the assets and liabilities recognized in the financial statements that are measured at fair value on a continuous basis to determine whether a transition has occurred between the fair value measurement hierarchy.

For financial instruments traded in an active market, the Group determines their fair value by using their quoted prices in the active market. For financial instruments not traded in an active market, the Group determines their fair value by using valuation techniques, and the valuation models used are mainly discounted cash flow models. The inputs to the valuation techniques consist mainly of the risk-free rate, credit premium, and liquidity premium for debt instruments, as well as the valuation multiplier and liquidity discount for equity instruments.

Level 3 fair values are determined based on the Group's valuation models, such as discounted cash flow models. The Group also considers the initial transaction price, recent transactions in identical or similar financial instruments, or full third-party transactions in comparable financial instruments. On December 31st, 2025, level 3 financial assets measured at fair value are valued using significant unobservable inputs such as discount rates, but their fair values are not materially sensitive to reasonable changes in these significant unobservable inputs.

The Group uses the market approach to determine the fair value of unlisted equity investments. This requires the Group to determine comparable listed companies, select market multipliers, and estimate liquidity discounts, among other things, and is therefore subject to uncertainty.

### 36. Significant accounting judgments and estimates

During the preparation of the financial statements, the Company's management will make judgments, estimates, and assumptions that will have an impact on the application of accounting policies and the amount of assets, liabilities, revenue, and expenses. The reality may differ from these estimates. Management continuously evaluates the judgment of the key assumptions and uncertainties involved in the estimation. The impact of a change in accounting estimates is recognized during the change period and in future periods.

The following accounting estimates and key assumptions carry a significant risk of causing significant adjustments to the carrying values of assets and liabilities in future periods.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 36. Significant accounting judgments and estimates (continued)

#### (1) Provision for impairment of financial assets

The Group measures and recognizes impairment provision for debt investments, other debt investments, financing operations (including margin trading and short selling, agreed repurchase, stock-pledged repurchase, etc.), and currency market disposals (loans) of funds or securities, receivable, etc., based on expected credit losses.

Based on the classification and nature of the above financial assets, combined with its own risk management practices and the relevant requirements of impairment guidelines, the Group comprehensively considers the time value of money and relevant past events that can be obtained without unnecessary additional costs or efforts on the balance sheet date on the basis of probability weighted average, to establish an expected credit loss model to measure the impairment loss of the above financial instruments based on the reasonable and reliable information predicted by the current and future economic conditions. The relevant assumptions, parameters, data sources, and measurement procedures of the expected credit loss model require the Group to make professional judgments. Changes in the assumptions of these relevant factors will have an impact on the calculation results of the expected credit loss of financial instruments.

The Group uses an expected credit loss model to evaluate the impairment of financial assets, and the application of the expected credit loss model requires making significant judgments and estimates, such as the probability of default, the rate of default losses, and whether credit risk increases significantly, taking into account all reasonable and reliable information, including forward-looking information. In making these judgments and estimates, the Group extrapolates expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risk, and other factors.

For disclosures of the Group's judgment criteria for a significant increase in credit risk, the definition of credit-impaired assets, and assumptions of ECL, please refer to "Note X. 2. Credit risk".

#### (2) Impairment provision of goodwill

The goodwill is tested at least annually for impairment. The recoverable amount of the asset group and asset group combination that includes goodwill is the present value of its expected future cash flow, and its calculation requires the use of accounting estimates.

If management revises the gross profit margin used in the calculation of future cash flows of asset groups and asset group combinations, and the revised gross profit margin is lower than the currently used gross profit margin, the Group shall make provision for impairment of goodwill.

If management revises the pre-tax discount rate used for discounting cash flows, and the revised pre-tax discount rate is higher than the currently used discount rate, the Group shall provide additional impairment for goodwill.

If the actual gross profit margin or pre-tax discount rate is higher or lower than the management's estimate, the Group cannot reverse the impairment loss for goodwill that has been accrued.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 36. Significant accounting judgments and estimates (continued)

#### (3) Recognition of deferred tax assets

The estimation of deferred tax assets requires estimating the taxable income and applicable tax rates in future years. The realization of deferred tax assets depends on whether the Group is likely to obtain sufficient taxable income in the future. Future changes in tax rates and the reversal time of temporary differences may also affect income tax expenses (income) and the balance of deferred income tax. Changes in the above estimates may result in important adjustments to deferred income tax.

#### (4) Useful lives of fixed assets and intangible assets

At least, at the end of each year, the Group reviews the estimated useful lives of fixed assets and intangible assets. The estimated useful life is determined by the management based on the historical experience of similar assets, with reference to the commonly used estimates in the same industry, combined with the expected technical updates. When the previous estimates have changed significantly, the depreciation expenses and amortization expenses in the future period shall be adjusted accordingly.

#### (5) Determining the scope of consolidation

All facts and circumstances must be considered when assessing whether the Group controls the investee as an investor. The definition of control includes the following three elements: 1) the power of the investor over the investee; 2) the variable return enjoyed by the investee in the relevant business; and 3) the ability to use the power of the investee to influence the amount of its return. If one or more of the three control elements mentioned above change, the Group will reassess whether control still exists.

For structured entities (such as funds and asset management plans) managed by the Group, the Group will assess whether its maximum exposure to the structured entities, together with the variable returns generated by its administrator's compensation, is significant enough to indicate that the Group has control over the structured entities. If the Group has control over the structured entity under management, the structured entity will be included in the consolidated scope of the consolidated financial statements.

### 37. Changes in significant accounting policies and accounting estimates

#### (1) Changes in significant accounting policies

In July 2025, the Ministry of Finance issued the Implementation Q&A on Accounting Treatment for Standard Warehouse Receipt Transactions (hereinafter referred to as the "Q&A"). In December 2025, the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, the National Financial Regulatory Administration, and the China Securities Regulatory Commission jointly issued the *Notice on Strictly Implementing Accounting Standards for Business Enterprises and Effectively Preparing the 2025 Annual Reports* (hereinafter referred to as the "Annual Report Implementation Notice"). In accordance with the above requirements, the Group has made corresponding changes to its accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 37. Changes in significant accounting policies and accounting estimates (continued)

#### (1) Changes in significant accounting policies (continued)

Effective January 1st, 2025, the Group shall implement the relevant provisions outlined in the Q&A and Annual Report Implementation Notice, and shall apply retrospective adjustments to the 2024 financial statements using the retrospective adjustment method. This retrospective adjustment has no impact on the Group's balance sheet items as of December 31st, and the total profit or net profit for the year 2024. The specific adjustments are as follows:

Expressed in RMB'0000

Affected items in the statements	Before adjustment	Adjusted amount	After adjustment
Total operating income	168,992.52	-29,751.54	139,240.98
Including: Investment income	51,234.76	-444.20	50,790.56
Other operating income	30,677.33	-29,307.34	1,369.99
Total operating cost	148,589.91	-29,751.54	118,838.37
Including: Other assets impairment losses	1,772.28	-560.95	1,211.33
Other operating costs	29,295.79	-29,190.59	105.20

This change in accounting policy is implemented by the Group in accordance with the aforementioned provisions. It will not have a material impact on the Group's financial position, operating results, or cash flows, and does not adversely affect the interests of the Group or its shareholders.

#### (2) Changes in significant accounting estimates

Effective January 1st, 2025, the Company (including its domestic subsidiaries) has changed the provision ratio for employee education costs from 2.5% to 1.5% of total employee salaries. This change in accounting estimate is accounted for using the prospective application method, and no retrospective adjustments to previously disclosed financial statements are required. Based on the financial statements for the year 2025, the above change resulted in an increase in total profit for the period of RMB5,438,478.39.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## V. TAXATION

Taxes	Tax basis	Tax rate
Enterprise income tax	Taxable income	16.5%, 25%
Value-added tax	The taxable amount is calculated by multiplying the taxable sales revenue by the applicable tax rate/collection rate and deducting the balance of input tax allowed to be deducted in the current period	3%, 5%, 6%, 9%, 13%
Urban maintenance and construction tax	Turnover tax payable	5%, 7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%

Description of income tax rates of different taxpayers:

In accordance with the provisions of the *Enterprise Income Tax Law of the People's Republic of China* and the *Announcement of the State Administration of Taxation on Printing and Distributing the "Measures for the Administration of the Collection of Corporate Income Tax Collection for Cross-Regional Operations"* (State Administration of Taxation Announcement No. 57 of 2012), the Company implements the corporate income tax collection and management measures of "unified calculation, hierarchical management, on-site prepayment, consolidated liquidation, and fiscal adjustment".

According to the *Enterprise Income Tax Law of the People's Republic of China*, the Company applies the enterprise income tax rate of 25% from January 1st, 2008; Central China International Holdings Co., Ltd. and its subsidiaries in Hong Kong apply the comprehensive profits tax rate of 16.5% in accordance with the relevant provisions of the Hong Kong Special Administrative Region.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash and bank balances

#### (1) Details

Item	December 31st, 2025			December 31st, 2024		
	Functional currency	Exchange rate <sup>(Note 1)</sup>	RMB amount	Functional currency	Exchange rate <sup>(Note 1)</sup>	RMB amount
<b>Cash on hand</b>			<b>84,393.29</b>			<b>73,338.23</b>
RMB	50,593.49	1.0000	50,593.49	59,987.33	1.0000	59,987.33
HKD	33,118.20	0.9032	29,913.01	10,272.85	0.9260	9,513.06
CAD	760.00	5.1142	3,886.79	760.00	5.0498	3,837.84
<b>Deposits in bank</b>			<b>19,229,528,022.86</b>			<b>14,296,599,461.89</b>
Deposit account			1,499,403,653.01			2,291,354,135.99
RMB	1,368,344,485.92	1.0000	1,368,344,485.92	1,573,161,866.41	1.0000	1,573,161,866.41
USD	2,503,279.35	7.0288	17,595,055.58	90,729,350.54	7.1884	652,198,863.45
HKD	125,558,323.76	0.9032	113,406,789.19	71,207,531.14	0.9260	65,941,022.13
AUD	14.64	4.6892	68.65	14.62	4.5070	65.89
EUR	6,952.03	8.2355	57,253.42	6,951.90	7.5257	52,317.88
CAD	0.04	5.1142	0.21	0.04	5.0498	0.20
THB	0.15	0.2225	0.04	0.15	0.2126	0.03
Client fund deposit			17,730,124,369.85			12,005,245,325.90
RMB	17,458,391,235.27	1.0000	17,458,391,235.27	11,881,018,207.40	1.0000	11,881,018,207.40
USD	2,322,009.72	7.0288	16,320,950.23	1,351,550.60	7.1884	9,715,490.00
HKD	282,779,593.40	0.9032	255,412,184.35	123,657,324.19	0.9260	114,511,628.50
<b>Other cash and bank balances</b>			<b>59,225,560.53</b>			<b>104,311,239.85</b>
RMB	59,225,560.53	1.0000	59,225,560.53	104,311,239.85	1.0000	104,311,239.85
<b>Total</b>			<b>19,288,837,976.68</b>			<b>14,400,984,039.97</b>

Note 1: The disclosed discount rates are rounded to four decimal places, while the actual discount rates are rounded to six decimal places, and there may be trailing differences in the discounting relationships. Other similar disclosures in this report are the same.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 1. Cash and bank balances (continued)

#### (1) Details (continued)

Details of the margin trading and short-selling business are shown in the table below:

Item	December 31st, 2025			December 31st, 2024		
	Functional currency	Exchange rate	RMB amount	Functional currency	Exchange rate	RMB amount
Corporate credit capital			13,495.97			682,267,152.89
RMB	13,495.97	1.0000	13,495.97	682,267,152.89	1.0000	682,267,152.89
Client credit capital			1,341,817,418.86			946,433,443.78
RMB	1,292,752,080.82	1.0000	1,292,752,080.82	926,081,044.26	1.0000	926,081,044.27
USD	146,639.66	7.0288	1,030,701.40	130,080.29	7.1884	935,069.68
HKD	53,181,546.73	0.9032	48,034,636.64	20,968,132.94	0.9260	19,417,329.83
Total			1,341,830,914.83			1,628,700,596.67

(2) As of December 31st, 2025, the Group's cash and bank balances, which were deposited overseas, were RMB393,041,999.58, and were due to deposits made by Hong Kong subsidiaries.

(3) The Group's restricted bank deposits are as follows:

Item	December 31st, 2025	December 31st, 2024
Risk reserve for asset management business		26,002,214.08
<b>Total</b>		<b>26,002,214.08</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. Clearing settlement funds

Item	December 31st, 2025			December 31st, 2024		
	Functional currency	Exchange rate	RMB amount	Functional currency	Exchange rate	RMB amount
<b>Corporate reserve funds</b>			<b>126,637,290.85</b>			<b>250,438,772.27</b>
RMB	125,129,946.73	1.0000	125,129,946.73	250,086,148.59	1.0000	250,086,148.59
HKD	1,668,856.00	0.9032	1,507,344.12	380,774.63	0.9260	352,612.54
USD				1.55	7.1884	11.14
<b>Client's ordinary reserve funds</b>			<b>3,002,536,648.23</b>			<b>3,818,259,497.08</b>
RMB	2,992,380,831.02	1.0000	2,992,380,831.02	3,809,364,273.10	1.0000	3,809,364,273.10
USD	1,221,552.61	7.0288	8,586,048.99	995,834.59	7.1884	7,158,457.37
HKD	1,737,968.85	0.9032	1,569,768.22	1,875,476.88	0.9260	1,736,766.61
<b>Client's credit reserve funds</b>			<b>272,510,726.76</b>			<b>462,627,073.83</b>
RMB	272,510,726.76	1.0000	272,510,726.76	462,627,073.83	1.0000	462,627,073.83
<b>Total</b>			<b>3,401,684,665.84</b>			<b>4,531,325,343.18</b>

### 3. Margin accounts receivable

#### (1) By categories

Item	December 31st, 2025	December 31st, 2024
<b>Domestic</b>		
Including: Individual	<b>10,878,324,564.61</b>	9,200,706,620.57
Institution	<b>67,716,108.49</b>	72,908,137.65
Less: Provision for impairment	<b>32,985,138.93</b>	28,296,230.68
<b>Subtotal</b>	<b>10,913,055,534.17</b>	9,245,318,527.54
<b>Overseas</b>		
Including: Individual	<b>64,373,468.57</b>	81,938,289.27
Institution	<b>9,184,449.54</b>	55,556,977.88
Less: Provision for impairment	<b>49,177,875.77</b>	56,052,007.03
<b>Subtotal</b>	<b>24,380,042.34</b>	81,443,260.12
<b>Total book value</b>	<b>10,937,435,576.51</b>	9,326,761,787.66

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Margin accounts receivable (continued)

#### (2) Details of collateral

Category of collateral	December 31st, 2025	December 31st, 2024
Cash	<b>704,308,275.38</b>	663,322,335.49
Bonds	<b>141,930,863.49</b>	83,339,089.37
Stocks	<b>28,956,801,381.92</b>	23,151,634,093.39
Funds	<b>722,500,997.79</b>	576,075,165.90
<b>Total</b>	<b>30,525,541,518.58</b>	24,474,370,684.15

### 4. Derivative financial instruments

#### (1) December 31st, 2025

Category	Hedging instruments			Non-hedging instruments		
	Nominal value	Fair value Asset	Liability	Nominal value	Fair value Asset	Liability
Commodity futures				95,280,500.00		17,930.00
Less: Deductible temporary receipts and payments						17,930.00
Interest rate swaps				49,830,000,000.00	77,271,676.44	
Less: Deductible temporary receipts and payments					77,271,676.44	
National debt futures				2,125,957,718.38	360,376.31	47,847.99
Less: Deductible temporary receipts and payments					360,376.31	47,847.99
Stock index futures				36,126,360.00		178,720.00
Less: Deductible temporary receipts and payments						178,720.00
<b>Total</b>				<b>52,087,364,578.38</b>		

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Derivative financial instruments (continued)

#### (2) December 31st, 2024

Category	Hedging instruments			Non-hedging instruments		
	Nominal value	Fair value Asset	Liability	Nominal value	Fair value Asset	Liability
Commodity futures				193,240,973.80	182,570.00	1,006,896.76
Less: Deductible temporary receipts and payments					182,570.00	1,006,896.76
Interest rate swaps				109,890,000,000.00	87,644,815.14	
Less: Deductible temporary receipts and payments					87,644,815.14	
National debt futures				5,122,801,565.82	3,465,893.94	
Less: Deductible temporary receipts and payments					3,465,893.94	
Stock index futures				210,928,531.47		1,401,271.47
Less: Deductible temporary receipts and payments						1,401,271.47
Stock return swap				21,441,313.58	7,276,331.39	
Over-the-counter options				29,403,544.10	7,966,829.29	
Exchange-trade options				157,106,012.00	883,600.00	1,996,580.00
<b>Total</b>				<b>115,624,921,940.77</b>	<b>16,126,760.68</b>	<b>1,996,580.00</b>

Under the net settlement system, net amounts of investments in stock index futures, interest rate swaps, commodity futures, and national debt futures classified as derivative financial assets and derivative financial liabilities are presented after offsetting related provisional receipts and payments.

### 5. Refundable deposits

Item	December 31st, 2025			December 31st, 2024		
	Functional currency	Exchange rate	RMB amount	Functional currency	Exchange rate	RMB amount
<b>Trading margin</b>			<b>1,119,427,130.30</b>			<b>1,049,349,211.44</b>
RMB	1,118,483,504.30	1.0000	1,118,483,504.30	1,048,383,003.44	1.0000	1,048,383,003.44
HKD	500,000.00	0.9032	451,610.00	500,000.00	0.9260	463,020.00
USD	70,000.00	7.0288	492,016.00	70,000.00	7.1884	503,188.00
<b>Credit margin</b>			<b>12,675,659.70</b>			<b>9,623,078.96</b>
RMB	12,675,659.70	1.0000	12,675,659.70	9,623,078.96	1.0000	9,623,078.96
<b>Performance bonds</b>			<b>5,879.16</b>			<b>157,827,358.15</b>
RMB	5,879.16	1.0000	5,879.16	157,827,358.15	1.0000	157,827,358.15
<b>Total</b>			<b>1,132,108,669.16</b>			<b>1,216,799,648.55</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Accounts receivable

#### (1) By details

Item	December 31st, 2025	December 31st, 2024
Stock-pledged repurchase receivable		626,241,864.08
Receivables from liquidation	<b>15,688,770.02</b>	5,278,534.94
Fees and commission receivable	<b>47,600,855.00</b>	65,931,139.62
Receivables from clients' financing	<b>3,734,356.00</b>	5,609,195.54
Receivables from over-the-counter transactions		31,441,313.58
Receivables from disposal of stocks (Note 1)	<b>50,755,748.66</b>	156,039,977.32
Debt asset package receivable (Note 1)	<b>92,710,337.53</b>	112,426,721.70
Others	<b>8,185,373.36</b>	8,012,891.00
Less: Provision for bad debts (According to the simplified model)	<b>91,891,926.34</b>	679,967,806.29
<b>Book value of accounts receivable</b>	<b>126,783,514.23</b>	331,013,831.49

Note 1: The subsidiary of the Company, Central China Blue Ocean Investment Management Co., Ltd. reduced its equity investment in a holding subsidiary, Henan Central China Micro-Lending Co., Ltd. by way of directed capital reduction, which was paid in the form of cash and assets, and the disposal of equity receivables and debt assets receivable packages were mainly formed for the aforesaid matters.

#### (2) By portfolio methods

Item	December 31st, 2025			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Accrual proportion (%)
Separate provision for bad debts	<b>188,179,894.32</b>	<b>86.05</b>	<b>86,350,002.99</b>	<b>45.89</b>
<b>Subtotal</b>	<b>188,179,894.32</b>	<b>86.05</b>	<b>86,350,002.99</b>	<b>45.89</b>
Combination provision for bad debts				
Including: Within 1 year	<b>3,256,572.77</b>	<b>1.50</b>	<b>16,282.87</b>	<b>0.50</b>
1-2 years	<b>4,238,904.29</b>	<b>1.94</b>	<b>211,945.21</b>	<b>5.00</b>
2-3 years	<b>8,313,366.89</b>	<b>3.80</b>	<b>831,336.69</b>	<b>10.00</b>
3-4 years	<b>7,988,555.29</b>	<b>3.65</b>	<b>1,597,711.06</b>	<b>20.00</b>
4-5 years	<b>2,322,129.93</b>	<b>1.06</b>	<b>696,638.98</b>	<b>30.00</b>
More than 5 years	<b>4,376,017.08</b>	<b>2.00</b>	<b>2,188,008.54</b>	<b>50.00</b>
<b>Subtotal</b>	<b>30,495,546.25</b>	<b>13.95</b>	<b>5,541,923.35</b>	
<b>Total</b>	<b>218,675,440.57</b>	<b>100.00</b>	<b>91,891,926.34</b>	

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Accounts receivable (continued)

#### (2) By portfolio methods (continued)

Item	December 31st, 2024			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Accrual proportion (%)
Separate provision for bad debts	938,274,753.91	92.81	674,357,482.35	71.87
<b>Subtotal</b>	<b>938,274,753.91</b>	<b>92.81</b>	<b>674,357,482.35</b>	<b>71.87</b>
Combination provision for bad debts				
Including: Within 1 year	41,348,082.21	4.09	206,740.41	0.50
1–2 years	8,519,366.89	0.84	425,968.34	5.00
2–3 years	10,169,555.30	1.01	1,016,955.53	10.00
3–4 years	6,628,129.93	0.65	1,325,625.99	20.00
4–5 years	1,929,205.48	0.19	578,761.64	30.00
More than 5 years	4,112,544.06	0.41	2,056,272.03	50.00
<b>Subtotal</b>	<b>72,706,883.87</b>	<b>7.19</b>	<b>5,610,323.94</b>	
<b>Total</b>	<b>1,010,981,637.78</b>	<b>100.00</b>	<b>679,967,806.29</b>	

(3) Among the balance of accounts receivable at the end of the period, the amount receivable from shareholder units holding more than 5% (including 5%) of the voting shares of the Company was RMB2,477,170.97, which was the accrued receivable of asset management fee.

#### (4) Accounts receivable of the top five closing balances, grouped by party in arrears

Name of entity	Balance as of December 31st, 2025	As a percentage of the balance of accounts receivable (%)	Balance of bad debt provision	Nature or content of payment	Aging
Entity 1	50,755,748.66	23.21	2,537,787.43	Receivables from related parties	1–2 years
Entity 2	30,096,427.15	13.76	25,589,682.65	Debt asset package receivable	1–2 years
Entity 3	14,524,800.00	6.64		Debt asset package receivable	1–2 years
Entity 4	14,324,999.99	6.55	1,815,000.00	Fund management fee receivable	1–2 years, 2–3 years, 3–4 years
Entity 5	12,647,139.03	5.78	10,729,200.00	Debt asset package receivable	1–2 years
<b>Total</b>	<b>122,349,114.83</b>	<b>55.95</b>	<b>40,671,670.08</b>		

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Accounts receivable (continued)

#### (5) Provision for bad debts on accounts receivable accrued, recovered and reversed during the year

Category	Opening balance	Accrual	Decrease			Translation differences of foreign currency financial statements	Closing balance
			Write-off	Others			
Provision for bad debts of accounts receivable	679,967,806.29	49,054,839.34	632,777,991.60	4,327,130.67		-25,597.02	91,891,926.34
<b>Total</b>	<b>679,967,806.29</b>	<b>49,054,839.34</b>	<b>632,777,991.60</b>	<b>4,327,130.67</b>		<b>-25,597.02</b>	<b>91,891,926.34</b>

The total amount of accounts receivable actually written off this year was RMB632,777,991.60. The write-off details for stock-pledged repurchase receivable are as follows:

Name of entity	Write-off amount	Reason for write-off	Whether the payment arose from related transactions
KEDI Food Stuffs Group Co., Ltd.	258,438,936.40	The amount of receivables from stock pledges written off during the current period is RMB626,241,864.08. This represents receivables for which the court has ruled to terminate enforcement procedures after bankruptcy reorganization or compulsory enforcement, either upon completion of the bankruptcy reorganization or when the debtor has no executable assets.	No
Shenwu Technology Group Co., Ltd.	181,150,400.00		No
Zhejiang Qingfeng Original Culture Co., Ltd.	128,457,200.00		No
Henan Senyuan Group Co., Ltd.	58,195,327.68		No
<b>Total</b>	<b>626,241,864.08</b>		

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Financial assets held under resale agreements

#### (1) By business categories

Item	December 31st, 2025	December 31st, 2024
Bond-pledged repurchase	<b>595,497,038.43</b>	1,159,016,090.40
Stock-pledged repurchase	<b>113,728,361.09</b>	484,192,659.70
Less: Provision for impairment	<b>188,515.73</b>	198,207,070.66
<b>Total</b>	<b>709,036,883.79</b>	1,445,001,679.44

#### (2) By categories of underlying assets

Item	December 31st, 2025	December 31st, 2024
Bonds	<b>595,497,038.43</b>	1,159,016,090.40
Stocks	<b>113,728,361.09</b>	484,192,659.70
Less: Provision for impairment	<b>188,515.73</b>	198,207,070.66
<b>Book value</b>	<b>709,036,883.79</b>	1,445,001,679.44

#### (3) Information of collaterals

Category of collateral	Fair value as at December 31st, 2025	Fair value as at December 31st, 2024
Stocks	<b>510,406,550.00</b>	1,080,936,742.20
Bonds	<b>78,696,940.70</b>	367,773,178.70
<b>Total</b>	<b>589,103,490.70</b>	1,448,709,920.90
Including: Collateral that can be sold or re-collateralized		
Including: Collateral that has been sold or has been pledged again		

Note: For the Treasury bond reverse repo transaction operated through the exchange, because it is automatically matched by the exchange and guarantees the full value of the collateral, it is impossible to know the information of the counterparty pledge pool. Therefore, the fair value of the collateral mentioned above does not include the fair value of the collateral asset obtained by the exchange's Treasury bond reverse repo. As of December 31st, 2025 and December 31st, 2024, the amount of the above-mentioned exchange's treasury bond reverse repo by the Company was RMB523.62 million and RMB827.44 million, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Financial assets held under resale agreements (continued)

#### (4) Stock-pledged repurchase by residual maturity

Remaining period	December 31st, 2025	December 31st, 2024
Within 1 month		
1–3 months	<b>19,602,577.53</b>	84,813,621.99
3 months to 1 year	<b>94,125,783.56</b>	201,025,404.38
More than 1 years		
Over due		198,353,633.33
<b>Total</b>	<b>113,728,361.09</b>	484,192,659.70

#### (5) By impairment stages of stock-pledged repurchases

Item	December 31st, 2025			Total
	Expected credit losses in the next 12 months	Expected credit losses in lifetime (No credit impairment)	Expected credit losses in lifetime (Credit impairment)	
Book balance	<b>113,728,361.09</b>			<b>113,728,361.09</b>
Provision for impairment	<b>188,515.73</b>			<b>188,515.73</b>
<b>Book value</b>	<b>113,539,845.36</b>			<b>113,539,845.36</b>
<b>The value of Collateral</b>	<b>510,406,550.00</b>			<b>510,406,550.00</b>

Item	December 31st, 2024			Total
	Expected credit losses in the next 12 months	Expected credit losses in lifetime (No credit impairment)	Expected credit losses in lifetime (Credit impairment)	
Book balance	285,839,026.37		198,353,633.33	484,192,659.70
Provision for impairment	652,872.33		197,554,198.33	198,207,070.66
<b>Book value</b>	<b>285,186,154.04</b>		<b>799,435.00</b>	<b>285,985,589.04</b>
<b>The value of Collateral</b>	<b>1,080,137,307.20</b>		<b>799,435.00</b>	<b>1,080,936,742.20</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8. Financial assets held for trading

#### (1) By categories

Category	December 31st, 2025					
	Financial assets classified as at fair value through profit or loss	Fair value Financial assets designated as at fair value through profit or loss	Total fair value	Financial assets classified as at fair value through profit or loss	Initial cost Financial assets designated as at fair value through profit or loss	Total initial cost
Bonds	12,948,208,836.13		12,948,208,836.13	13,068,693,065.39		13,068,693,065.39
Public offering of funds	2,221,662,727.38		2,221,662,727.38	2,212,832,043.90		2,212,832,043.90
Stocks/equity	599,000,968.52		599,000,968.52	1,059,240,231.10		1,059,240,231.10
Bank financial products	315,799,904.71		315,799,904.71	315,441,648.54		315,441,648.54
Asset management products of securities companies	10,468,159.71		10,468,159.71	16,862,337.36		16,862,337.36
Private funds and partnerships	985,326,561.52		985,326,561.52	848,894,220.42		848,894,220.42
Others	37,510,576.04		37,510,576.04	42,539,054.23		42,539,054.23
<b>Total</b>	<b>17,117,977,734.01</b>		<b>17,117,977,734.01</b>	<b>17,564,502,600.94</b>		<b>17,564,502,600.94</b>

Category	December 31st, 2024					
	Financial assets classified as at fair value through profit or loss	Fair value Financial assets designated as at fair value through profit or loss	Total fair value	Financial assets classified as at fair value through profit or loss	Initial cost Financial assets designated as at fair value through profit or loss	Total initial cost
Bonds	12,020,038,900.84		12,020,038,900.84	12,249,520,123.32		12,249,520,123.32
Public offering of funds	3,533,193,947.39		3,533,193,947.39	3,535,807,063.87		3,535,807,063.87
Stocks/equity	740,789,774.22		740,789,774.22	1,210,781,350.36		1,210,781,350.36
Bank financial products	25,260,043.36		25,260,043.36	25,000,000.00		25,000,000.00
Asset management products of securities companies	60,263,754.13		60,263,754.13	67,698,060.30		67,698,060.30
Private funds and partnerships	1,142,344,601.77		1,142,344,601.77	1,004,333,480.05		1,004,333,480.05
Others	107,356,348.71		107,356,348.71	112,143,776.61		112,143,776.61
<b>Total</b>	<b>17,629,247,370.42</b>		<b>17,629,247,370.42</b>	<b>18,205,283,854.51</b>		<b>18,205,283,854.51</b>

Note: The item "Others" refers to trust plans, structured deposits, etc.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8. Financial assets held for trading (continued)

#### (2) Securities financed in financial assets held for trading

As at December 31st, 2025 and December 31st, 2024, the balance of the Group's financial assets held for trading included securities financed of RMB18,597,732.01 and RMB12,201,501.73, respectively.

#### (3) Financial assets held for trading with restricted realization

Item	Reasons	Book value as of December 31st, 2025	Book value as of December 31st, 2024
Bonds	Pledged for repurchase financing, pledged for bond lending	<b>6,383,909,116.22</b>	5,498,908,884.27
Bonds	Bonds default		35,345,400.00
Asset management products of securities companies	Undue underlying trust assets		1,196,100.00
Asset management products of securities companies	Exit not allowed during the lock-in or closed period	<b>10,468,159.71</b>	54,070,205.57
Public offering of funds	Securities financed	<b>18,597,732.01</b>	12,201,501.73
Stocks	Post-IPO restrictions, pre-listing institutional class restrictions	<b>27,103,348.38</b>	26,282,039.43
Bank financial products	Exit not allowed during the lock-in or closed period	<b>15,358,256.17</b>	15,114,886.18
Others	Fixed term		50,218,651.26

### 9. Debt investments

#### (1) Details of debt investments

Category	December 31st, 2025			
	Initial cost	Interest	Provision for impairment	Book value
Trust plans	<b>115,983,969.95</b>		<b>99,363,069.95</b>	<b>16,620,900.00</b>
Bonds	<b>86,230,430.77</b>	<b>938,150.13</b>	<b>30,054,627.16</b>	<b>57,113,953.74</b>
Asset management plans	<b>176,077,449.05</b>		<b>176,077,449.05</b>	
<b>Total</b>	<b>378,291,849.77</b>	<b>938,150.13</b>	<b>305,495,146.16</b>	<b>73,734,853.74</b>

Category	December 31st, 2024			
	Initial cost	Interest	Provision for impairment	Book value
Trust plans	115,983,969.95		90,261,669.95	25,722,300.00
Bonds	159,324,413.53		159,324,413.53	
Asset management plans	183,071,098.68		158,946,697.02	24,124,401.66
<b>Total</b>	<b>458,379,482.16</b>		<b>408,532,780.50</b>	<b>49,846,701.66</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. Debt investments (continued)

#### (2) Details of impairment provisions

Provision for bad debts	Stage 1 Expected credit losses in the next 12 months	Stage 2 Expected credit losses in lifetime (No credit impairment)	Stage 3 Expected credit losses in lifetime (Credit impairment)	Total
<b>Balance as of January 1st, 2025</b>			408,532,780.50	408,532,780.50
Current book balance of debt investments as of January 1st, 2025	—	—	—	—
— transfer to stage 2				
— transfer to stage 3				
— transfer back to stage 2				
— transfer back to stage 1				
Accrual	55,486.90		26,232,152.03	26,287,638.93
Transfer back				
Write off			126,377,731.82	126,377,731.82
Other transfer-out				
Translation differences of foreign currency financial statements	-859.74		-2,946,681.71	-2,947,541.45
<b>Balance as of December 31st, 2025</b>	54,627.16		305,440,519.00	305,495,146.16

### 10. Other debt investments

#### (1) By categories

Category	December 31st, 2025				Cumulative provision for impairment
	Initial cost	Interest	Changes in fair value	Book value	
National bonds	828,949,152.46	7,349,754.98	-9,874,852.46	826,424,054.98	
Local government bonds	992,457,189.56	6,701,849.31	-429,369.56	998,729,669.31	1,074,813.92
Corporate bonds	579,229,501.37	2,793,539.74	-41,711.37	581,981,329.74	653,321.06
Others	731,752,462.29	6,322,260.27	708,427.71	738,783,150.27	279,506.05
<b>Total</b>	<b>3,132,388,305.68</b>	<b>23,167,404.30</b>	<b>-9,637,505.68</b>	<b>3,145,918,204.30</b>	<b>2,007,641.03</b>

Category	December 31st, 2024				Cumulative provision for impairment
	Initial cost	Interest	Changes in fair value	Book value	
National bonds	50,448,417.85	1,228,602.74	735,082.15	52,412,102.74	
Local government bonds	55,305,622.61	65,917.81	6,547,327.39	61,918,867.81	62,390.21
<b>Total</b>	<b>105,754,040.46</b>	<b>1,294,520.55</b>	<b>7,282,409.54</b>	<b>114,330,970.55</b>	<b>62,390.21</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Other debt investments (continued)

#### (2) Details of impairment provisions

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses in lifetime (No credit impairment)	Expected credit losses in lifetime (Credit impairment)	
<b>Balance as of January 1st, 2025</b>	62,390.21			62,390.21
Current book balance of other debt investments as of January 1st, 2025	—	—	—	—
— transfer to stage 2				
— transfer to stage 3				
— transfer back to stage 2				
— transfer back to stage 1				
Accrual	2,007,641.03			2,007,641.03
Transfer back				
Write off				
Other transfer-out	62,390.21			62,390.21
<b>Balance as of December 31st, 2025</b>	<b>2,007,641.03</b>			<b>2,007,641.03</b>

#### (3) Other debt investments with restricted realization

Item	Reasons	Book value as of December 31st, 2025	Book value as of December 31st, 2024
Local government bonds	Pledged for repurchase financing	<b>846,488,648.56</b>	49,535,094.25
National bonds	Pledged for refinancing business		46,302,949.35
National bonds	Pledged for repurchase financing	<b>665,193,334.57</b>	
Others	Pledged for repurchase financing	<b>364,923,124.00</b>	

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Investments in other equity instruments

#### (1) Details of investments in other equity instruments

Item	December 31st, 2025	December 31st, 2024
Future membership	1,400,000.00	1,400,000.00
<b>Total</b>	<b>1,400,000.00</b>	<b>1,400,000.00</b>

#### (2) Additional information about other equity instruments

According to the *Implementation Rules for the Financial Treatment of Futures Companies issued by the China Futures Association*, the Company's subsidiaries list futures membership as investments in other equity instruments.

### 12. Long-term equity investments

#### (1) Classification of long-term equity investments

Item	December 31st, 2025	December 31st, 2024
By long-term equity investments calculated by the equity method	954,051,305.51	943,004,822.25
<b>Total long-term equity investments</b>	<b>954,051,305.51</b>	<b>943,004,822.25</b>
Less: Provision for impairment of long-term equity investments	52,042,825.68	37,754,195.83
<b>Net value of long-term equity investments</b>	<b>902,008,479.83</b>	<b>905,250,626.42</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Long-term equity investments (continued)

#### (2) Investments in associates

Investee	Opening book value	Increase/decrease in current year							Closing book value	Closing balance of impairment provision (Note 1)	
		Additional investment	Reducing investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declare cash dividends or profits	Provision for impairment			Others
Heran Asset Management Co., Ltd.	740,657,708.75			72,499,578.69	5,400,454.22	412,531.68	-10,000,000.00			808,970,273.34	
Luojiang Kaiyuan Technology Innovation Venture Capital Fund (Limited Partnership)	8,240,316.15	1,800,000.00		526,063.19			-1,753,849.55			5,212,529.79	
Heran Daire Caifang Media Holding Co., Ltd.	33,170,591.29			2,534,268.85			-1,650,000.00			34,054,860.14	
Heran Liyang Environmental Protection Technology Co., Ltd.	28,031,577.36	28,031,577.36									
Minqian County Innovation Industry Investment Fund (Limited Partnership)	10,138,915.19	1,100,000.00		3,160,250.34			-604,424.70			11,594,740.83	
Xinxiang Zhongxing Technology Achievement Transformation Fund (Limited Partnership)	18,429,833.38	8,679,998.00		3,958,837.78			-2,062,441.79			11,646,231.37	
CSI Jiotong Fund Management Co., Ltd.	18,095,271.09	9,192,169.85		-278,534.44						8,624,566.80	
Heran Zhongjian Equipment Manufacturing Technology Research Center Co., Ltd.	4,921,635.71	35,682.00							-4,885,953.71	4,885,953.71	
Luojiang Deyang Biotechnology Co., Ltd.	11,125,517.00			-1,761,515.54					-9,364,001.46	9,364,001.46	
Luojiang Guohong Industry Development Investment Fund (Limited Partnership)	11,488,613.26	9,619,999.27		24,598.12			-380,000.73			1,513,211.38	
Hebi Magnesium Trading Center Co., Ltd.	8,677,655.16			-198,773.73						8,478,881.43	
Weihui Zhongxing Innovation Equity Investment Fund Partnership (Limited Partnership)	3,968,316.69			-19,738.98						3,948,577.71	
Heran Jiaoguang Rongmei Information Technology Co., Ltd.	3,924,746.03			-20,287.05							
Hebi Jingkai Electronic Industry Development Fund Partnership (Limited Partnership)	1,950,244.22	5,200,000.00		-110,096.70					-3,904,458.98	3,904,458.98	
Luohu Huarui Permanent Magnetic Material Co., Ltd.	797,751.98									6,983,293.86	
Zhengzhou Nongtao E-commerce Co., Ltd.	797,751.98										
Tangyin County Innovation Industry Investment Fund (Limited Partnership)	982,899.44			-1,586.26						981,313.18	

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Long-term equity investments (continued)

#### (2) Investments in associates (continued)

Investee	Opening book value	Additional investment	Reducing investment	Investment gains and losses recognized under the equity method	Increase/decrease in current year					Closing balance of impairment provision (Note II)
					Other comprehensive income adjustment	Other changes in equity	Declare cash dividends or profits	Provision for impairment	Others	
Heran Investment Realistic Communication Co., Ltd.	649,033.72			-16,835.27				-632,198.45		632,198.45
Heran Dudu Computer Technology Co., Ltd.										298,473.38
Heran Ruida Pharmaceutical Technology Co., Ltd.										5,059,488.46
Shanghai Fengtuo Agriculture and Forestry Technology Co., Ltd.										4,946,823.89
Heran Longfengshan Agriculture and Animal Husbandry Co., Ltd.										3,354,112.56
2242257 Ontario Inc.										6,096,500.89
<b>Total</b>	905,250,626.42	5,200,000.00	59,314,032.12	80,296,229.00	5,400,454.22	412,531.68	-16,450,716.77	-18,786,612.60	902,008,479.83	52,042,825.68

Note 1: On December 31st, 2025, the Group conducted a review of its long-term equity investments on the books. By assessing impairment indicators based on the investee's operating performance, financial position, and other factors, the Group performed impairment calculations. During the reporting period, the Group recognized an impairment provision for long-term equity investments amounting to RMB18,786,612.60. As of December 31st, 2025, the Group had accumulated impairment provisions for long-term equity investments totaling RMB52,042,825.68.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Investment properties

#### (1) Investment properties using the cost-measurement model

Item	Buildings and structures	Total
<b>I. Original book value</b>		
1. Opening balance	31,265,652.80	31,265,652.80
2. Increase		
(1) Transferred from fixed assets		
3. Decrease		
(1) Transferred to fixed assets		
4. Closing balance	31,265,652.80	31,265,652.80
<b>II. Accumulated depreciation and amortization</b>		
1. Opening balance	13,072,579.93	13,072,579.93
2. Increase	921,699.79	921,699.79
(1) Accrual or amortization	921,699.79	921,699.79
(2) Transferred from fixed assets		
3. Decrease		
(1) Transferred to fixed assets		
4. Closing balance	13,994,279.72	13,994,279.72
<b>III. Provision for impairment</b>		
1. Opening balance		
2. Increase		
3. Decrease		
4. Closing balance		
<b>IV. Book value</b>		
1. Closing book value	17,271,373.08	17,271,373.08
2. Opening book value	18,193,072.87	18,193,072.87

- 1) As of December 31st, 2025 and December 31st, 2024, no provision for impairment was required for the Group's investment properties.
- 2) As of December 31st, 2025 and December 31st, 2024, the Group had no investment properties that had not completed the property right certificate yet.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Fixed assets

#### (1) Book value of fixed assets

Item	December 31st, 2025	December 31st, 2024
Original value of fixed assets	<b>528,079,644.35</b>	526,494,933.29
Less: Accumulated depreciation	<b>348,333,053.87</b>	341,863,095.92
Less: Provision for impairment		
<b>Total book value of fixed assets</b>	<b>179,746,590.48</b>	184,631,837.37

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Fixed assets (continued)

#### (2) Changes in the increase or decrease of fixed assets

Item	Buildings and structures	Electrical equipment	Transport facilities	Others	Total
<b>I. Original book value</b>					
1. Opening balance	173,615,103.36	317,772,772.91	15,361,696.33	19,745,360.69	526,494,933.29
2. Increase		33,077,280.11		232,966.06	33,310,246.17
(1) Acquisition		33,077,280.11		232,966.06	33,310,246.17
(2) Transferred in from investment properties					
3. Decrease		19,520,019.19	10,534,819.86	1,623,799.04	31,678,638.09
(1) Disposal or scrap		19,520,019.19	10,534,819.86	1,623,799.04	31,678,638.09
(2) Transferred to investment properties					
4. Translation differences of foreign currency financial statements		-43,564.78		-3,332.24	-46,897.02
5. Closing balance	173,615,103.36	331,286,469.05	4,826,876.47	18,351,195.47	528,079,644.35
<b>II. Accumulated depreciation</b>					
1. Opening balance	83,034,050.67	229,687,077.89	14,076,004.99	15,065,962.37	341,863,095.92
2. Increase	4,457,578.38	30,471,115.10	118,457.42	1,324,437.78	36,371,588.68
(1) Accrual	4,457,578.38	30,471,115.10	118,457.42	1,324,437.78	36,371,588.68
(2) Transferred in from investment properties					
3. Decrease		17,988,905.66	10,461,804.56	1,415,084.75	29,865,794.97
(1) Disposal or scrap		17,988,905.66	10,461,804.56	1,415,084.75	29,865,794.97
(2) Transferred to investment properties					
4. Translation differences of foreign currency financial statements		-34,633.91		-1,201.85	-35,835.76
5. Closing balance	87,491,629.05	242,134,653.42	3,732,657.85	14,974,113.55	348,333,053.87
<b>III. Provision for impairment</b>					
1. Opening balance					
2. Increase					
3. Decrease					
4. Closing balance					
<b>IV. Book value</b>					
1. Closing book value	86,123,474.31	89,151,815.63	1,094,218.62	3,377,081.92	179,746,590.48
2. Opening book value	90,581,052.69	88,085,695.02	1,285,691.34	4,679,398.32	184,631,837.37

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Fixed assets (continued)

#### (2) Changes in the increase or decrease of fixed assets (continued)

- 1) The depreciation of the fixed asset recognized in the year was RMB36,371,588.68.
- 2) As of December 31st, 2025, the Group had no significant idle fixed assets.
- 3) As of December 31st, 2025, the Group had no fixed assets that had not completed the title certificate.
- 4) As of December 31st, 2025 and December 31st, 2024, no provision for impairment was required for the Group's fixed assets.

### 15. Construction in progress

#### (1) Details of construction in progress

Item	December 31st, 2025		December 31st, 2024			
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Office building construction	288,399,541.44		288,399,541.44	225,069,712.95		225,069,712.95
<b>Total</b>	<b>288,399,541.44</b>		<b>288,399,541.44</b>	<b>225,069,712.95</b>		<b>225,069,712.95</b>

#### (2) Changes in construction in progress during the year

Item	Opening balance	Increase	Decrease		Closing balance
			Transferred to fixed assets	Other decrease	
Self-built office building	225,069,712.95	63,329,828.49			288,399,541.44
<b>Total</b>	<b>225,069,712.95</b>	<b>63,329,828.49</b>			<b>288,399,541.44</b>

- (3) As of December 31st, 2025 and December 31st, 2024, no provision for impairment was required for the Group's construction in progress.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16. Right-of-use assets

#### (1) Details of right-of-use assets

Item	Buildings and structures	Other assets	Total
I. Original book value			
1. Opening balance	281,811,862.16		281,811,862.16
2. Increase	28,024,810.81	2,441,254.42	30,466,065.23
(1) Rent in	28,024,810.81	2,441,254.42	30,466,065.23
3. Decrease	46,152,110.46		46,152,110.46
(1) Lease expired	35,596,247.80		35,596,247.80
(2) Others	10,555,862.66		10,555,862.66
4. Translation differences of foreign currency financial statements	-233,255.81		-233,255.81
5. Closing balance	263,451,306.70	2,441,254.42	265,892,561.12
II. Accumulated depreciation			
1. Opening balance	159,317,540.21		159,317,540.21
2. Increase	41,483,711.32	206,885.95	41,690,597.27
(1) Accrual	41,483,711.32	206,885.95	41,690,597.27
3. Decrease	36,340,849.05		36,340,849.05
(1) Lease expired	35,596,247.80		35,596,247.80
(2) Others	744,601.25		744,601.25
4. Translation differences of foreign currency financial statements	-155,403.52		-155,403.52
5. Closing balance	164,304,998.96	206,885.95	164,511,884.91
III. Book value			
1. Closing book value	99,146,307.74	2,234,368.47	101,380,676.21
2. Opening book value	122,494,321.95		122,494,321.95

Note: The item "Others" mainly refers to changes in lease contracts and so on.

(2) As of December 31st, 2025 and December 31st, 2024, no provision for impairment was required for the Group's right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Intangible assets

#### (1) Details of intangible assets

Item	Computer software	Seat fee	Land-use right	Others	Total
<b>I. Original book value</b>					
1. Opening balance	562,535,854.06	28,947,020.00	105,655,751.67	2,344,188.67	699,482,814.40
2. Increase	69,907,240.89				69,907,240.89
3. Decrease	3,611,006.76				3,611,006.76
4. Translation differences of foreign currency financial statements	-6,846.00	-11,410.00			-18,256.00
5. Closing balance	628,825,242.19	28,935,610.00	105,655,751.67	2,344,188.67	765,760,792.53
<b>II. Accumulated amortization</b>					
1. Opening balance	375,970,659.03	28,484,000.00	28,350,765.48	2,128,150.96	434,933,575.47
2. Increase	70,583,549.82		2,642,905.44	41,509.44	73,267,964.70
3. Decrease	3,584,473.02				3,584,473.02
4. Translation differences of foreign currency financial statements	-6,846.00				-6,846.00
5. Closing balance	442,962,889.83	28,484,000.00	30,993,670.92	2,169,660.40	504,610,221.15
<b>III. Provision for impairment</b>					
1. Opening balance					
2. Increase					
3. Decrease					
4. Closing balance					
<b>IV. Book value</b>					
1. Closing book value	185,862,352.36	451,610.00	74,662,080.75	174,528.27	261,150,571.38
2. Opening book value	186,565,195.03	463,020.00	77,304,986.19	216,037.71	264,549,238.93

(2) The accrued amortization of intangible assets for the current year is RMB73,267,964.70.

(3) As of December 31st, 2025 and December 31st, 2024, the Group had no intangible assets used as collateral or guarantee.

(4) As of December 31st, 2025 and December 31st, 2024, no provision for impairment was required for the Group's intangible assets.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Deferred tax assets and deferred tax liabilities

#### (1) Deferred tax assets before offset

Item	December 31st, 2025		December 31st, 2024	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	529,865,329.02	130,084,389.40	1,441,838,250.01	350,612,112.63
Employee benefits payable	412,695,711.28	103,173,927.82	301,568,186.20	75,392,046.55
Changes in fair value of financial assets held for trading and derivative financial instruments	361,247,237.09	90,311,809.27	444,020,105.73	97,483,839.62
Underwriting income and expenditure to be carried forward	1,807,169.80	451,792.45	3,299,339.60	824,834.90
Accrued expenses	90,663,820.92	22,665,955.23	41,110,445.44	10,277,611.36
Changes in fair value of financial liabilities held for trading			3,193,631.92	798,407.98
Futures risk reserve	422,299.44	105,574.86	422,299.44	105,574.86
Changes in fair value of other debt investments	9,637,505.68	2,409,376.42		
lease liability	109,624,726.92	27,406,181.73	125,356,027.92	31,339,006.98
Others	781,410,761.76	195,352,690.44	211,844,779.97	49,256,552.43
<b>Total</b>	<b>2,297,374,561.91</b>	<b>571,961,697.62</b>	<b>2,572,653,066.23</b>	<b>616,089,987.31</b>

#### (2) Deferred tax liabilities before offset

Item	December 31st, 2025		December 31st, 2024	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Changes in fair value of financial assets held for trading and derivative financial instruments	386,876.12	96,719.03	537,964.40	134,491.10
Changes in fair value of other debt investments			7,282,409.54	1,820,602.39
Changes in fair value of financial liabilities held for trading	1,714,230.48	428,557.62		
Others	124,210,735.79	31,052,683.95	137,066,525.58	34,266,631.39
<b>Total</b>	<b>126,311,842.39</b>	<b>31,577,960.60</b>	<b>144,886,899.52</b>	<b>36,221,724.88</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Deferred tax assets and deferred tax liabilities (continued)

#### (3) Net amount of deferred tax assets and deferred tax liabilities after offset

Item	December 31st, 2025		December 31st, 2024	
	Offset amount between deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset	Offset amount between deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset
Deferred tax assets	24,747,242.57	547,214,455.05	29,601,858.47	586,488,128.84
Deferred tax liabilities	24,747,242.57	6,830,718.03	29,601,858.47	6,619,866.41

#### (4) Deductible tax losses of unrecognised deferred tax assets

Item	December 31st, 2025	December 31st, 2024
Tax losses carried forward	1,204,438,476.97	908,949,872.58
<b>Total</b>	<b>1,204,438,476.97</b>	<b>908,949,872.58</b>

#### (5) Deductible tax losses for which deferred tax assets have not been recognised, analysed by year of expiry

Year	December 31st, 2025	December 31st, 2024	Note
2026			
2027			
2028	20,019,194.30	20,019,194.30	
2029	23,252,403.78	37,536,910.60	
2030	17,056,298.45		
No expiry date	1,144,110,580.44	851,393,767.68	
<b>Total</b>	<b>1,204,438,476.97</b>	<b>908,949,872.58</b>	

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19. Goodwill

#### (1) Original value of goodwill

Investee	December 31st, 2024	Business combination in current year	Increase	Disposal	Decrease	December 31st, 2025
			Translation differences of foreign currency financial statements		Translation differences of foreign currency financial statements	
Central China Futures Co., Ltd. <sup>[Note 1]</sup>	7,268,756.37					7,268,756.37
Central China International Financing Co., Ltd. <sup>[Note 2]</sup>	15,613,248.70			384,750.49		15,228,498.21
<b>Total</b>	22,882,005.07			384,750.49		22,497,254.58

Note 1: In 2007, the Company acquired 55.68% equity of Central China Futures Co., Ltd. (formerly known as “Yuliang Futures Brokerage Co., Ltd.”) through a business combination not under common control. The excess of the combination cost over the fair value of the identifiable net assets of Central China Futures Co., Ltd. obtained on a pro rata basis was recognized as goodwill related to Central China Futures Co., Ltd.

Note 2: Central China International, a subsidiary of the Company, acquired 100% equity interests in Central China International Financing (formerly known as “Pan Asia Corporate Finance Limited”) through a business combination not under common control in 2016 with a merger consideration of HKD24,416,272.00. The fair value of the identifiable net assets of Central China International Financing as at the date of the combination was HKD7,556,040.59, and the difference of HKD16,860,231.41 was recorded as goodwill after being translated into RMB at the exchange rate as of December 31st, 2025.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19. Goodwill (continued)

#### (2) Provision for impairment of goodwill

Investee	December 31st, 2024	Increase		Decrease		December 31st, 2025
		Accrual	Translation differences of foreign currency financial statements	Disposal	Translation differences of foreign currency financial statements	
Central China Futures Co., Ltd.						
Central China International Financing Co., Ltd.	15,613,248.70				384,750.49	<b>15,228,498.21</b>
<b>Total</b>	<b>15,613,248.70</b>				<b>384,750.49</b>	<b>15,228,498.21</b>

The main cash flow generated by the above investee is independent of the other subsidiaries of the Company, and the Company separately manages the above subsidiaries. Therefore, each subsidiary constitutes an asset group, and the goodwill formed by the business combination is allocated to the corresponding subsidiaries for the impairment test. The recoverable amount of the Company's goodwill is determined by estimating the present value of future cash flows.

The Group has made a full provision for impairment of goodwill arising from the acquisition of Central China International Financing. The management of the Company considers that no impairment provision is necessary for the goodwill arising from the acquisition of Central China Futures.

- (3) The Company estimates the present value of the future cash flows of the asset group based on the financial budgets and applicable discount rates for the next few years in accordance with the development plan of Central China Futures and the industry development trend. Cash flows for the years in which the financial budget is exceeded are judged by the rate of growth over the stabilization period, which does not exceed the long-term average growth rate of the business to which the asset group relates. The projection period used by the Company is five years. The pre-tax discount rate applied to the cash flows of Central China Futures is 11.00% and the growth rate of operating income over the stabilization period is 0%. The discount rate and weighted average growth rate reflect the specific risks and long-term growth expectations of the underlying asset group. The key assumptions underlying the recoverable amount estimates related to other projected cash inflows or outflows include projected revenues and revenue margins. These estimates are determined based on the historical performance of the asset group and management's expectations of market changes. During the projection period, the revenue growth rate for the Central China Futures asset group is 12.00%, with an average profit margin of 20.32%. During the stabilization period, the profit margin for the Central China Futures asset group is 24.50%. The recoverable amount of the asset group of Central China Futures is greater than its book value and is not impaired.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Other assets

#### (1) Details

Item	December 31st, 2025	December 31st, 2024
Other receivables	<b>44,672,035.60</b>	48,929,126.86
Assets held for debt settlement	<b>60,086,004.75</b>	62,382,700.00
Deferred expenses	<b>17,165,518.98</b>	16,251,671.16
Long-term deferred expenses	<b>27,366,371.14</b>	35,588,211.55
Clearing margin receivable	<b>10,000,000.00</b>	10,049,607.61
Prepayment of enterprise income tax	<b>175,733.90</b>	39,737,859.45
Others	<b>28,491,887.15</b>	24,625,074.14
<b>Total</b>	<b>187,957,551.52</b>	237,564,250.77

#### (2) Other receivables

##### 1) By details

Item	December 31st, 2025	December 31st, 2024
Prepayments	<b>61,009,025.26</b>	61,996,850.20
Cash pledge	<b>10,036,730.24</b>	11,080,439.81
Deposits	<b>1,528,000.00</b>	1,518,000.00
Others	<b>17,689,701.04</b>	21,241,333.72
Less: Provision for bad debts	<b>45,591,420.94</b>	46,907,496.87
<b>Book value of other receivables</b>	<b>44,672,035.60</b>	48,929,126.86

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Other assets (continued)

#### (2) Other receivables (continued)

##### 2) By portfolio methods

Item	December 31st, 2025			December 31st, 2024		
	Book balance	Provision for bad debts	Provision Proportion (%)	Book balance	Provision for bad debts	Provision Proportion (%)
Separate provision for bad debts	38,867,254.00	38,462,403.08	98.96	39,913,802.38	39,263,803.96	98.37
<b>Subtotal</b>	<b>38,867,254.00</b>	<b>38,462,403.08</b>	<b>98.96</b>	<b>39,913,802.38</b>	<b>39,263,803.96</b>	<b>98.37</b>
Combination provision for bad debts						
Including: Within 1 year	26,715,049.01	133,575.23	0.50	26,392,165.51	131,960.85	0.50
1-2 years	4,495,189.25	224,759.47	5.00	10,030,790.44	501,539.52	5.00
2-3 years	5,012,171.20	501,217.12	10.00	3,691,710.24	369,171.02	10.00
3-4 years	3,411,573.38	682,314.67	20.00	3,297,715.00	659,542.88	20.00
4-5 years	1,469,792.45	440,937.74	30.00	1,368,707.19	410,612.16	30.00
More than 5 years	10,292,427.25	5,146,213.63	50.00	11,141,732.97	5,570,866.48	50.00
<b>Subtotal</b>	<b>51,396,202.54</b>	<b>7,129,017.86</b>		<b>55,922,821.35</b>	<b>7,643,692.91</b>	
<b>Total</b>	<b>90,263,456.54</b>	<b>45,591,420.94</b>		<b>95,836,623.73</b>	<b>46,907,496.87</b>	

#### 3) Other receivables with bad debt in accordance with the general model of expected credit losses

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses in lifetime (No credit impairment)	Expected credit losses in lifetime (Credit impairment)	
<b>Balance as of January 1st, 2025</b>	7,643,692.91		39,263,803.96	46,907,496.87
Current year balance as of January 1st, 2025	—	—	—	—
— transfer to stage 2				
— transfer to stage 3	-1,913.57		1,913.57	
— transfer back to stage 2				
— transfer back to stage 1				
Accrual			560,039.23	560,039.23
Transfer back	510,479.86			510,479.86
Write off			1,363,353.68	1,363,353.68
Translation differences of foreign currency financial statements	-2,281.62			-2,281.62
<b>Balance as of December 31st, 2025</b>	<b>7,129,017.86</b>		<b>38,462,403.08</b>	<b>45,591,420.94</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Other assets (continued)

#### (2) Other receivables (continued)

#### 4) Other receivables of the top five closing balances, grouped by party in arrears

Name of entity	Closing balance	As a percentage of the total balance of other receivables (%)	Provision for bad debts Closing balance	Nature of payment	Aging
Shenzhen Huilian Internet Finance Service Co., Ltd.	25,324,975.10	28.06	25,324,975.10	Equity transfer fund	More than 5 years
Hundsun Technologies Inc.	14,484,699.13	16.05	1,075,477.85	Prepayments for asset acquisition	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, more than 5 years
Hainan Jinhai City Credit Cooperative	5,748,880.00	6.37	5,748,880.00	Take over the creditor's rights of the former Henan Finance Securities Company	More than 5 years
Shanghai Lujiazui Finance & Trade Zone United Development Co., Ltd.	3,615,488.52	4.01	1,704,365.09	Rental deposit	3-4 years, more than 5 years
Henan Hezheng Industrial Co., Ltd.	2,183,774.78	2.42	2,183,774.78	Acquire the creditor's rights of the former Henan Finance Securities Company	More than 5 years
<b>Total</b>	<b>51,357,817.53</b>	<b>56.90</b>	<b>36,037,472.82</b>		

#### (3) Long-term deferred expenses

Item	December 31st, 2024	Increase	Amortized	Other increase/decrease	December 31st, 2025
Decoration expenses, etc.	35,588,211.55	8,400,964.42	16,607,774.29	-15,030.54	<b>27,366,371.14</b>
<b>Total</b>	<b>35,588,211.55</b>	<b>8,400,964.42</b>	<b>16,607,774.29</b>	<b>-15,030.54</b>	<b>27,366,371.14</b>

#### (4) Entrusted loans

Item	December 31st, 2025	December 31st, 2024
Entrusted loans	<b>14,397,407.69</b>	22,135,377.29
Less: Provision for impairment	<b>14,397,407.69</b>	22,135,377.29

#### Book value

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 21. Securities lending

Item	December 31st, 2025	December 31st, 2024
Securities lending	<b>18,597,732.01</b>	12,201,501.73
— Financial assets held for trading	<b>18,597,732.01</b>	12,201,501.73
— Securities received through refinancing		

As of December 31st, 2025 and December 31st, 2024, the Group had no significant securities lending business contracts overdue.

### 22. Statement of provision for impairment of assets

#### (1) By changing details

Item	December 31st, 2024	Increase	Decrease				Translation differences of foreign currency financial statements	December 31st, 2025
			Reversal	Write-off	Other transfer-out	Others		
Provision for impairment of margin accounts receivable	84,348,237.71	3,725,184.65			5,845,349.28		-65,058.38	82,163,014.70
Provision for bad debts of accounts receivable	679,967,806.29	49,054,839.34		632,777,991.60	4,327,130.67		-25,597.02	91,891,926.34
Provision for impairment of financial assets held under resale agreements	198,207,070.66		464,356.60	197,554,198.33				188,515.73
Provision for impairment of debt investments	408,532,780.50	26,287,638.93		126,377,731.82			-2,947,541.45	305,495,146.16
Provision for impairment of other debt investments	62,390.21	2,007,641.03			62,390.21			2,007,641.03
Provision for impairment of other assets	79,173,097.26	662,106.61	510,479.86	10,319,100.10		0.01	-2,281.62	69,003,342.30
<b>Subtotal of provision for credit impairment of financial instruments and other items</b>	<b>1,450,291,382.63</b>	<b>81,737,410.56</b>	<b>974,836.46</b>	<b>967,029,021.85</b>	<b>10,234,870.16</b>	<b>0.01</b>	<b>-3,040,478.47</b>	<b>550,749,586.26</b>
Provision for impairment of long-term equity investments	37,754,195.83	18,786,612.60			4,343,953.66		-154,029.09	52,042,825.68
Provision for impairment of goodwill	15,613,248.70						-384,750.49	15,228,498.21
Provision for impairment of assets held for debt settlement	8,404,400.58	7,193,400.00						15,597,800.58
<b>Subtotal of provision for impairment of other assets</b>	<b>61,771,845.11</b>	<b>25,980,012.60</b>			<b>4,343,953.66</b>		<b>-538,779.58</b>	<b>82,869,124.47</b>
<b>Total</b>	<b>1,512,063,227.74</b>	<b>107,717,423.16</b>	<b>974,836.46</b>	<b>967,029,021.85</b>	<b>14,578,823.82</b>	<b>0.01</b>	<b>-3,579,258.05</b>	<b>633,618,710.73</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Statement of provision for impairment of assets (continued)

#### (2) Expected credit loss provisions for financial instruments and other items

Item	December 31st, 2025			Total
	Expected credit losses in the next 12 months	Expected credit losses in lifetime (No credit impairment)	Expected credit losses in lifetime (Credit impairment)	
Provision for impairment of margin accounts receivable	32,987,381.20		49,175,633.50	82,163,014.70
Provision for bad debts of accounts receivable		5,541,923.35	86,350,002.99	91,891,926.34
Provision for impairment of financial assets held under resale agreements	188,515.73			188,515.73
Provision for impairment of debt investments	54,627.16		305,440,519.00	305,495,146.16
Provision for impairment of other debt investments	2,007,641.03			2,007,641.03
Provision for impairment of other assets	7,393,531.57		61,609,810.73	69,003,342.30
<b>Total</b>	<b>42,631,696.69</b>	<b>5,541,923.35</b>	<b>502,575,966.22</b>	<b>550,749,586.26</b>

Item	December 31st, 2024			Total
	Expected credit losses in the next 12 months	Expected credit losses in lifetime (No credit impairment)	Expected credit losses in lifetime (Credit impairment)	
Provision for impairment of margin accounts receivable	28,299,171.02	45,320.48	56,003,746.21	84,348,237.71
Provision for bad debts of accounts receivable		5,610,323.94	674,357,482.35	679,967,806.29
Provision for impairment of financial assets held under resale agreements	652,872.33		197,554,198.33	198,207,070.66
Provision for impairment of debt investments			408,532,780.50	408,532,780.50
Provision for impairment of other debt investments	62,390.21			62,390.21
Provision for impairment of other assets	7,806,139.24		71,366,958.02	79,173,097.26
<b>Total</b>	<b>36,820,572.80</b>	<b>5,655,644.42</b>	<b>1,407,815,165.41</b>	<b>1,450,291,382.63</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 23. Short-term loans

#### (1) Classification of short-term loans

Category	December 31st, 2025	December 31st, 2024
Guaranteed loans		7,008,341.66
<b>Total</b>		<b>7,008,341.66</b>

### 24. Short-term financing instruments payable

Category	Par value (RMB Yuan per bond)	Interest start date	Bond maturity	Issuing amount (RMB10,000)	Coupon rate	Book balance as of December 31st, 2024	Increase	Decrease	Book balance as of December 31st, 2025
22 Central China 01 (Note 1)	100	February 24th, 2022	3 years	200,000	3.20%	2,054,657,975.25	9,342,024.75	2,064,000,000.00	
23 Central China 01 (Note 2)	100	March 13th, 2023	3 years	100,000	3.68%		1,029,698,805.11		<b>1,029,698,805.11</b>
22 Central China C1 (Note 3)	100	October 17th, 2022	3 years	50,000	3.30%	503,480,821.83	13,019,178.17	516,500,000.00	
23 Central China C1 (Note 4)	100	August 18th, 2023	3 years	50,000	3.70%		506,943,835.71		<b>506,943,835.71</b>
"WENDING ZHONGYUAN (Note 5)"	1,000 (USD)	March 22nd, 2022	3 years	10,000 (USD)	4.00%	639,089,830.84	4,806,928.31	643,896,759.15	
Income securities issued certificate (Note 6)	1	November 15th, 2024 to December 11th, 2025	28-546 days	123,335.30	1.80%~2.70%	699,260,937.77	1,346,699,216.48	784,515,595.05	<b>1,261,444,559.20</b>
<b>Total</b>						<b>3,896,489,565.69</b>	<b>2,910,509,988.53</b>	<b>4,008,912,354.20</b>	<b>2,798,087,200.02</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 24. Short-term financing instruments payable (continued)

Note 1: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue corporate bonds with a total face value of no more than RMB2 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 39). On February 23rd, 2022, the Company issued bonds of RMB2 billion, with a maturity of 3 years and a coupon rate of 3.20%.

Note 2: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue corporate bonds with a total face value of no more than RMB5 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2533). On March 10th, 2023, the Company issued bonds of RMB1 billion, with a maturity of 3 years and a coupon rate of 3.68%.

Note 3: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue subordinated bonds with a total face value of no more than RMB4 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Subordinated Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2213). On October 14th, 2022, the Company issued bonds of RMB500 million, with a maturity of 3 years and a coupon rate of 3.30%.

Note 4: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue subordinated bonds with a total face value of no more than RMB4 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Subordinated Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2213). On August 17th, 2023, the Company issued bonds of RMB500 million, with a maturity of 3 years and a coupon rate of 3.70%.

Note 5: Wending Zhongyuan Company Limited, a subsidiary of the Company, issued dollar bonds of USD100 million with a coupon rate of 4.00% on March 22nd, 2022, after the tenth meeting of the sixth session of the Board of Directors of the Company and the first extraordinary general meeting of shareholders in 2019 deliberated and approved the *Proposal on the General Authorization of the Company to Issue Domestic and Overseas Debt Financing Instruments*. The Company provided joint and several liability guarantees.

Note 6: As of December 31st, 2025, the Company's deposited income securities issued certificates consisted of Jinyi Series income securities issued certificates of RMB591,997,161.94 and Rongyi Series income securities issued certificates of RMB669,447,397.26, with a maturity of 28 to 546 days and interest rates ranging from 1.80% to 2.70%.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25. Due to banks and other financial institutions

#### (1) Categories

Item	December 31st, 2025	December 31st, 2024
Due to banks	<b>3,030,308,361.12</b>	2,660,382,573.45
Capital from refinancing		1,302,221,138.90
<b>Total</b>	<b>3,030,308,361.12</b>	3,962,603,712.35

As of December 31st, 2025, the Group's borrowings from banks was unsecured. The Group had no borrowings from China Securities Finance Corporation Limited (as of December 31st, 2024: the Group's borrowings from China Securities Finance Corporation Limited was secured by securities held by the Group and deposits).

#### (2) Residual maturity of capital from refinancing

Item	December 31st, 2025		December 31st, 2024	
	Balance	Interest rate range	Balance	Interest rate range
Within 1 month	—	—	—	—
1-3 months	—	—	—	—
3 months to 1 year	—	—	1,302,221,138.90	1.85%~2.55%
<b>Total</b>	—	—	1,302,221,138.90	1.85%~2.55%

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26. Financial liabilities held for trading

#### (1) Financial liabilities held for trading

Category	December 31st, 2025		Total
	Financial liabilities classified as at fair value through profit or loss	Fair value Financial liabilities designated as at fair value through profit or loss	
Bonds (Note 1)	492,320,856.43		492,320,856.43
Interests held by minority shareholders of structured entities included in the scope of consolidation (Note 2)	458,142,492.31		458,142,492.31
<b>Total</b>	<b>950,463,348.74</b>		<b>950,463,348.74</b>

Category	December 31st, 2024		Total
	Financial liabilities classified as at fair value through profit or loss	Fair value Financial liabilities designated as at fair value through profit or loss	
Bonds (Note 1)	223,811,867.81		223,811,867.81
Interests held by minority shareholders of structured entities included in the scope of consolidation (Note 2)	355,075,799.85		355,075,799.85
<b>Total</b>	<b>578,887,667.66</b>		<b>578,887,667.66</b>

Note 1: As of December 31st, 2025 and December 31st, 2024, the Group sold bonds to other financial institutions for financing operations.

Note 2: In the consolidated financial statements, the Group classified financial liabilities arising from the consolidation of structured entities as financial liabilities held for trading as the Group has the obligation to make payments to other investors on the maturity date of the structured entities based on the net book value and the relevant terms of the structured entities.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 27. Financial assets sold under repurchase agreements

#### (1) By business categories

Item	December 31st, 2025	December 31st, 2024
Outright repurchase		232,362,526.93
Pledge-style repurchase	<b>7,017,190,370.59</b>	5,056,721,845.42
<b>Total</b>	<b>7,017,190,370.59</b>	5,289,084,372.35

#### (2) By subject categories

Item	December 31st, 2025	December 31st, 2024
Bonds	<b>7,017,190,370.59</b>	5,289,084,372.35
<b>Total</b>	<b>7,017,190,370.59</b>	5,289,084,372.35

#### (3) Collateral information of financial assets sold under repurchase agreements

Category of collateral	Fair value as at December 31st, 2025	Fair value as at December 31st, 2024
Bonds	<b>7,906,312,771.20</b>	5,873,550,561.40
<b>Total</b>	<b>7,906,312,771.20</b>	5,873,550,561.40

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 28. Accounts payable to brokerage clients

#### (1) Details

Item	December 31st, 2025	December 31st, 2024
General brokerage business		
Including: Individual	<b>18,707,576,055.12</b>	14,060,230,985.52
Institution	<b>1,484,735,267.80</b>	1,127,774,495.37
<b>Subtotal</b>	<b>20,192,311,322.92</b>	15,188,005,480.89
Credit business		
Including: Individual	<b>1,485,663,139.32</b>	1,274,893,968.16
Institution	<b>24,421,709.42</b>	13,110,926.49
<b>Subtotal</b>	<b>1,510,084,848.74</b>	1,288,004,894.65
<b>Total</b>	<b>21,702,396,171.66</b>	16,476,010,375.54

### 29. Employee benefits payable

#### (1) Categories

Item	December 31st, 2024	Increase	Decrease	December 31st, 2025
Short-term benefits	393,354,374.63	707,772,291.65	581,304,776.78	<b>519,821,889.50</b>
Post-employment benefit — defined contribution plans	40,142,433.90	100,345,323.67	95,497,091.00	<b>44,990,666.57</b>
Termination benefits	71,068.01	3,165,649.43	3,167,400.72	<b>69,316.72</b>
<b>Total</b>	433,567,876.54	811,283,264.75	679,969,268.50	<b>564,881,872.79</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29. Employee benefits payable (continued)

#### (2) Short-term benefits

Item	December 31st, 2024	Increase	Decrease	December 31st, 2025
Salaries, bonuses, allowances and subsidies	245,916,139.99	562,017,882.00	442,729,412.21	<b>365,204,609.78</b>
Employee welfare	63,433.74	23,005,014.35	23,068,448.09	
Social insurance premiums	2,087.70	36,027,104.25	36,014,593.26	<b>14,598.69</b>
Including: Medical insurance	1,853.60	33,219,314.74	33,207,751.15	<b>13,417.19</b>
Work-related injury insurance	39.00	752,714.18	752,449.18	<b>304.00</b>
Maternity insurance	195.10	2,055,075.33	2,054,392.93	<b>877.50</b>
Housing Provident Fund		51,731,182.71	51,722,250.71	<b>8,932.00</b>
Labor union and employee education costs	147,372,713.20	19,052,885.34	12,944,418.18	<b>153,481,180.36</b>
Others		15,938,223.00	14,825,654.33	<b>1,112,568.67</b>
<b>Total</b>	<b>393,354,374.63</b>	<b>707,772,291.65</b>	<b>581,304,776.78</b>	<b>519,821,889.50</b>

#### (3) Defined contribution plans

Item	December 31st, 2024	Increase	Decrease	December 31st, 2025
Basic pension insurance	3,902.40	66,261,786.77	66,209,652.04	<b>56,037.13</b>
Unemployment insurance	97.50	2,714,075.20	2,713,412.70	<b>760.00</b>
Enterprise annuity	40,138,434.00	31,369,461.70	26,574,026.26	<b>44,933,869.44</b>
<b>Total</b>	<b>40,142,433.90</b>	<b>100,345,323.67</b>	<b>95,497,091.00</b>	<b>44,990,666.57</b>

Note: The Company and the domestic subsidiaries make contributions to basic pension insurance (the "Pension Insurance Plan") in accordance with the relevant regulations of the local government. The subsidiaries of the Company in Hong Kong, such as Central China International Financial Holdings Co., Ltd., make contributions to the Mandatory Provident Fund (the "MPF Plan") in accordance with the *Mandatory Provident Fund Schemes Ordinance* of Hong Kong. The Company and the domestic subsidiaries have established the enterprise annuity plans (the "Enterprise Annuity Plans") in accordance with the relevant policies of the domestic enterprise annuity system.

As of December 31st, 2025, under the pension insurance plan and MPF plan, the Group has not had any relevant forfeiture of contributions. Under the enterprise annuity plan, the Company and its domestic subsidiaries retain the confiscated contributions in the enterprise annuity public account in accordance with the domestic enterprise annuity policy and the Company's enterprise annuity management system, which will be enjoyed by employees who are still in the enterprise annuity plan. Forfeited contributions will not be used to offset future contributions and will not reduce current and future contribution levels.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Taxes payable

Item	December 31st, 2025	December 31st, 2024
Enterprise income tax	<b>73,725,124.49</b>	2,873,378.01
Individual income tax	<b>20,764,610.48</b>	35,713,175.59
Value-added tax	<b>1,196,682.10</b>	1,411,797.88
Urban maintenance and construction tax	<b>479,091.76</b>	464,602.12
Education surcharge	<b>440,187.58</b>	430,079.39
Property tax	<b>548,223.09</b>	366,173.05
Land use tax	<b>105,325.68</b>	99,773.56
Others	<b>13,486.91</b>	44,830.77
<b>Total</b>	<b>97,272,732.09</b>	41,403,810.37

### 31. Accounts payable

Item	December 31st, 2025	December 31st, 2024
Open-end fund liquidation	<b>119,792,049.03</b>	196,178,376.01
Securities liquidation	<b>1,027,767.93</b>	2,745,743.88
Bank custody fee	<b>10,541,407.27</b>	4,576,820.63
Others	<b>1,695,734.98</b>	1,838,023.67
<b>Total</b>	<b>133,056,959.21</b>	205,338,964.19

### 32. Contract liabilities

Item	December 31st, 2025	December 31st, 2024
Fee and commission advances	<b>904,428.60</b>	2,400,665.20
<b>Total</b>	<b>904,428.60</b>	2,400,665.20

### 33. Provisions

Item	December 31st, 2025	December 31st, 2024	Reasons
Outstanding issues in contract disputes	<b>46,454,062.70</b>		Contract disputes between the Group and the parties involved
<b>Total</b>	<b>46,454,062.70</b>		

Note: For details on the specific reasons for the accrual of provisions, please refer to Note XII.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34. Bonds payable

#### (1) Classification of bonds payable

Category	Par value	Interest start date	Bond maturity	Issuing amount (RMB10,000)	Coupon rate	Book balance as of December			Book balance as of December
	(RMB Yuan per bond)					31st, 2024	Increase	Decrease	31st, 2025
23 Central China 01 (Note 1)	100	March 13th, 2023	3 years	100,000	3.68%	1,029,485,387.67	7,314,612.33	1,036,800,000.00	
24 Central China 01 (Note 2)	100	January 25th, 2024	3 years	70,000	2.90%	718,614,318.13	20,494,941.10	20,300,000.00	718,809,259.23
24 Central China 02 (Note 3)	100	July 4th, 2024	3 years	200,000	2.22%	2,020,640,834.17	49,708,150.33	49,164,383.56	2,021,184,600.94
25 Central China 01 (Note 4)	100	April 25th, 2025	3 years	200,000	2.35%		2,031,391,782.05		2,031,391,782.05
25 Central China K1 (Note 5)	100	November 19th, 2025	3 years	50,000	1.98%		500,884,171.64		500,884,171.64
23 Central China C1 (Note 6)	100	August 18th, 2023	3 years	50,000	3.70%	506,943,835.67	11,556,164.33	518,500,000.00	
24 Central China C1 (Note 7)	100	June 4th, 2024	3 years	100,000	2.44%	1,014,105,205.49	24,400,000.01	24,400,000.00	1,014,105,205.50
25 Central China C1 (Note 8)	100	November 10th, 2025	3 years	50,000	2.20%		501,567,123.29		501,567,123.29
Income securities issued certificate (Note 9)	1	June 4th, 2024 to December 30th, 2025	393-1092 days	32,742.00	2.01%-3.00%	822,940,299.06	220,370,622.81	709,975,015.15	333,335,906.72
<b>Total</b>						6,112,729,880.19	3,367,687,567.89	2,359,139,398.71	7,121,278,049.37

Note 1: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue corporate bonds with a total face value of no more than RMB5 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2533). On March 10th, 2023, the Company issued bonds of RMB1 billion, with a maturity of 3 years and a coupon rate of 3.68%.

Note 2: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue corporate bonds with a total face value of no more than RMB5 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2533). On January 24th, 2024, the Company issued bonds of RMB700 million, with a maturity of 3 years and a coupon rate of 2.90%.

Note 3: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue corporate bonds with a total face value of no more than RMB5 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2533). On July 3rd, 2024, the Company issued bonds of RMB2 billion, with a maturity of 3 years and a coupon rate of 2.22%.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34. Bonds payable (continued)

#### (1) Classification of bonds payable (continued)

Note 4: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2022, the Company was approved to non-publicly issue corporate bonds with a total amount of no more than RMB2 billion to professional investors after the approval via the Shanghai Stock Exchange's *Letter on No Objection to the Listing and Transfer of Non-public Issuance of Corporate Bonds by Central China Securities Co., Ltd.* (SSE Letter [2025] No. 971). On April 24th, 2024, the Company issued bonds of RMB2 billion, with a maturity of 3 years and a coupon rate of 2.35%.

Note 5: According to the resolution of the Company's annual general meeting of shareholders in 2024, the Company was approved by the China Securities Regulatory Commission on the *Approval of Central China Securities Co., Ltd.'s Registration of Public Issuance of Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2025] No. 1556), and the Company was allowed to publicly issue corporate bonds with a total face value of no more than RMB2.5 billion to professional investors. On November 18th, 2025, the Company issued bonds of RMB500 million, with a maturity of 3 years and a coupon rate of 1.98%.

Note 6: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue subordinated corporate bonds with a total face value of no more than RMB4 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Subordinated Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2213). On August 17th, 2023, the Company issued bonds of RMB500 million, with a maturity of 3 years and a coupon rate of 3.70%.

Note 7: According to the resolution of the Company's first extraordinary general meeting of shareholders in 2019, the Company was approved to publicly issue subordinated corporate bonds with a total face value of no more than RMB4 billion to professional investors after the China Securities Regulatory Commission's approval of *Reply on Agreeing to the Registration of Central China Securities Co., Ltd.'s Public Issuance of Subordinated Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2022] No. 2213). On June 3rd, 2024, the Company issued bonds of RMB1 billion, with a maturity of 3 years and a coupon rate of 2.44%.

Note 8: According to the resolution of the Company's annual general meeting of shareholders in 2024, the Company was approved by the China Securities Regulatory Commission on the *Approval of Central China Securities Co., Ltd.'s Registration of Public Issuance of Subordinated Corporate Bonds to Professional Investors* (Zheng Jian Xu Ke [2025] No. 2148), and the Company was allowed to publicly issue subordinated corporate bonds with a total face value of no more than RMB1.2 billion to professional investors. On November 7th, 2025, the Company issued bonds of RMB500 million, with a maturity of 3 years and a coupon rate of 2.20%.

Note 9: As of December 31st, 2025, the Company's deposited income securities issued certificates consisted of Jinyi Series income securities issued certificates of RMB133,247,797.13 and Rongyi Series income securities issued certificates of RMB200,088,109.59, with a maturity of 393–1,092 days and interest rates ranging from 2.01% to 3.00%.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 35. Lease liabilities

Item	December 31st, 2025	December 31st, 2024
Lease liabilities	<b>89,602,782.05</b>	114,709,864.43
Including: Lease liabilities due within one year	<b>32,880,096.24</b>	39,401,441.20
<b>Total</b>	<b>89,602,782.05</b>	114,709,864.43

The items leased by the Group are mainly houses and buildings. The Group rents houses and buildings as office space, and office space leasing usually lasts for a period of 1 to 10 years.

### 36. Other liabilities

#### (1) Details

Item	December 31st, 2025	December 31st, 2024
Other payables	<b>143,882,483.88</b>	161,327,691.27
Dividends payable	<b>83,850,863.49</b>	1,071,386.94
Futures risk reserve	<b>40,916,960.93</b>	38,056,931.04
Investor Protection Fund	<b>10,645,518.69</b>	1,992,016.01
Others	<b>1,331,144.33</b>	230,158.93
<b>Total</b>	<b>280,626,971.32</b>	202,678,184.19

#### (2) Other payables

Item	December 31st, 2025	December 31st, 2024
Non-monetary offset against treasury futures margin	<b>49,375,135.31</b>	50,056,543.31
Accrued expenses	<b>30,704,932.07</b>	42,109,433.43
Equity transfer fund	<b>14,764,852.48</b>	15,467,888.88
Others	<b>49,037,564.02</b>	53,693,825.65
<b>Total</b>	<b>143,882,483.88</b>	161,327,691.27

#### (3) Futures risk reserve

The Company's subsidiary, Central China Futures, according to the *Provisional Regulations on the Financial Management of Commodity Futures Trading*, accrues the futures risk reserve based on 5% of the net income of the futures brokerage service fee income minus the futures exchange service fee payable, and includes it in the current profit or loss. When the risk reserve is used to make up for losses due to its own reasons or to write off uncollectible advances for risk losses in accordance with the regulations, the balance of the futures risk reserve is offset.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 37. Share capital

Item	December 31st, 2024	Issued new shares	Increase/decrease (+, -)			Subtotal	December 31st, 2025
			Bonus shares	Shares transferred from reserves	Others		
Total share capital	4,642,884,700.00						4,642,884,700.00

### 38. Capital reserve

Item	December 31st, 2024	Increase	Decrease	December 31st, 2025
Premium on share capital	6,540,294,251.22			6,540,294,251.22
Other capital reserves	-280,172,144.89	230,007.52		-279,942,137.37
<b>Total</b>	<b>6,260,122,106.33</b>	<b>230,007.52</b>		<b>6,260,352,113.85</b>

### 39. Other comprehensive income

Item	Opening balance of OCI attributable to shareholders of the parent company	Amount incurred before income tax	Less: Transfer to profit or loss for current period from those included in OCI in prior period	Amount incurred in current year			Closing balance of OCI attributable to shareholders of the parent company
				Less: Income tax expenses	Total	Attributable to the parent company after tax	
OCI to be reclassified subsequently to profit or loss	78,049,511.11	-12,494,076.07	7,136,961.84	-3,743,666.10	-15,887,371.81	-15,887,371.81	62,162,139.30
Including: Changes in fair value of other debt investments	5,461,807.16	-9,845,343.59	7,074,571.63	-4,229,978.80	-12,689,936.42	-12,689,936.42	-7,228,129.26
Provision for credit impairment of other debt investments	46,792.65	2,007,641.03	62,390.21	486,312.70	1,458,938.12	1,458,938.12	1,505,730.77
OCI that will be reclassified to profit or loss under equity method	2,285,420.42	5,400,454.22			5,400,454.22	5,400,454.22	7,685,874.64
Translation differences of foreign currency financial statements	70,255,490.88	-10,056,827.73			-10,056,827.73	-10,056,827.73	60,198,663.15
<b>Total</b>	<b>78,049,511.11</b>	<b>-12,494,076.07</b>	<b>7,136,961.84</b>	<b>-3,743,666.10</b>	<b>-15,887,371.81</b>	<b>-15,887,371.81</b>	<b>62,162,139.30</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 40. Surplus reserve

Item	December 31st, 2024	Increase	Decrease	December 31st, 2025
Statutory reserve	780,582,768.21	4,040,257.75		<b>784,623,025.96</b>
Discretionary reserve	232,869,258.21	2,020,128.87		<b>234,889,387.08</b>
<b>Total</b>	<b>1,013,452,026.42</b>	<b>6,060,386.62</b>		<b>1,019,512,413.04</b>

### 41. General risk reserve

Item	December 31st, 2024	Increase	Decrease	December 31st, 2025
General risk reserve	931,393,989.82	8,737,336.08	25,176,488.94	<b>914,954,836.96</b>
Transaction risk reserve	775,828,966.11	4,040,257.75		<b>779,869,223.86</b>
<b>Total</b>	<b>1,707,222,955.93</b>	<b>12,777,593.83</b>	<b>25,176,488.94</b>	<b>1,694,824,060.82</b>

Note: The decrease in the current year represents the reversal of general risk reserves accrued in prior periods, as the Company has discontinued the large-collection asset management plan business.

### 42. Undistributed profits

Item	FY 2025	FY 2024
<b>Undistributed profits as at the end of prior year</b>	<b>358,503,723.78</b>	242,467,397.11
Adjustments		
<b>Undistributed profits as at the beginning of the year</b>	<b>358,503,723.78</b>	242,467,397.11
Add: Net profit attributable to owners of the parent company	<b>455,818,683.40</b>	245,847,400.51
Less: Statutory reserve	<b>4,040,257.75</b>	7,268,086.20
Discretionary reserve	<b>2,020,128.87</b>	3,634,043.10
General risk reserve	<b>8,737,336.08</b>	18,783,164.34
Transaction risk reserve	<b>4,040,257.75</b>	7,268,086.20
Distribution of ordinary share dividends	<b>116,072,117.50</b>	92,857,694.00
Other reversals	<b>25,176,488.94</b>	
<b>Undistributed profits as at the end of the year</b>	<b>704,588,798.17</b>	358,503,723.78

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 43. Net interest income

Item	FY 2025	FY 2024
<b>Interest income</b>	<b>859,939,431.98</b>	828,108,569.66
Including: Interest income from deposits with financial institutions	<b>268,448,336.60</b>	299,849,720.21
Interest income from margin trading business	<b>559,371,461.36</b>	480,033,984.49
Interest income from financial assets held under resale agreements	<b>20,074,091.53</b>	37,268,782.23
Including: Interest income from agreed repurchase		49,422.74
Interest income from stock pledge repurchase	<b>8,810,094.95</b>	26,989,668.37
Interest income from debt investments	<b>953,101.72</b>	
Interest income from other debt investments	<b>10,133,507.28</b>	7,525,559.12
Others	<b>958,933.49</b>	3,430,523.61
<b>Interest expenses</b>	<b>448,077,603.94</b>	583,403,257.39
Including: Interest expenses of loans	<b>14,408.34</b>	366,831.79
Interest expenses of income securities issued certificate	<b>36,521,824.14</b>	24,559,426.26
Interest expenses of due to banks and other financial institutions	<b>34,086,334.13</b>	25,452,509.58
Including: Interest expenses of refinancing	<b>12,359,083.34</b>	10,895,681.58
Interest expenses of financial assets sold under repurchase agreements	<b>134,084,323.38</b>	203,511,167.12
Interest expenses of accounts payable to brokerage clients	<b>16,392,203.05</b>	27,542,970.70
Interest expenses of bonds payable	<b>209,360,772.56</b>	281,965,286.25
Including: Interest expenses of subordinated bonds	<b>57,852,310.94</b>	91,959,575.01
Interest expenses of bond lending	<b>8,072,812.29</b>	9,662,138.78
Others	<b>9,544,926.05</b>	10,342,926.91
<b>Net interest income</b>	<b>411,861,828.04</b>	244,705,312.27

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44. Net fee and commission income

#### (1) Details

Item	FY 2025	FY 2024
Net income of securities brokerage business	<b>761,614,160.78</b>	571,586,885.57
Including: Securities brokerage business income	<b>1,000,795,963.90</b>	731,886,358.47
Including: Funds received as an agent of the stock exchange	<b>984,982,551.73</b>	717,725,752.37
Leasing of trading units and seats	<b>92,853.67</b>	176,614.69
Sales agent of financial products	<b>15,515,171.67</b>	13,760,110.61
Securities brokerage business expenses	<b>239,181,803.12</b>	160,299,472.90
Including: Funds received as an agent of the stock exchange	<b>239,121,075.19</b>	160,254,212.08
Sales agent of financial products		
Net income of futures brokerage business	<b>61,324,614.24</b>	71,320,145.70
Including: Futures brokerage business income	<b>162,510,594.00</b>	193,615,213.94
Futures brokerage business expenses	<b>101,185,979.76</b>	122,295,068.24
Net income of investment banking business	<b>24,283,643.18</b>	56,282,928.18
Including: Investment banking business income	<b>25,311,375.27</b>	59,531,799.91
Including: Securities underwriting business	<b>4,750,786.85</b>	30,924,053.46
Securities sponsorship business	<b>2,086,792.45</b>	600,000.00
Financial advisory business	<b>18,473,795.97</b>	28,007,746.45
Including: Investment banking business expenses	<b>1,027,732.09</b>	3,248,871.73
Including: Securities underwriting business		2,066,529.34
Securities sponsorship business	<b>158,490.57</b>	
Financial advisory business	<b>869,241.52</b>	1,182,342.39
Net income of asset management business	<b>22,348,930.11</b>	24,479,998.61
Including: Asset management business income	<b>22,348,930.11</b>	24,479,998.61
Asset management business expenses		
Net income of fund management business	<b>2,276,323.08</b>	8,178,181.43
Including: Fund management business income	<b>2,333,105.24</b>	8,194,030.48
Fund management business expenses	<b>56,782.16</b>	15,849.05
Net income of investment consulting business	<b>79,268,800.25</b>	57,325,617.49
Including: Investment consulting business income	<b>79,268,800.25</b>	57,325,617.49
Investment consulting business expenses		
Net income of other fees and commissions	<b>25,931,502.63</b>	20,897,559.11
Including: Other fee and commission income	<b>26,065,127.45</b>	21,307,970.76
Other fee and commission expenses	<b>133,624.82</b>	410,411.65
<b>Total net fee and commission income</b>	<b>977,047,974.27</b>	810,071,316.09
<b>Including: Total fee and commission income</b>	<b>1,318,633,896.22</b>	1,096,340,989.66
<b>    Total fee and commission expenses</b>	<b>341,585,921.95</b>	286,269,673.57

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44. Net fee and commission income (continued)

#### (2) Net income from financial advisory business

Net income from financial advisory business	FY 2025	FY 2024
Net income from mergers and acquisitions financial advisory business – domestic listed company	264,150.94	1,320,754.73
Net income from mergers and acquisitions financial advisory business – others	216,981.14	603,773.59
Others	17,123,422.37	24,900,875.74
<b>Total</b>	<b>17,604,554.45</b>	<b>26,825,404.06</b>

### 45. Investment income

#### (1) By categories

Item	FY 2025	FY 2024
Income from long-term equity investments calculated by equity method	80,296,229.00	59,105,673.19
Income from disposal of long-term equity investments	5,269,171.18	36,966,406.34
Investment income from financial instruments	592,599,307.26	411,833,546.40
Including: Income generated during the holding period	286,477,391.61	639,180,968.58
Including: Financial assets held for trading	377,108,276.92	530,487,214.88
Financial liabilities held for trading	-90,630,885.31	108,693,753.70
Including: Income from disposal of financial instruments	306,121,915.65	-227,347,422.18
Including: Financial assets held for trading	216,058,726.84	739,621,990.67
Other debt investments	7,103,967.22	2,245,236.31
Derivative financial instruments	13,481,902.97	-894,692,877.41
Financial liabilities held for trading	68,973,821.71	-70,642,698.36
Warehouse receipt business		-4,441,966.58
Others	503,496.91	562,893.19
<b>Total</b>	<b>678,164,707.44</b>	<b>507,905,625.93</b>

#### (2) Statement of investment income from financial instruments held for trading

Financial instruments held for trading		FY 2025
Financial assets classified as at fair value through profit or loss	Income during the holding period	377,108,276.92
	Income from disposal	216,058,726.84
Financial liabilities classified as at fair value through profit or loss	Income during the holding period	-90,630,885.31
	Income from disposal	68,973,821.71

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January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46. Gains and losses on changes in fair value

Item	FY 2025	FY 2024
Financial assets held for trading	-116,842,809.89	-175,425,752.72
Financial liabilities held for trading	-1,343,758.08	-2,465,550.68
Derivative financial instruments	-5,284,180.31	-20,923,546.70
<b>Total</b>	<b>-123,470,748.28</b>	<b>-198,814,850.10</b>

### 47. Other operating income

Item	FY 2025	FY 2024
Penalty interest income from stock pledge business	7,562.70	9,509,221.42
Rental income	2,062,509.49	2,115,056.61
Other income	4,280,976.07	2,075,578.76
<b>Total</b>	<b>6,351,048.26</b>	<b>13,699,856.79</b>

### 48. Gains from assets disposal

Item	FY 2025	FY 2024
Non-current asset disposal income	2,510,374.58	3,427,741.26
Including: Fixed asset disposal income	61,962.60	-6,374.99
Income from disposal of right-of-use assets	2,448,411.98	3,434,116.25
<b>Total</b>	<b>2,510,374.58</b>	<b>3,427,741.26</b>

### 49. Other income

Item	FY 2025	FY 2024
Job stability allowance	1,812,305.21	2,214,044.34
Withholding fee refunds and reduction or exemption of taxes	4,613,239.29	5,332,190.01
Government grants	4,000,000.00	5,324,200.00
<b>Total</b>	<b>10,425,544.50</b>	<b>12,870,434.35</b>

Note: All government grants are revenue-related grants.

# NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50. Taxes and surcharges

Item	FY 2025	FY 2024
Urban maintenance and construction tax	<b>5,960,059.25</b>	5,566,345.72
Education surcharge	<b>4,288,471.33</b>	3,996,069.79
Others	<b>3,179,807.20</b>	3,339,872.57
<b>Total</b>	<b>13,428,337.78</b>	12,902,288.08

### 51. Business and administrative expenses

Item	FY 2025	FY 2024
Employee benefits	<b>811,283,264.75</b>	719,600,225.23
Amortization of intangible assets	<b>73,267,964.70</b>	71,020,404.66
Electronic equipment operating fees	<b>57,018,077.67</b>	57,696,104.05
Depreciation of right-of-use assets	<b>41,690,597.27</b>	58,249,951.69
Depreciation of fixed assets	<b>36,371,588.68</b>	33,474,526.21
Member fees	<b>19,977,240.35</b>	14,885,423.29
Securities Investor Protection Fund	<b>17,908,843.60</b>	10,967,421.06
Amortization of long-term deferred expenses	<b>16,607,774.29</b>	19,698,059.47
Advertising fees	<b>15,600,592.49</b>	20,387,698.63
Communication fees	<b>14,746,835.81</b>	15,764,189.29
Information fees	<b>14,008,548.02</b>	8,449,345.42
Consulting fees	<b>10,122,258.92</b>	16,786,892.59
Water and electricity charges	<b>9,152,957.08</b>	9,235,866.94
Others	<b>64,892,192.08</b>	86,288,997.19
<b>Total</b>	<b>1,202,648,735.71</b>	1,142,505,105.72

Note: The fees paid to Audit firm(s) of RMB3,121,897.43 included in the business and administrative expenses for the current period mainly comprised of RMB2,543,218.20 for the audit and review of the Group for the year 2025 by ShineWing Certified Public Accountants (LLP) and SHINEWING (HK) CPA Limited, and RMB578,679.23 for the fees for the special (non-audit) services provided by other auditing firms.

# NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 52. Loss on impairment of credit

Item	FY 2025	FY 2024
Provision for bad debts of accounts receivable	<b>49,054,839.34</b>	8,726,292.63
Provision for impairment of debt investments	<b>26,287,638.93</b>	8,887,044.05
Provision for impairment of other debt investments	<b>2,007,641.03</b>	-7,336.28
Provision for impairment of margin accounts receivable	<b>3,725,184.65</b>	8,004,413.10
Provision for impairment of financial assets held under resale agreements	<b>-464,356.60</b>	-4,178,502.52
Provision for impairment of other assets	<b>151,626.75</b>	-1,620,876.06
<b>Total</b>	<b>80,762,574.10</b>	19,811,034.92

### 53. Other assets impairment losses

Item	FY 2025	FY 2024
Provision for impairment of long-term equity investments	<b>18,786,612.60</b>	3,708,903.36
Provision for impairment of assets held for debt settlement	<b>7,193,400.00</b>	8,404,400.58
<b>Total</b>	<b>25,980,012.60</b>	12,113,303.94

### 54. Other operating costs

Item	FY 2025	FY 2024
Investment property depreciation	<b>921,699.79</b>	990,720.63
Others	<b>1,234,667.53</b>	61,320.75
<b>Total</b>	<b>2,156,367.32</b>	1,052,041.38

# NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 55. Non-operating income

#### (1) Details

Item	FY 2025	FY 2024	Amount included in non-recurring profit or loss
Gains on non-current assets disposal	<b>350,736.98</b>	229,417.80	350,736.98
Government grants	<b>500,000.00</b>	400,000.00	500,000.00
Others <i>(Note)</i>	<b>7,312,500.72</b>	36,078,358.57	7,312,500.72
<b>Total</b>	<b>8,163,237.70</b>	36,707,776.37	8,163,237.70

Note: Others in 2024 mainly include the income from the disposal of assets held for debt settlement by subsidiaries.

#### (2) Details of government grants

Item	FY 2025	Source and basis	Asset-related/ revenue-related
Units with Outstanding Contributions to the Development of the Financial Industry in Zhengdong New Area	<b>500,000.00</b>	Zheng Dong Wen (2024) No. 7	Revenue-related
<b>Total</b>	<b>500,000.00</b>	—	—

### 56. Non-operating expenses

Item	FY 2025	FY 2024	Amount included in non-recurring profit or loss
Losses on non-current assets disposal	<b>933,882.68</b>	1,351,092.20	933,882.68
Donation expenses	<b>196,021.56</b>	295,340.00	196,021.56
Provisions	<b>46,454,062.70</b>		
Others	<b>1,897,164.55</b>	3,793,579.35	48,351,227.25
<b>Total</b>	<b>49,481,131.49</b>	5,440,011.55	49,481,131.49

Note: For details on the specific reasons for the accrual of provisions, please refer to Note XII.

# NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Income tax expenses

#### (1) Income tax expenses

Item	FY 2025	FY 2024
Current income tax expenses	<b>103,620,582.94</b>	21,097,826.84
Deferred income tax expenses	<b>42,601,710.39</b>	-7,697,680.56
<b>Total</b>	<b>146,222,293.33</b>	13,400,146.28

#### (2) Reconciliation of accounting profit to income tax expenses

Item	FY 2025
Profit before tax	<b>596,647,087.55</b>
Income tax expenses at applicable rates	<b>149,161,771.89</b>
Effect of different tax rates applicable to subsidiaries	<b>2,082,035.62</b>
Effect of prior income tax reconciliation	<b>-3,666,004.06</b>
Effect of non-taxable incomes	<b>-73,866,144.49</b>
Effect of non-deductible costs, expenses and losses	<b>17,739,083.60</b>
Impact of utilizing deductible losses for which deferred tax assets were unrecognized in the prior period	<b>-3,571,126.71</b>
Impact of deductible temporary differences or deductible losses of unrecognized deferred tax assets in the current year	<b>58,465,325.11</b>
Others	<b>-122,647.63</b>
<b>Income tax expenses</b>	<b>146,222,293.33</b>

### 58. Earnings per share

Item	FY 2025	FY 2024
Net profit attributable to owners of the parent company	<b>455,818,683.40</b>	245,847,400.51
Non-recurring profit or loss attributable to the parent company	<b>-18,999,236.13</b>	35,929,167.14
Net profit attributable to shareholders of the parent company after deducting non-recurring profits or losses	<b>474,817,919.53</b>	209,918,233.37
Weighted average number of ordinary shares outstanding	<b>4,642,884,700.00</b>	4,642,884,700.00
<b>Basic earnings per share</b>	<b>0.0982</b>	0.0530
<b>Basic earnings per share after deducting non-recurring profits or losses</b>	<b>0.1023</b>	0.0452

As of January 1st, 2025 and December 31st, 2025, the Company had no potential dilutive ordinary shares, thus diluted earnings per share are the same as basic earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Items of the cash flow statement

#### (1) Cash related to operating activities

##### 1) Other cash received related to operating activities

Item	FY 2025	FY 2024
Government grants	<b>10,925,544.50</b>	13,270,434.35
Other operating income	<b>6,351,048.26</b>	306,773,258.72
Receipts on equity transfer		25,324,975.10
Receipts on over-the-counter transactions	<b>31,441,313.58</b>	277,231,980.02
Bulk commodity receipts		107,752,233.86
Receipts on contract deposits	<b>84,701,799.75</b>	161,483,703.94
Receipts collected from debt asset package	<b>19,716,384.17</b>	
Recovery of restricted cash and bank balances	<b>26,002,214.08</b>	
Others	<b>35,107,926.79</b>	49,047,956.47
<b>Total</b>	<b>214,246,231.13</b>	940,884,542.46

##### 2) Other cash payments related to operating activities

Item	FY 2025	FY 2024
Liquidation payment	<b>78,104,302.93</b>	160,843,203.03
Payment of contract deposits		129,992,825.97
Payment of business and administrative expenses	<b>223,427,546.02</b>	240,461,938.46
Payment of other operating costs	<b>1,234,667.53</b>	291,967,177.72
Payment of warrant deposits		50,260,864.00
Payment for over-the-counter transactions		494,958,985.70
Others	<b>9,710,774.32</b>	68,848,264.98
<b>Total</b>	<b>312,477,290.80</b>	1,437,333,259.86

#### (2) Cash flows related to financing activities

##### 1) Other cash flows paid related to financing activities

Item	FY 2025	FY 2024
Cash payments to repay lease liabilities	<b>58,861,326.02</b>	80,204,665.86
<b>Total</b>	<b>58,861,326.02</b>	80,204,665.86

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Items of the cash flow statement (continued)

#### (2) Cash flows related to financing activities (continued)

##### 2) Changes in liabilities arising from financing activities

Item	Opening balance	Increase		Decrease		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	7,008,341.66		14,408.34	7,022,750.00		
Short-term financing instruments payable	3,896,489,565.69	620,573,000.00	2,289,936,988.53	4,008,912,354.20		2,798,087,200.02
Bonds payable	6,112,729,880.19	3,200,000,000.00	167,687,567.89	147,397,438.99	2,211,741,959.72	7,121,278,049.37
Lease liabilities	114,709,864.43		33,754,243.64	58,861,326.02		89,602,782.05
Dividends payable	1,071,386.94		198,851,594.05	116,072,117.50		83,850,863.49
<b>Total</b>	<b>10,132,009,038.91</b>	<b>3,820,573,000.00</b>	<b>2,690,244,802.45</b>	<b>4,338,265,986.71</b>	<b>2,211,741,959.72</b>	<b>10,092,818,894.93</b>

#### (3) Description of cash flows presented on a net basis

Cash flows related to the Company's main operations, such as margin accounts receivable, due to banks and other financial institutions, repurchase operations, and investment and trading operations, represent cash inflows and outflows that are frequently transacted and in significant amounts. Presentation of the above cash flows on a net basis better illustrates their impact on the Company's ability to pay and solvency and is more useful for evaluating the Company's ability to pay and solvency and analyzing the Company's future cash flows. Therefore, the Company presents the relevant cash flows generated from the above businesses on a net basis.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Items of the cash flow statement (continued)

#### (4) Supplementary information on consolidated cash flow statement

Item	FY 2025	FY 2024
<b>1. Reconciliation of net profit to cash flow from operating activities:</b>		
Net profit	<b>450,424,794.22</b>	221,893,640.41
Add: Provision for impairment of assets	<b>106,742,586.70</b>	31,924,338.86
Depreciation of investment properties and fixed assets	<b>37,293,288.47</b>	34,465,246.84
Right-of-use assets depreciation	<b>41,690,597.27</b>	58,249,951.69
Amortization of intangible assets	<b>73,267,964.70</b>	71,020,404.66
Amortization of long-term deferred expenses	<b>16,607,774.29</b>	19,698,059.47
Losses on disposal of fixed assets, intangible assets and other long-term assets (or revenue: "-")	<b>-1,927,228.88</b>	-2,306,066.86
Gains and losses on changes in fair value (or revenue: "-")	<b>123,470,748.28</b>	198,814,850.10
Interest expenses	<b>245,897,005.04</b>	306,891,544.30
Exchange losses (or revenue: "-")	<b>-50,280.04</b>	1,455,640.68
Investment losses (or revenue: "-")	<b>-103,755,976.40</b>	-106,985,093.40
Decrease in deferred tax assets (or increase: "-")	<b>42,390,858.77</b>	7,824,703.17
Increase in deferred tax liabilities (or decrease: "-")	<b>210,851.62</b>	-15,522,383.74
Decrease of operating receivables (or increase: "-")	<b>6,331,118,447.72</b>	4,403,858,312.70
Increase of operating payable (or decrease "-")	<b>17,390,515.24</b>	-1,063,114,488.49
Net cash flow from operating activities	<b>7,380,771,947.00</b>	4,168,168,660.39
<b>2. Significant investing and financing business not related to cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under finance lease		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	<b>22,676,464,051.14</b>	18,885,077,274.92
Less: Opening balance of cash	<b>18,885,077,274.92</b>	13,393,530,130.84
Add: Closing balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase of cash and cash equivalents	<b>3,791,386,776.22</b>	5,491,547,144.08

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Items of the cash flow statement (continued)

#### (5) Cash and cash equivalents

Item	December 31st, 2025	December 31st, 2024
Cash	<b>22,676,464,051.14</b>	18,885,077,274.92
Including: Cash on hand	<b>84,393.29</b>	73,338.23
Bank deposits available for payment	<b>19,217,826,367.95</b>	14,251,725,360.35
Other cash and bank balances	<b>59,225,560.53</b>	104,311,239.85
Clearing settlement funds	<b>3,399,327,729.37</b>	4,528,967,336.49
Cash equivalents		
Including: Bond investment maturing within three months		
Cash and cash equivalents at the end of the year	<b>22,676,464,051.14</b>	18,885,077,274.92

#### (6) Cash and bank balances and clearing settlement funds not classified as cash and cash equivalents

Item	December 31st, 2025	December 31st, 2024	Reasons for not classified as cash and cash equivalents
Accrued interest	<b>14,058,591.38</b>	21,229,894.15	Not yet due for collection
Risk reserve for asset management business		26,002,214.08	Restricted use rights
<b>Total</b>	<b>14,058,591.38</b>	47,232,108.23	

### 60. Assets with restricted ownership or use rights

Item	Book value as of December 31st, 2025	Reasons
	<b>6,383,909,116.22</b>	Pledged for repurchase financing, pledged for bond lending
	<b>27,103,348.38</b>	Post-IPO restrictions, pre-listing institutional class restrictions
Financial assets held for trading	<b>18,597,732.01</b>	Securities financed
	<b>25,826,415.88</b>	Exit not allowed during the lock-in or closed period
Other debt investments	<b>1,876,605,107.13</b>	Pledged for repurchase financing

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Entrusted asset management business

Item	Collective asset management business	Single asset management business	Special asset management business
Product quantity at the end of the year	8	1	2
Number of clients at the end of the year	285	1	5
Including: Individual clients	264		
Institutional clients	21	1	5
Entrusted funds at the beginning of the year	6,179,041,505.05	16,000,000.00	799,882,742.04
Including: Own capital investment	53,513,203.34		129,332,280.64
Individual clients	3,570,023,593.49		
Institutional clients	2,555,504,708.22	16,000,000.00	670,550,461.40
Entrusted funds at the end of the year	334,286,632.57	16,000,000.00	418,266,766.05
Including: Own capital investment	62,743,942.39		119,352,300.57
Individual clients	225,152,260.94		
Institutional clients	46,390,429.24	16,000,000.00	298,914,465.48
Initial cost of main entrusted assets at the end of the year	367,031,730.63	15,855,916.94	371,260,000.00
Including: Stocks		15,855,916.94	
Other bonds	355,892,212.42		
Funds	11,139,518.21		
Trust plans			192,000,000.00
Others			179,260,000.00
Net income of asset management business for the year	24,491,495.37	173,956.63	169,811.32

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 62. Foreign currency

#### (1) Foreign currency

Item	Closing foreign currency balance	Exchange rate	Closing balance in RMB
Cash and bank balances			402,826,101.47
Including: USD	4,825,289.07	7.0288	33,916,005.81
EUR	6,952.03	8.2355	57,253.42
HKD	408,371,035.36	0.9032	368,848,886.55
CAD	760.04	5.1142	3,887.00
AUD	14.64	4.6892	68.65
THB	0.15	0.2225	0.04
Clearing settlement funds			11,663,161.33
Including: USD	1,221,552.61	7.0288	8,586,048.99
HKD	3,406,824.85	0.9032	3,077,112.34
Margin accounts receivable			24,380,042.34
Including: USD	223,006.91	7.0288	1,567,470.98
HKD	25,256,937.80	0.9032	22,812,571.36
Refundable deposits			943,626.00
Including: USD	70,000.00	7.0288	492,016.00
HKD	500,000.00	0.9032	451,610.00
Accounts receivable			15,707,034.20
Including: HKD	17,342,120.03	0.9032	15,663,749.65
USD	6,158.17	7.0288	43,284.55
Other receivables			2,049,163.09
Including: HKD	712,343.71	0.9032	643,403.09
USD	200,000.00	7.0288	1,405,760.00
Accounts payable to brokerage clients			283,181,663.16
Including: USD	3,506,541.81	7.0288	24,646,781.09
HKD	286,236,888.10	0.9032	258,534,882.07
Accounts payable			224,182.6
Including: HKD	152,239.81	0.9032	137,506.04
USD	12,331.63	7.0288	86,676.56
Other payables			16,925,169.91
Including: HKD	18,738,701.43	0.9032	16,925,169.91

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VI. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 63. Leases

#### (1) The Group as the lessee

Item	Amount incurred in current year	Amount incurred in previous year
Interest expense on lease liabilities	3,569,057.54	4,103,101.54
Short-term lease expenses recognized in profit or loss using the simplified approach	7,107,338.29	7,773,477.24
Total cash outflows related to leases	65,653,799.96	87,978,143.10

#### (2) The Group as the lessor

##### 1) The Group's operating leases as lessor

Item	Rental income	Including: Income related to variable lease payments not included in lease receipts
Leasing of buildings and structures	2,062,509.49	
<b>Total</b>	2,062,509.49	

### 64. Overseas business entities

The 2025 consolidated balance sheet of the Company includes overseas subsidiaries such as Central China International Financial Holdings Co., Ltd., Central China International Securities Co., Ltd., Central China International Investment Co., Ltd., Central China International Financing Co., Ltd., and Wending Zhongyuan Company Limited. The consolidated income statement includes the aforementioned companies as well as Central China International Financial Group Ltd., which was deregistered during the year. The assets and liabilities in the foreign currency balance sheet are exchanged at the spot exchange rate on the balance sheet date (HKD1: RMB0.903220); the owner's equity items, except for the "undistributed profits", are exchanged at the spot exchange rate when the business occurs; the income and expense items in the income statement are exchanged at the approximate exchange rate of the spot exchange rate on the transaction date (the average exchange rate of the current year is HKD1: RMB0.916169). The differences arising from the above exchange of foreign currency statements shall be separately presented under the item of owners' equity. Foreign currency cash flows are exchanged using the approximate exchange rate of the spot exchange rate on the date of the cash flow. The impact of exchange rate changes on cash shall be separately presented in the cash flow statement.

# NOTES TO THE FINANCIAL STATEMENTS

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## VII. CHANGES IN THE SCOPE OF CONSOLIDATION

On November 3rd, 2023, Central China International Financial Holdings Co., Ltd. adopted a board resolution through a written voting procedure conducted via correspondence, approving the initiation of the deregistration process for Central China International Financial Group Ltd. On April 9th, 2025, Central China International Financial Group Ltd. canceled its registration and is no longer included in the scope of consolidation.

In accordance with the *Accounting Standards for Business Enterprises No. 33 — Consolidated Financial Statements*, the Company includes structured entities participating with the Company's own funds that meet the definition of "control" set out in the standards in its consolidated financial statements. As of December 31st, 2025, the Company is able to exercise control over three asset management products: the Central China Securities Wanze Fengli 3M01 Collective Asset Management Plan, the Central China Securities Jingxing Wenli 6M01 Collective Asset Management Plan, and the Central China Securities Jingxing Zengli 6M01 Collective Asset Management Plan. Consequently, these three asset management products were included in the scope of consolidation for the current year.

## VIII. EQUITY IN OTHER ENTITIES

### 1. Equity in subsidiaries

#### (1) Composition of enterprise groups

Name of subsidiary	Company type	Main places of business	Places of registration	Business nature	Registered capital	Shareholding ratio (%)		Method of acquisition
						Direct	Indirect	
Central China Futures Co., Ltd.	Corporation	Zhengzhou	Zhengzhou	Futures brokerage	RMB330 million	92.29		Acquisition
Yuxin Investment Management (Shanghai) Co., Ltd.	Limited company	Zhengzhou	Shanghai	Investment management	RMB160 million		92.29	Investment establishment
Zhongding Kaiyuan Venture Capital Management Co., Ltd.	Limited company	Zhengzhou	Luohe	Private equity investment fund management	RMB280 million	100.00		Investment establishment
Henan Kaiyuan Private Equity Fund Management Co., Ltd.	Limited company	Zhengzhou	Luoyang	Private equity investment fund management	RMB100 million		60.00	Investment establishment
Central China Blue Ocean Investment Management Co., Ltd.	Limited company	Zhengzhou	Xuchang	Alternative investment	RMB2,226.00 million	100.00		Investment establishment
Central China Equity Exchange Co., Ltd.	Corporation	Zhengzhou	Zhengzhou	Regional equity market	RMB350 million	36.00		Investment establishment
Central China International Financial Holdings Co., Ltd.	Limited company	Hong Kong	Hong Kong	Holding company	HKD1,800 million	100.00		Investment establishment
Central China International Financing Co., Ltd.	Limited company	Hong Kong	Hong Kong	Investment bank	HKD40 million		100.00	Acquisition
Central China International Securities Co., Ltd.	Limited company	Hong Kong	Hong Kong	Securities business	HKD600 million		100.00	Investment establishment
Central China International Investment Co., Ltd.	Limited company	Hong Kong	Hong Kong	Proprietary investment	HKD10 million		100.00	Investment establishment
Wending Zhongyuan Company Limited	Limited company	Hong Kong	British Virgin Islands	Bond issuing entity	USD1		100.00	Investment establishment

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VIII. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (continued)

#### (1) Composition of enterprise groups (continued)

##### 1) Reasons why the shareholding ratio of subsidiaries is different from the voting ratio

Central China Equity Exchange Co., Ltd. was established in 2015. The Company has signed a concerted action agreement with other investors. Pursuant to this agreement, the Company holds 51% of the voting rights in Central China Equity Exchange Co., Ltd.

##### 2) Basis for controlling structured entities included in the consolidation scope

In accordance with the provisions of the *Accounting Standards for Business Enterprises No. 33 — Consolidated Financial Statements*, the Group has consolidated certain structured entities, which primarily consist of asset management plans and limited partnerships. Where the Group acts both as the manager and investor of a structured entity, the Group shall comprehensively assess whether the returns it receives from its investment interest, combined with the management fees it receives as the manager of the structured entity, would expose the Group to a material impact from variable returns, thereby requiring the Group to act as the primary beneficiary.

As of December 31st, 2025, the Group consolidated eight structured entities (December 31st, 2024: five structured entities). The total assets of the structured entities included in the scope of consolidation amounted to RMB752,027,952.39 (December 31st, 2024: RMB448,623,290.94).

As of December 31st, 2025, the details of structured entities included in the consolidation scope are as follows:

Structured entities name	Total share/ registered capital	Proportion of shares held by the Company on December 31st, 2025 (%)	Direct/indirect investment
Henan Zhongyuan Science and Innovation Venture Capital Fund (Limited Partnership)	500,000,000.00	50.00	Indirect
Henan Zhongzheng Kaiyuan Venture Capital Fund (Limited Partnership)	110,000,000.00	20.74	Indirect
Henan Kaiyuan Yucai Agricultural Venture Capital Fund (Limited Partnership)	100,000,000.00	20.40	Indirect
Anyang Purun High-tech Industry Investment Fund (Limited Partnership)	100,000,000.00	13.20	Indirect
Henan Dingyu Xiangbei Equity Investment Fund Partnership (Limited Partnership)	200,000,000.00	30.80	Indirect
Central China Securities Wanze Fengli 3M01 Collective Asset Management Plan	57,290,199.52	33.75	Indirect
Central China Securities Jingxing Wenli 6M01 Collective Asset Management Plan	98,160,348.70	25.78	Direct/indirect
Central China Securities Jingxing Zengli 6M01 Collective Asset Management Plan	28,428,051.35	28.03	Indirect

# NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

## VIII. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (continued)

#### (2) First-level non-wholly owned subsidiaries

Name of subsidiary	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in the current year	Dividends declared to be distributed to minority shareholders in the current year	Balance of minority shareholders' equity as of December 31st, 2025
Central China Futures Co., Ltd.	7.71%	633,593.66	1,551,620.40	37,645,611.20
Central China Equity Exchange Co., Ltd.	64.00%	30,182,727.66		219,259,473.05

#### (3) Main financial information of first-level non-wholly owned subsidiaries

The main financial information of the first-level non-wholly owned subsidiaries is the amount before mutual offset between enterprises in the Company, but after adjustment of fair value and unified accounting policies on the merger date:

Item	December 31st, 2025/FY 2025	
	Central China Futures Co., Ltd.	Central China Equity Exchange Co., Ltd.
Total assets	2,992,567,369.27	358,764,241.98
Total liabilities	2,527,833,796.84	13,892,187.79
Operating income	81,003,552.20	71,266,599.65
Net profit	8,219,948.83	47,160,511.97
Total comprehensive income	8,219,948.83	47,160,511.97
Cash flow from operating activities	363,720,827.61	-19,327,455.65

Item	December 31st, 2024/FY 2024	
	Central China Futures Co., Ltd.	Central China Equity Exchange Co., Ltd.
Total assets	2,854,463,962.24	309,383,276.11
Total liabilities	2,377,820,338.64	11,671,733.89
Operating income	107,501,403.96	-49,292,921.99
Net profit	13,961,089.85	-58,675,443.62
Total comprehensive income	13,961,089.85	-58,675,443.62
Cash flow from operating activities	120,901,346.93	-22,676,164.71

# NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

## VIII. EQUITY IN OTHER ENTITIES (CONTINUED)

### 2. Rights and interests in joint ventures or associates

#### (1) Important joint ventures or associates

The name of the joint venture or associates	Main places of business	Places of registration	Business nature	Shareholding ratio (%)		Accounting policy
				Direct	Indirect	
Henan Asset Management Co., Ltd.	Zhengzhou	Zhengzhou	Other financial industries		10.00	Equity method

#### 1) Basis for holding less than 20% of the voting rights but having significant impact

Central China Blue Ocean Investment Management Co., Ltd., a subsidiary of the Company, holds a 10% equity interest in Henan Asset Management Co., Ltd. and has appointed one director to the board of Henan Asset Management Co., Ltd. Based on an assessment, it is determined that the Company exercises significant influence over Henan Asset Management Co., Ltd. through its subsidiary.

#### (2) Key financial information of significant associates

Item	December 31st, 2025/ FY 2025 Henan Asset Management Co., Ltd.
Total assets	38,966,675,507.44
Total liabilities	23,487,775,983.86
Minority shareholders' equity	1,689,196,790.16
Equity attributable to owners of the parent company	13,789,702,733.42
Share of net assets based on shareholding percentage	1,378,970,273.34
Adjustment	
— Others	-570,000,000.00
The book value of the equity investment in the associate	808,970,273.34
Operating income	1,957,929,703.68
Net profit attributable to owners of the parent company	729,527,812.98
Net after-tax amount of other comprehensive income attributable to owners of the parent company	54,004,542.28
Total comprehensive income attributable to owners of the parent company	783,532,355.26
Dividends received from associates in the current year	10,000,000.00

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VIII. EQUITY IN OTHER ENTITIES (CONTINUED)

### 2. Rights and interests in joint ventures or associates (continued)

#### (3) Aggregated financial information for immaterial joint ventures or associates

Item	December 31st, 2025/FY 2025	December 31st, 2024/FY 2024
The total book value of the investments of the associates	<b>93,038,206.49</b>	164,592,917.67
The following items are sums that are calculated according to the proportion of shareholding		
Net profit	<b>7,796,650.31</b>	-9,281,428.31
Other comprehensive income		
Total comprehensive income	<b>7,796,650.31</b>	-9,281,428.31

#### (4) Unconfirmed commitments related to joint venture investment

The Group has no commitments that need to be disclosed.

#### (5) Contingent liabilities related to investment in joint ventures or associates

The Group has no contingencies that need to be disclosed.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## VIII. EQUITY IN OTHER ENTITIES (CONTINUED)

### 3. Equity in structured entities not included in the scope of consolidated financial statements

The structured entities initiated and established by the Group that are not included in the scope of consolidated financial statements mainly include collective asset management plans, single asset management plans, special asset management plans, and partnerships. The nature and purpose of these structured entities are mainly to manage investors' assets and charge management fees. Their financing method is to issue investment products to investors. The rights and interests enjoyed by the Company in these structured entities are not included in the scope of consolidated financial statements, mainly including the income from directly holding investments or collecting management fees through managing these structured entities. The variable returns related to product income enjoyed by the Company are not significant, so such structured entities are not consolidated.

As of December 31st, 2025, the total assets of the collective asset management plans managed by the Company that are not included in the scope of the consolidated financial statements were RMB177,979,170.44, the total assets of the single asset management plans were RMB37,097,657.02, the total assets of the special asset management plans are RMB379,721,304.30, and the total assets of the partnerships were RMB227,107,418.93. For the year 2025, the Group received income of RMB24,682,035.35 from the management services in the above structured entities, please refer to "VI. 44. Net fee and commission income" in this note for details.

As of December 31st, 2025, the Group's equity in structured entities not included in the scope of consolidated financial statements was classified as financial assets held for trading, debt investments, and management fees and commissions receivable included in accounts receivable. The relevant book value and maximum risk exposure are as follows:

Item	December 31st, 2025	December 31st, 2024
Financial assets held for trading	<b>1,349,105,201.98</b>	1,311,585,017.73
Debt investments and receivables	<b>39,475,675.32</b>	81,807,610.59
<b>Total</b>	<b>1,388,580,877.30</b>	1,393,392,628.32

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS

### 1. Related party relationships

#### (1) Controlling shareholder and ultimate controller

As of December 31st, 2025, Henan Investment Group Co., Ltd. (hereinafter referred to as Henan Investment Group) directly and indirectly holds the voting shares of the Company, accounting for 22.05% of the total shares of the Company (Note 1), and is the controlling shareholder of the Company. The basic information of Henan Investment Group is as follows:

Name of controlling shareholder	Enterprise type	Places of registration	Business nature	Legal representative	Uniform social credit code
Henan Investment Group	State-owned enterprise	Zhengzhou	Investment management	Yan Wanpeng	914100001699542485

Note 1: According to the Company's information, as of the end of the reporting period, Henan Investment Group held 822,983,847 A shares of the Company, 46,733,000 H shares of the Company through its wholly owned subsidiary Dahe Paper (Hong Kong) Co., Ltd. and 153,840,000 H shares of the Company through Hong Kong Stock Connect, with a total of 1,023,556,847 shares of the Company, accounting for 22.05% of the total share capital of the Company.

Note 2: The actual controller of the Company is the Department of Finance of Henan Province.

#### (2) Subsidiaries

For details of the subsidiaries, please refer to "Note VIII.1. Equity in subsidiaries".

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 1. Related party relationships (continued)

#### (3) Associates

The associates with whom the Group had related transactions during the year are listed below:

<b>Name of associate</b>	<b>Relationship with the Company</b>
Henan Dahe Cailifang Media Holding Co., Ltd.	Associate of the subsidiary
Henan Longfengshan Agriculture and Animal Husbandry Co., Ltd.	Associate of the subsidiary
Luoyang Desheng Biotechnology Co., Ltd.	Associate of the subsidiary
Minquan County Innovation Industry Investment Fund (Limited Partnership)	Associate of the subsidiary
Luohe Huarui Permanent Magnetic Material Co., Ltd.	Associate of the subsidiary
Henan Liying Environmental Protection Technology Co., Ltd.	Associate of the former subsidiary

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# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 1. Related party relationships (continued)

#### (4) Major related parties without a control relationship

Name of related party	Relationship with the Company	Uniform social credit code/organization code
Henan Asset Management Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410000MA448PJU6H
Henan Asset Fund Management Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410100MA456R9R3R
Henan Ancai HI-TECH Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	9141000070678656XY
Guoyu Capital Management Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	914403003267120593
Zhongfu Digital Technology Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410000054727766A
Central China Trust Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410000169953018F
Henan Science and Technology Investment Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410000169955769X
Henan Venture Capital Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	914100007425233538
Henan Talent Group Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410105MA3X6PQ842
Henan Tiandi Hotel Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410100594892586U
Yingcai Branch of Henan Tiandi Hotel Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410100050856595X
Lian Zhuoyue Insurance Brokerage Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410100678075487T
Shanghai Huizhi Zhuoyue Business Management Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91310107MADM2Q3H0F
Henan Hui Rong Digital Technology Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410100MA468M0G4M
Henan Yicheng Commercial Management Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410100681773585L
Henan Xinning Modern Logistics Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91320500628384839J
Henan Huirong Renda Fanglue Management Consulting Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410105MA9F8B3T7G
Xiantian Computing Power (Henan) Technology Co., Ltd.	Other enterprises controlled by the common controlling shareholder and ultimate controller	91410100MADF8T349W
Angang Group International Trade Co., Ltd.	Subsidiary of a non-controlling shareholder	91410500172267086K
Anyang Iron and Steel Co., Ltd.	Subsidiary of a non-controlling shareholder	914100007191734203
Henan Angang Tendering Agency Co., Ltd.	Subsidiary of a non-controlling shareholder	91410500MA45R9KG90

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 1. Related party relationships (continued)

#### (4) Major related parties without a control relationship (continued)

Name of related party	Relationship with the Company	Uniform social credit code/organization code
Jiangsu Suhao Private Equity Fund Management Co., Ltd.	Subsidiary of a non-controlling shareholder	91320000672504885X
Zhongyuan BANK Co., Ltd.	Joint venture of Henan Investment Group	9141000031741675X6
BANK of Zhengzhou Co., Ltd.	Joint venture of Henan Investment Group	914100001699995779
Henan Huaqi Energy Conservation and Environment Protection Venture Capital Co., Ltd.	Joint venture of Henan Investment Group	91410000071384697T
Henan Yicheng New Energy Co., Ltd.	Joint venture of Henan Investment Group	914102002681294387
Henan Rural Commercial Union Bank Co., Ltd.	Joint venture of Henan Investment Group	91410000MAD4H3W09L
Henan South-to-North Water Diversion Counterpart Cooperation Industry Investment Fund(L.P.)	Joint venture of Henan Investment Group	91410000MA40EF1J3Q
Zhengzhou Zhongyuan International Aviation Holdings Development Co., Ltd.	Joint venture of Henan Investment Group	91410100MA40XF1874
Puyang Emerging Industry Investment Fund Partnership (Limited Partnership)	Joint venture of Henan Investment Group	91410900MA9MD7935Y
Shenma Industry Co., Ltd.	Joint venture of Henan Investment Group	91410000169972489Q
AVIC Jonhon Optronic Technology Co., Ltd.	Joint venture of Henan Investment Group	914100007457748527
Henan Aerospace Industry Fund Partnership Enterprise (Limited Partnership)	Joint venture of Henan Investment Group	91410181MA9FN2CA6D
Great Wall Fund Management Co., Ltd.	Joint venture of Henan Investment Group	914403007341583418
Henan Dahe Cailifang Commercial Factoring Co., Ltd.	Subsidiary of a subsidiary's associate	91410296MA459F2F41
Henan Railway Construction Investment Group Co., Ltd.	Minority shareholder of former subsidiary	91410000694858692Q
Zhongyuan Asset Management Co., Ltd.	A company in which Henan Investment Group holds a stake of 30% or more	91410000356141357Q

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 2. Related transactions

#### (1) Commission income generated from providing agency securities trading services

Name of related party	FY 2025	FY 2024
Henan Investment Group and its subsidiaries, associates and joint ventures	<b>120,131.80</b>	31,338.98
Jiangsu Suhao Private Equity Fund Management Co., Ltd.	<b>6.58</b>	19,110.25
Henan Railway Construction Investment Group Co., Ltd.		4,021.06
Anyang Iron and Steel Co., Ltd.		5,645.69
Directors, supervisors and senior managers of the Company and Henan Investment Group and their close family members	<b>78,374.08</b>	53,805.86

#### (2) Related balance

Name of related party	Account name	Transaction content	December 31st, 2025	December 31st, 2024
Henan Investment Group	Accounts receivable	Asset management business income	<b>2,477,170.97</b>	2,292,776.96
Henan Dahe Cailifang Commercial Factoring Co., Ltd.	Accounts receivable	Securities underwriting revenue	<b>482,500.00</b>	
Henan Longfengshan Agriculture and Animal Husbandry Co., Ltd.	Accounts receivable	Debt asset package	<b>3,624,646.40</b>	3,624,646.40
Zhongfu Digital Technology Co., Ltd.	Other liabilities	Software expenses		120,000.00
Zhongfu Digital Technology Co., Ltd.	Other assets	Asset acquisition payment	<b>549,000.00</b>	
Henan Angang Tendering Agency Co., Ltd.	Other assets	Deposits		3,800.00
Henan Hui Rong Digital Technology Co., Ltd.	Other assets	Expenditures	<b>11,871.07</b>	
Luoyang Desheng Biotechnology Co., Ltd.	Contract liabilities	Ongoing supervision fees	<b>56,603.77</b>	56,603.77
Anyang Iron and Steel Co., Ltd.	Accounts payable to brokerage clients	Futures brokerage business	<b>0.96</b>	1,921,146.96
Angang Group International Trade Co., Ltd.	Accounts payable to brokerage clients	Futures brokerage business		3,259,039.61
Henan Investment Group and its subsidiaries, associates and joint ventures	Accounts payable to brokerage clients	Securities brokerage business	<b>34,716,848.06</b>	24,781,741.39
Directors, supervisors and senior managers of the Company and Henan Investment Group and their close family members	Accounts payable to brokerage clients	Securities brokerage business	<b>3,169,133.60</b>	1,590,258.48
Anyang Iron and Steel Co., Ltd.	Accounts payable to brokerage clients	Securities brokerage business	<b>81.89</b>	1,077,749.01
Zhongyuan Asset Management Co., Ltd.	Accounts payable to brokerage clients	Securities brokerage business	<b>4,656,697.22</b>	4,653,277.44
Henan Railway Construction Investment Group Co., Ltd.	Accounts payable to brokerage clients	Securities brokerage business		1,649.71
Joint venture of Henan Investment Group	Deposits in bank	Balance of deposits in bank	<b>1,317,992.40</b>	1,317,051.80
Joint venture of Henan Investment Group	Other assets	Expenditures	<b>157,232.71</b>	157,232.71

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 2. Related transactions (continued)

#### (3) The Group's purchases of products from related parties

##### 1) Balance of the Group's purchases of products issued by related parties

Name of related party	Content of related transactions	December 31st, 2025	
		December 31st, 2025	December 31st, 2024
Henan Asset Fund Management Co., Ltd.	Partnership funds	12,312,845.40	9,682,371.88
Great Wall Fund Management Co., Ltd.	Money market fund	760,457,097.40	500,143,561.15

##### 2) Gain or loss recognized from the Group's purchases of products from related parties

Name of related party	Content of related transactions	FY 2025		FY 2024	
		FY 2025	FY 2024	FY 2024	FY 2023
Henan Asset Fund Management Co., Ltd.	Changes in fair value of the funds	6,744,469.03	1,090,679.39		
Great Wall Fund Management Co., Ltd.	Fund investment income	10,313,536.25	143,561.15		

#### (4) Balance of the Group's issued products held by the directors, supervisors and senior management of the Company

Name of related party	Content of related transactions	FY 2025		FY 2024	
		FY 2025	FY 2024	FY 2024	FY 2023
Directors, supervisors and senior management of the Company	Asset management products of securities companies	1,675,840.58	4,434,712.30		

#### (5) Related-party lease arrangements

##### 1) As a lessee

Name of lessor	Type of leased assets	FY 2025		FY 2024	
		Rent paid	Increased right-of-use assets	Rent paid	Increased right-of-use assets
Xiantian Computing Power (Henan) Technology Co., Ltd.	Others	1,130,400.00	2,441,254.42		

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 2. Related transactions (continued)

#### (6) Other related party transactions

Name of related party	Content of related transactions	FY 2025	FY 2024
Henan Investment Group	Asset management business income	<b>173,956.63</b>	371,910.22
Shenma Industry Co., Ltd.	Financial advisory fee income	<b>264,150.94</b>	
Henan Dahe Cailifang Media Holding Co., Ltd.	Expenditures	<b>952,416.09</b>	546,918.24
Henan Talent Group Co., Ltd.	Expenditures	<b>149,998.29</b>	103,679.25
Henan Tiandi Hotel Co., Ltd.	Expenditures	<b>8,181.13</b>	76,080.11
Yingcai Branch of Henan Tiandi Hotel Co., Ltd.	Expenditures	<b>16,920.06</b>	
Henan Huirong Renda Fanglue Management Consulting Co., Ltd.	Expenditures		432,075.47
Shanghai Huizhi Zhuoyue Business Management Co., Ltd.	Expenditures	<b>22,104.15</b>	
Henan Hui Rong Digital Technology Co., Ltd.	Expenditures	<b>130,581.76</b>	
Lian Zhuoyue Insurance Brokerage Co., Ltd.	Expenditures	<b>281,856.56</b>	
Zhongyuan Asset Management Co., Ltd.	Investment income on bonds		2,494,086.08
Henan Xinning Modern Logistics Co., Ltd.	Underwriting income		3,200,000.00
Henan Dahe Cailifang Commercial Factoring Co., Ltd.	Underwriting income	<b>455,188.68</b>	
Zhongyuan Asset Management Co., Ltd.	Underwriting income	<b>7,203.09</b>	
Henan Longfengshan Agriculture and Animal Husbandry Co., Ltd.	Equity custodian fee income		10,174.18
Henan Rural Commercial Union Bank Co., Ltd.	Equity custodian fee income		47,169.81
Henan Asset Management Co., Ltd.	Income from equity custodian and stock pledge fees	<b>113,207.54</b>	
Central China Trust Co., Ltd.	Consulting income, sales fee income	<b>701,565.92</b>	78,192.16
Shanghai Huizhi Zhuoyue Business Management Co., Ltd.	Building interior design fees	<b>52,075.47</b>	
Henan Yicheng Commercial Management Co., Ltd.	Building project management fees	<b>563,773.58</b>	939,622.64
Zhongfu Digital Technology Co., Ltd.	Software expenses		1,113,207.55
Joint venture of Henan Investment Group	Interest income from bank deposits	<b>960.60</b>	3,086.43
Joint venture of Henan Investment Group	Pledged repurchase interest expenses		60,660.59
Joint venture of Henan Investment Group	Investment income on securities		710,584.72
Joint venture of Henan Investment Group	Interest expense on subordinated debt payable		5,282,277.79
Joint venture of Henan Investment Group	Financial advisory fee income		943,396.23

#### (7) Guarantees for subsidiaries

None.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 2. Related transactions (continued)

#### (8) Benefits of directors, supervisors, and employees

##### 1) Benefits of key management personnel

Key management personnel include members of the board of directors, the board of supervisors, and other senior managers. For the year 2025, the benefits (before tax) paid and payable by the Company to key management personnel are as follows:

Item	Expressed in RMB'0000	
	FY 2025	FY 2024
Benefits of key management personnel	<b>684.51</b>	788.53

Note: The 2025 benefits for the key management personnel listed above has not yet been finalized. The final amounts will be disclosed separately upon determination.

The benefits of key management personnel do not include social insurance, corporate pension, supplementary medical insurance, and the employer's contribution to the housing provident fund.

In 2025, the Company paid a total of RMB1.9157 million for social insurance, enterprise annuities, supplementary medical insurance, and housing provident fund contributions for its key management personnel; In 2024, the Company paid a total of RMB2.4326 million for social insurance, enterprise annuities, supplementary medical insurance, and housing provident fund contributions for its key management personnel.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 2. Related transactions (continued)

#### (8) Benefits of directors, supervisors, and employees (continued)

##### 2) Benefits of directors and supervisors

For the year 2025, the benefits (before tax) paid and payable by the Company to directors and supervisors are as follows:

Expressed in RMB'0000						
Name	Position	Remuneration	Salaries, allowances, and other subsidies	Discretionary bonuses	Social insurance, corporate pension, supplementary medical insurance, and the employer's contribution to the housing provident fund	Total
Zhang Qiuyun	Executive Director	—	33.93	—	12.08	46.01
	Non-executive Director					
Li Wenqiang	Non-executive Director	—	—	—	—	—
Feng Ruofan	Non-executive Director	—	—	—	—	—
Tang Jin	Non-executive Director	—	—	—	—	—
Tian Shengchun	Non-executive Director	—	—	—	—	—
Chen Zhiyong	Independent Non-executive Director	19.00	—	—	—	19.00
Wang Hui	Independent Non-executive Director	—	—	—	—	—
Wang Huixuan	Independent Non-executive Director	—	—	—	—	—
Du Xiaotang	Independent Non-executive Director	—	—	—	—	—
Lu Zhili	Executive Director	—	25.42	—	7.13	32.55
	Non-executive Director					
Li Xingjia	Non-executive Director	—	—	—	—	—
Zeng Song	Independent Non-executive Director	17.50	—	—	—	17.50
He Jun	Independent Non-executive Director	15.00	—	—	—	15.00
Zhu Junhong	Employee Representative Director	—	23.38	—	6.95	30.33
	Chairman of the Board of Supervisors					
Wei Zhihao	Shareholder Representative Supervisor	—	—	—	—	—
Li Zhifeng	Shareholder Representative Supervisor	—	—	—	—	—
Zhang Bo	Shareholder Representative Supervisor	—	—	—	—	—
Xiang Siying	Independent Supervisor	6.00	—	—	—	6.00
Xia Xiaoning	Independent Supervisor	6.00	—	—	—	6.00
Ba Guanhua	Employee Representative Supervisor	—	17.83	—	7.08	24.91
Xu Changyu	Employee Representative Supervisor	—	15.32	—	6.90	22.22
Xiao Yichen	Employee Representative Supervisor	—	19.32	—	6.85	26.17

Note: The 2025 benefits for the above directors and supervisors have not yet been finalized. The final amounts will be disclosed separately upon determination.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 2. Related transactions (continued)

#### (8) Benefits of directors, supervisors, and employees (continued)

##### 2) Benefits of directors and supervisors

For the year 2024, the benefits (before tax) paid and payable by the Company to directors and supervisors are as follows:

Expressed in RMB'0000

Name	Position	Remuneration	Salaries, allowances, and other subsidies	Discretionary bonuses	Social insurance, corporate pension, supplementary medical insurance, and the employer's contribution to the housing provident fund	Total
Lu Zhili	Executive Director	—	55.45	—	18.58	74.03
Li Xingjia	Non-executive Director	—	—	—	—	—
Zhang Qiuyun	Non-executive Director	—	—	—	—	—
Tang Jin	Non-executive Director	—	—	—	—	—
Tian Shengchun	Non-executive Director	—	—	—	—	—
Zhang Dongming	Independent Non-executive Director	25.00	—	—	—	25.00
Chen Zhiyong	Independent Non-executive Director	25.00	—	—	—	25.00
Zeng Song	Independent Non-executive Director	25.00	—	—	—	25.00
He Jun	Independent Non-executive Director	25.00	—	—	—	25.00
Zhu Junhong	Chairman of the Board of Supervisors	—	24.32	—	10.84	35.16
Wei Zhihao	Shareholder Representative Supervisor	—	—	—	—	—
Li Zhifeng	Shareholder Representative Supervisor	—	—	—	—	—
Zhang Bo	Shareholder Representative Supervisor	—	—	—	—	—
Xiang Siying	Independent Supervisor	12.00	—	—	—	12.00
Xia Xiaoning	Independent Supervisor	12.00	—	—	—	12.00
Xiao Yichen	Employee Representative Supervisor	—	50.08	—	16.01	66.09
Ba Guanhua	Employee Representative Supervisor	—	32.58	—	14.65	47.23
Xu Changyu	Employee Representative Supervisor	—	37.69	—	15.69	53.38

During the years 2025 and 2024, the Company did not pay any special remuneration to any Directors or Supervisors as an inducement to join the Company, as a reward for joining the Company, or as compensation for loss of office. Save as disclosed above, no other retirement benefits were provided to Directors or Supervisors.

During the years 2025 and 2024, the Company did not pay any compensation to any third party to procure the services of the above Directors or Supervisors to the Company.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## IX. RELATED PARTIES AND RELATED TRANSACTIONS (CONTINUED)

### 2. Related transactions (continued)

#### (8) Benefits of directors, supervisors, and employees (continued)

##### 3) Top five individuals with the highest benefits

For the year 2025, the actual benefits (after tax) received by the top five individuals with the highest benefits from the Company are as follows:

Item	Expressed in RMB	
	FY 2025	FY 2024
Salaries, allowances, and other benefits	2,129,443.74	3,016,088.86
Pension	217,963.20	272,448.00
Discretionary bonuses	5,380,144.43	6,601,506.02
<b>Total</b>	<b>7,727,551.37</b>	<b>9,890,042.88</b>

The number of employees whose benefits fall within the following ranges is shown below:

Range	Number of employees	
	FY 2025	FY 2024
RMB1,000,001 to RMB1,500,000	2	1
RMB1,500,001 to RMB2,000,000	3	1
RMB2,000,001 to RMB2,500,000		2
RMB2,500,001 to RMB3,000,000		1
RMB3,000,001 to RMB3,500,000		
RMB3,500,001 to RMB4,000,000		
RMB4,000,001 to RMB4,500,000		
RMB4,500,001 to RMB5,000,000		
RMB5,000,001 to RMB5,500,000		
RMB5,500,001 to RMB6,000,000		
<b>Total</b>	<b>5</b>	<b>5</b>

Note: The benefits paid by the Company to the above individuals who are not directors or supervisors during the year are based on the services provided by the above individuals to the Company. The benefits actually received by the top five individuals with the highest benefits include deferred benefits from previous years.

##### 4) Loans and advances to key management personnel

At the end of the reporting period, the Company did not issue loans or advances to members of the Board of Directors, the Board of Supervisors, and other senior managers.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

### 1. Overview

The Group's risk management objective is to uphold the risk management concept of matching capital, risk, and income, so as to bear appropriate risks, achieve the optimal balance of business scale, profitability, and risk tolerance, and bring sustained and stable profit returns to shareholders. The Group's risk management strategy aims to identify and evaluate various risks faced by the Group, set an appropriate risk tolerance level, timely and reliably measure and monitor risks, and ensure that risks are controlled within an acceptable range.

The main risks faced by the Group include: market risk, credit risk, liquidity risk, operational risk, compliance risk, and information technology risk. The Group has adopted risk management policies and procedures to identify and assess these risks, established appropriate risk indicators, risk limit levels, risk policies, and internal control procedures, and continuously monitored and managed risks through the information system.

The Company's risk management organizational structure consists of four levels: the first level is the Board of Directors and its Risk Control Committee and Audit Committee; the second level is the Managers; the third level is the Risk Management Department; and the fourth level is various departments, branches, and subsidiaries.

The Board of Directors bears ultimate responsibility for comprehensive risk management. Its main responsibilities include: promoting the development of a risk culture within the Company; reviewing and approving the Company's risk management strategy and promoting its effective implementation in the Company's operations and management; reviewing and approving the Company's fundamental risk management systems, risk appetite, risk tolerance, and major risk limits; and reviewing the Company's periodic risk assessment reports.

The Managers bear the primary responsibility for comprehensive risk management. Their main responsibilities include: establishing and implementing systems related to the Company's risk culture and risk management philosophy, and guiding all employees to adhere to sound codes of conduct and professional ethics; formulating risk management strategies, establishing the Company's risk management systems, and making adjustments as appropriate; establishing and improving the Company's comprehensive risk management structure, clarifying the division of responsibilities among risk management functional departments, business departments, and other departments in risk management, and establishing an effective check and balance and mutual coordination operation mechanism between departments; formulating specific implementation plans for risk appetite, risk tolerance, and major risk limits, ensuring their effective implementation, monitoring execution, analyzing causes in a timely manner, and dealing with them in accordance with the authorization of the Board of Directors; conducting periodic evaluation of management status of the Company's overall risks and various important risk, resolving problems in risk management, and reporting to the Board of Directors; establishing a performance appraisal system for all employees that reflects the effectiveness of risk management; establishing a complete information technology system and data quality control mechanism, etc.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Overview (continued)

The Company establishes functional departments such as the Risk Management Headquarters to fulfill risk management responsibilities, including identifying, evaluating, monitoring, and reporting various risks in the Company's operations, and guiding and inspecting risk management work in all departments, branches, and subsidiaries. Main responsibilities of the Risk Management Headquarters include: promoting the construction and continuous improvement of the Company's comprehensive risk management system; establishing a corporate risk culture training, promotion, and corresponding supervision and assessment mechanism, and formulating and implementing a risk culture training and promotion plan covering all employees of the Company; organizing the formulation of risk appetite, risk tolerance, and risk limits to provide decision-making basis for the Company and monitoring and supervising their implementation; organizing the identification of risks in various business and management aspects of the Company, participating in the design and proposal evaluation of risk control mechanisms for new businesses; monitoring the risks in the Company's business and management activities, revealing the overall and various types of risk conditions and levels of the Company, and organizing the implementation of risk early-warning work; organizing and carrying out risk evaluation, qualitatively describing or quantitatively measuring the Company's risk level; establishing a smooth risk information communication and transmission mechanism, conducting risk reporting, and providing risk management recommendations for business decisions; guiding and inspecting the risk management work of various departments, branches and subsidiaries; and conducting risk management evaluations on various departments, branches and subsidiaries; advancing the construction of the risk management information technology system, etc.

Various departments, branches, and subsidiaries bear direct responsibility for risk management. Their main responsibilities include: implementing the Company's risk management systems, procedures, risk appetite, risk limits, and control standards; formulating and implementing risk management systems and operational procedures for key business activities related to the business and management activities of their respective units; comprehensively understanding and fully considering various risks related to business and management activities in decision-making, identifying, analyzing, evaluating and monitoring various risks of their units from the source, and responding to risks within the authorized scope, etc.

### 2. Credit risk

Credit risk refers to the risk of losses due to defaults by financing parties, counterparties, or issuers. The Company's credit risks mainly come from financial assets which include bank deposits, clearing settlement funds, other debt investments, financial assets held under resale agreements, debt investments, margin accounts receivable, entrusted loans, other current assets, and refundable deposits.

The Group's bank deposits are mainly deposited with state-owned commercial banks or joint-stock commercial banks, while clearing settlement funds are deposited in the China Securities Depository and Clearing Corporation Limited, with a relatively low level of credit risk.

In terms of proprietary trading, if the transaction is through a stock exchange or China Securities Depository and Clearing Corporation Limited, the default risk of counterparty is low, but for inter-bank market transactions, the Group will assess the counterparties and only select those with an accepted credit rating. The Company invests in debt securities with acceptable credit ratings and monitors adverse changes in issuers' operations and credit ratings.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Credit risk (continued)

Margin financing assets include advances to margin accounts receivable and securities lent to customers. Credit risks associated with these financial assets mainly relate to customers' inability to repay the principal, interest, or securities borrowed. The Group supervises the accounts of clients engaged in financing transactions on a client-by-client basis and, if necessary, may require additional margin, cash collateral, or securities. Margin accounts receivable are monitored based on collateral rates to ensure that the value of collateral assets is sufficient to cover the advance. As of December 31st, 2025 and December 31st, 2024, the collateral value of the Group's customers is sufficient to resist the credit risk of financing business.

The Group's credit risk also arises from the securities and futures brokerage business. If a customer fails to deposit sufficient trading funds, the Group may use its own funds to complete the settlement. The Group requires customers to deposit all cash required for trading before it settles on behalf of customers, so as to mitigate and manage the credit risk properly.

The Group invests in financial products, trust plans, and asset management plans with a proper approval process.

The credit risk control of the Company's stock pledge repurchase business is mainly realized through customer risk education, customer credit and creditworthiness assessment, credit management, risk assessment of collateral securities, reasonable setting of limit indicators, day-to-day market surveillance, customer risk alerts, mandatory liquidation of positions, and judicial recourse. In addition, the Company makes provision for impairment on a prudent basis for defaulting customers, customers with insufficient collateralized securities, and normal customer financing in accordance with the provisions of ASBE No. 22.

#### Expected credit loss measurement

Since the first implementation of the new financial instrument standards on January 1st, 2018, for financial assets measured at amortized cost (including margin accounts receivable, financial assets held under resale agreements, debt investments) and other debt investments, the Group uses general methods to measure its expected credit losses, models and assumptions are used in the measurement of expected credit losses. These models and assumptions relate to future macroeconomic conditions and customer credit behavior (for example, the likelihood of customer default and associated losses). The Group uses a simple method to measure the expected credit losses of accounts receivable and other receivables. According to the simple method, the Group measures the loss provision based on the expected credit losses of the entire duration.

For financial assets that use general methods to measure expected credit losses, the Group uses an impairment model in which the credit quality of the financial assets has changed in three stages since the initial recognition of the financial assets to measure the expected credit losses, respectively, including:

- A financial instrument whose credit risk has not increased significantly since initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ("SICR") since initial recognition is identified, but it will not be regarded as an instrument with credit impairment, the Group will transfer it to "Stage 2".
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3".

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Credit risk (continued)

#### Expected credit loss measurement (continued)

Stage 1: The Company measures the loss allowance for a financial instrument at an amount equal to the next 12 months' ECL; Stages 2 and 3: The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition and the Company has measured the loss allowance for such a financial instrument at an amount equal to the lifetime ECL.

For such financial assets classified under Stages 1 and 2, management considered forward-looking factors and assessed credit loss allowances using the risk parameter modeling approach that incorporates key parameters, including probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD"). For credit-impaired financial assets classified under Stage 3, management assesses the credit loss allowances by estimating the cash flows expected to arise from the financial assets.

The measurement of ECL adopted by management according to China Accounting Standards for Business Enterprises involves judgement, assumptions, and estimations, including: determination of the criteria for SICR; selection of the appropriate models and assumptions; establishment of the number and relative weightings of forward-looking scenarios for each type of product.

#### Measuring ECL — parameters, assumptions, and estimation techniques

Depending on whether there has been a significant increase in credit risk and whether credit impairment has occurred, the Group measures the provision for impairment on different financial assets by the expected credit losses over 12 months or the entire duration of the assets, respectively.

The Group takes full account of forward-looking information when measuring ECL. ECL is the result after discounting the product of PD, LGD, and EAD that takes into account the forward-looking impact:

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation. For margin loan financing, the Group determines the PD by borrower, based on factors including the coverage ratio of margin loans to underlying collateral value and, the volatility of such collateral's valuation. For debt securities investments, the external credit rating and related PD are taken into consideration.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. For margin loan financing, the Group determines LGD, based on factors including the realizable value of collateral upon forced liquidation taking into consideration the estimated volatility over the realization period. For debt securities investments, LGD is determined based on assessed publicly available information from credit rating agencies, and the type of securities.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Credit risk (continued)

#### Judgment criteria of significant increase in credit risk

The Group evaluates the financial instruments at each balance sheet date after considering whether SICR has occurred since initial recognition. An ECL allowance for financial assets is recognized according to the stage of ECL, which reflects the reasonable information and evidence available about the SICR and is also forward-looking. The Group considers a financial instrument to have experienced SICR when one or more of the following quantitative or qualitative criteria have been met.

For financing-type business, if the recovery measures are taken to maintain the guarantee ratio below the close-out line, it indicates that the value of the collateral pledged as security or the quality of the third-party guarantee has significantly decreased, and the Group considers that the credit risk of this type of financing-type business has significantly increased.

A financial instrument is considered to have experienced SICR if the borrower or the debtor is overdue for more than 30 days after the contract payment date.

On December 31st, 2025, the Group has used the low credit risk exemption for financial instruments, such as cash and bank accounts, settlement reserve, refundable deposits, financial assets held under resale agreements, and no longer compared whether the credit risk on the balance sheet date increased significantly compared with that at the time of initial recognition.

#### Definition of credit-impaired assets

The Group considers whether a financial instrument is credit-impaired according to the new financial instrument standards, and its criteria are consistent with the internal credit risk management practice. The consideration includes quantitative criteria and qualitative criteria. The Group defines a financial instrument as credit-impaired, which is fully aligned with the definition of in default, when it meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments;
- For margin financing or stock-pledged repurchase agreements, a forced liquidation of a client's position is triggered when the collateral valuation falls short of the related loan amounts;
- The latest external ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor is in significant financial difficulty;
- An active market for that financial asset has disappeared because of the debtor's financial difficulty;
- Concessions have been made by the lender relating to the debtor's financial difficulty;
- It is probable that the debtor will enter bankruptcy or other financial restructuring.

When a financial asset is considered to be credit-impaired, it may be from multiple events, not due to a separately identifiable event.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Credit risk (continued)

#### Forward-looking information

The assessment of SICR and the calculation of ECL incorporate forward-looking information. The Group analyzes historical data to identify key economic indicators that affect the credit risk and expected credit losses of each asset portfolio, primarily including the Business Climate Index. Using regression analysis, the Group has determined the historical relationship between these economic indicators and probability of default, exposure at default, and loss given default, and determined the expected probability of default, exposure at default, and loss given default by predicting future economic indicators.

In addition to the base economic scenario, the Group also identifies other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure that non-linearity is captured. The number of scenarios and their attributes are reassessed at each balance sheet date.

As at December 31st, 2025 and December 31st, 2024, for all portfolios, the Group concluded that 3 scenarios appropriately captured the non-linearity of economic variables. The scenario weightings are determined by a combination of statistical analysis and experts' judgement, taking account of the range of possible outcomes represented by each scenario.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and quantitative indicators. The Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stage 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore, the actual outcomes may be significantly different from those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes.

#### Sensitivity Analysis

The allowance for credit losses is sensitive to the parameters used in internally developed models, macroeconomic variables in the forward-looking forecasts, economic scenario weighting and other factors considered when applying expert judgment. Changes in these parameters, assumptions and judgments impact the assessment of SICR and the measurement of ECL.

#### Collateral and other credit enhancements

The Group employed a range of policies and credit enhancements to mitigate credit risk exposure to an acceptable level. The most common of these is accepting collateral for funds advanced or guarantees. The Group determined the type and amount of collaterals according to the credit risk evaluation of counterparties. The collaterals under margin accounts receivable and purchase and resale agreements are primarily stocks, debt securities, funds etc. Management will exercise margin calls according to related agreements based on the market value fluctuation of collaterals, and monitor the changes in the market value of the collateral during the adequacy review of loss provisions.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Credit risk (continued)

#### Credit risk exposure analysis

The Group's financing business customers have considerable asset quality. Most of the financing activities maintain guarantee ratios above the liquidation line, and there is sufficient collaterals for bond reverse repurchase transactions so the assets are not expected to default.

The maximum credit risk exposure of the Group is as follows:

Item	Expressed in RMB'0000	
	December 31st, 2025	December 31st, 2024
Cash and bank balances	1,928,883.80	1,440,098.40
Clearing settlement funds	340,168.47	453,132.53
Margin accounts receivable	1,093,743.56	932,676.18
Derivative financial assets		1,612.68
Refundable deposits	113,210.87	121,679.96
Accounts receivable	12,678.35	33,101.38
Financial assets held under resale agreements	70,903.69	144,500.17
Financial assets held for trading	1,429,731.40	1,332,513.31
Debt investments	7,373.49	4,984.67
Other debt investments	314,591.82	11,433.10
Investments in other equity instruments	140.00	140.00
Other assets	5,490.94	5,904.19
<b>Total</b>	<b>5,316,916.39</b>	<b>4,481,776.57</b>

#### Credit quality analysis

As of December 31st, 2025, the credit quality of each financial asset item is as follows:

Item	Expressed in RMB'0000			
	Stage 1	Stage 2	Stage 3	Total
entrusted loans			1,439.74	1,439.74
Margin accounts receivable	1,097,042.30		4,917.56	1,101,959.86
Other debt investments	314,591.82			314,591.82
Debt investments	5,716.86		32,206.14	37,923.00
Financial assets held under resale agreements	70,922.54			70,922.54
<b>Subtotal</b>	<b>1,488,273.52</b>		<b>38,563.44</b>	<b>1,526,836.96</b>
Less: Provision for impairment	3,523.81		36,901.36	40,425.17
<b>Total</b>	<b>1,484,749.71</b>		<b>1,662.08</b>	<b>1,486,411.79</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Liquidity risk

Liquidity risk refers to the risk that the Company cannot obtain sufficient funds in time at a reasonable cost to pay its due debts, fulfill other payment obligations, and meet the capital needs of normal business.

In order to prevent liquidity risk, the following measures are taken: first, strengthen the management of capital position and cash flow, adopt the advance reservation mode of large amount of funds, strengthen the monitoring and management of large amount of funds, scientifically predict the cash flow gap in different time periods in the future, and ensure the consistency of financing arrangement and business capital utilization rhythm; Second, actively expand financing channels, comprehensively use a variety of financing methods, balance the distribution of debt maturity, improve the diversification and stability of financing, and avoid the repayment risk due to too single financing channels or concentrated debt maturity; Third, establish the operation and management mechanism of liquidity reserve funds, reasonably set the minimum holding scale of liquidity reserve funds and the allocation proportion of high-quality liquidity assets, hold sufficient high-quality liquidity assets, and ensure that the Company can realize sufficient funds in time to deal with the capital gap under normal and pressure situations; Fourth, adopt the risk monitoring system with net capital and liquidity as the core to monitor the risk control indicators, and use stress test to evaluate the impact of business activities on the Company's liquidity; Fifth, establish and continuously improve the liquidity risk emergency mechanism, and regularly conduct emergency drills on liquidity risks to ensure the timeliness and effectiveness of the Company's liquidity crisis response.

The financial liabilities held by the Group are analyzed as follows, according to the maturity of undiscounted remaining contractual obligations:

Expressed in RMB'0000

Non-derivative financial liabilities	December 31st, 2025						Total
	Repayable on demand	Within 1 month	1-3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Short-term loans							
Short-term financing instruments payable		70,309.01	110,716.16	101,416.65			282,441.82
Due to banks and other financial institutions		303,086.16					303,086.16
Financial liabilities held for trading		50,803.20		9,155.38	21,697.81	13,389.94	95,046.33
Financial assets sold under repurchase agreements		701,885.50					701,885.50
Accounts payable to brokerage clients	2,170,239.62						2,170,239.62
Bonds payable		2,041.12		13,707.45	726,561.26		742,309.83
Accounts payable	13,305.70						13,305.70
Other liabilities	27,948.85						27,948.85
<b>Total</b>	<b>2,211,494.17</b>	<b>1,128,124.99</b>	<b>110,716.16</b>	<b>124,279.48</b>	<b>748,259.07</b>	<b>13,389.94</b>	<b>4,336,263.81</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Liquidity risk (continued)

(Continued)

Non-derivative financial liabilities	December 31st, 2024						Total
	Repayable on demand	Within 1 month	1-3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Short-term loans		2.28	704.55				706.83
Short-term financing instruments payable		19,675.61	292,356.31	81,074.32			393,106.24
Due to banks and other financial institutions		266,054.45		131,448.99			397,503.44
Financial liabilities held for trading		43,636.05		13,280.21		972.51	57,888.77
Financial assets sold under repurchase agreements		528,945.34					528,945.34
Accounts payable to brokerage clients	1,647,601.04						1,647,601.04
Bonds payable		2,041.12	3,700.16	8,758.99	628,267.80		642,768.07
Accounts payable	20,533.90						20,533.90
Other liabilities	20,264.27						20,264.27
<b>Total</b>	<b>1,688,399.21</b>	<b>860,354.85</b>	<b>296,761.02</b>	<b>234,562.51</b>	<b>628,267.80</b>	<b>972.51</b>	<b>3,709,317.90</b>

### 4. Market risk

Market risk is the risk that the fair value of financial instruments held will change due to unfavourable changes in market prices, including interest rate risk, price risk, and exchange rate risk. The Company's exposure to market risk primarily arises from its proprietary investment activities, with price risk and interest rate risk having a significant impact on its investment operations. In terms of market risk, the Company follows the principles of soundness and prudence, accurately defines, uniformly measures, and prudently evaluates the market risk the Company bears. For the directional investment business, the Company adheres to a risk-controllable and moderate-scale risk management strategy, and assumes a moderate-scale risk position.

#### (1) Interest rate risk

Interest rate risk refers to the risk of fluctuations in the financial status and cash flow of the Group due to changes in market interest rates. The interest-earning assets of the Group affected by changes in market interest rates are mainly bank deposits, clearing settlement funds, refundable deposits, and bond investments.

The Group utilizes sensitivity analysis as the main tool for monitoring interest rate risk. Under the assumption that other variables remain unchanged, sensitivity analysis is adopted to measure the possible impact on total profits and shareholders' equity when changes in interest rates occur. The currency and maturity structure of the Group's major interest rate-sensitive assets and liabilities are basically matched. The Group's bond investments are mainly based on the buy-and-hold prudent strategy and spread arbitrage strategy, with controls on the leverage multiples, bond ratings, and basis point value, in order to prevent and reduce the interest rate risk.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 4. Market risk (continued)

#### (1) Interest rate risk (continued)

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):

Expressed in RMB'0000

Item	December 31st, 2025						Total
	Within 1 month	1-3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	
Cash and bank balances	1,928,875.36					8.44	1,928,883.80
Clearing settlement funds	340,168.47						340,168.47
Margin accounts receivable	39,709.00	308,253.03	745,781.53				1,093,743.56
Refundable deposits	3,662.29					109,548.58	113,210.87
Accounts receivable						12,678.35	12,678.35
Financial assets held under resale agreements	59,549.70	1,957.01	9,396.98				70,903.69
Financial assets held for trading	12,553.06	10,650.12	117,802.29	861,819.26	307,692.54	401,280.50	1,711,797.77
Debt investments	1,662.09	63.08	183.79	5,464.53			7,373.49
Other debt investments		5,141.86		146,654.09	162,795.87		314,591.82
Other assets						5,490.94	5,490.94
<b>Subtotal of financial assets</b>	<b>2,386,179.97</b>	<b>326,065.10</b>	<b>873,164.59</b>	<b>1,013,937.88</b>	<b>470,488.41</b>	<b>529,006.81</b>	<b>5,598,842.76</b>
Short-term financing instruments payable	70,278.13	109,959.33	99,571.26				279,808.72
Due to banks and other financial institutions	303,030.84						303,030.84
Financial liabilities held for trading	50,803.20		9,155.38	21,697.81	13,389.94		95,046.33
Financial assets sold under repurchase agreements	701,719.04						701,719.04
Accounts payable to brokerage clients	2,170,239.62						2,170,239.62
Bonds payable	1,902.08		7,117.67	703,108.05			712,127.80
Accounts payable						13,305.70	13,305.70
Other liabilities						27,948.85	27,948.85
<b>Subtotal of financial liabilities</b>	<b>3,297,972.91</b>	<b>109,959.33</b>	<b>115,844.31</b>	<b>724,805.86</b>	<b>13,389.94</b>	<b>41,254.55</b>	<b>4,303,226.90</b>
<b>Interest rate sensitivity gap</b>	<b>-911,792.94</b>	<b>216,105.77</b>	<b>757,320.28</b>	<b>289,132.02</b>	<b>457,098.47</b>	<b>487,752.26</b>	<b>1,295,615.86</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 4. Market risk (continued)

#### (1) Interest rate risk (continued)

(Continued)

Item	December 31st, 2024						Total
	Within 1 month	1-3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	
Cash and bank balances	1,440,091.07					7.33	1,440,098.40
Clearing settlement funds	453,132.53						453,132.53
Margin accounts receivable	28,379.06	176,083.30	727,231.97	981.85			932,676.18
Derivative financial assets						1,612.68	1,612.68
Refundable deposits	18,966.22					102,713.74	121,679.96
Accounts receivable						33,101.38	33,101.38
Financial assets held under resale agreements	115,981.55	8,465.61	20,053.01				144,500.17
Financial assets held for trading	14,903.00	8,518.88	519,359.04	335,168.41	345,025.25	539,950.16	1,762,924.74
Debt investments	4,984.67						4,984.67
Other debt investments				5,241.21	6,191.89		11,433.10
Other assets						5,904.19	5,904.19
<b>Subtotal of financial assets</b>	<b>2,076,438.10</b>	<b>193,067.79</b>	<b>1,266,644.02</b>	<b>341,391.47</b>	<b>351,217.14</b>	<b>683,289.48</b>	<b>4,912,048.00</b>
Short-term loans	0.83	700.00					700.83
Short-term financing instruments payable	19,655.19	290,741.90	79,251.87				389,648.96
Due to banks and other financial institutions	266,038.26		130,222.11				396,260.37
Financial liabilities held for trading	43,636.05		13,280.21		972.51		57,888.77
Financial assets sold under repurchase agreements	528,908.44						528,908.44
Accounts payable to brokerage clients	1,647,601.04						1,647,601.04
Derivative financial liabilities						199.66	199.66
Bonds payable	1,902.08	2,974.25	4,306.66	602,090.00			611,272.99
Accounts payable						20,533.90	20,533.90
Other liabilities						20,264.27	20,264.27
<b>Subtotal of financial liabilities</b>	<b>2,507,741.89</b>	<b>294,416.15</b>	<b>227,060.85</b>	<b>602,090.00</b>	<b>972.51</b>	<b>40,997.83</b>	<b>3,673,279.23</b>
<b>Interest rate sensitivity gap</b>	<b>-431,303.79</b>	<b>-101,348.36</b>	<b>1,039,583.17</b>	<b>-260,698.53</b>	<b>350,244.63</b>	<b>642,291.65</b>	<b>1,238,768.77</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 4. Market risk (continued)

#### (2) 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 currency 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 equity securities, investment funds, convertible bonds, derivatives, and collective asset management plans whose values will fluctuate as a result of changes in market prices.

The Group's price risk management policy requires setting and managing investment objectives. The Group manages 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 hedge against certain exposures arising from its investment portfolio.

The sensitivity analysis below shows the impact on profit before income tax and other comprehensive income before income tax due to changes in the prices of stocks, funds, convertible bonds, derivatives, and collective asset management plans by 10%, assuming all other variables remain unchanged. A positive result indicates an increase in profit before income tax and other comprehensive income before income tax, while a negative result indicates otherwise.

Item	Expressed in RMB'0000			
	December 31st, 2025		December 31st, 2024	
	Total profit	Other comprehensive income	Total profit	Other comprehensive income
Increase by 10%	9,236.58		9,083.01	
Decrease by 10%	-9,236.58		-9,083.01	

#### (3) Exchange rate risk

The fluctuation of the exchange rate will bring certain exchange risks to the Group. As of December 31st, 2025, the Group's foreign currency assets and foreign currency liabilities accounted for less than 5% of total assets and total liabilities, respectively. Due to the low proportion of foreign currency in the Group's asset liability and income structure, the Group believes that exchange rate risk has little impact on operation.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 5. Operational risk

Operational risk is the risk of loss resulting from inadequate or faulty internal processes, personnel, information technology systems, and external events.

The Group emphasizes the matching of business scale, profit, and risk management ability, and does not sacrifice the control of operational risk for the pursuit of profit. The Group emphasizes carrying out the business of various securities companies under the premise of sound control of operational risks. In the case of cost permitting, the Group will continue to strengthen the operational risk management system and implement the internal control system to achieve the controllability of operational risk under the established business income.

### 6. Compliance risk

Compliance risk refers to the risk that the Company will be investigated for legal responsibility, face regulatory measures, be given disciplinary actions, and suffer property loss or business reputation loss due to the violation of laws, regulations, and norms by the Company or its staff's business management or practice behavior.

The Company's management of compliance risk mainly includes: first, timely tracking of laws, regulations and standards, and continuous improvement of the compliance management system in conjunction with the actual situation of the Company; at the same time, supervising each division to formulate and revise its internal management system in a timely manner and improve its business processes; actively carrying out the development of a compliance culture, and improving the self-restraint mechanism; second, reviewing the compliance of the Company's systems, major decisions, new products, new business plans, and so on; third, providing suggestions and consultation on compliance for the management and each division, and supervising and checking the compliance of operational and management activities; fourth, strictly implementing the compliance assessment and accountability mechanism, and effectively playing the roles of assessment-oriented, accountability and warning; fifth, fulfilling the obligations of internal and external compliance reporting according to the regulations; sixth, according to the relevant anti-money laundering system of the Company, organizing and promoting the divisions to carry out the work of preventing and controlling the risk of money laundering; and seventh, enhancing the training and management of compliance personnel, and continuously building a compliance management team with strong compliance awareness and excellent professional abilities. Through various means such as compliance consulting, compliance review, compliance inspection and compliance monitoring, the Company identifies, assesses and manages compliance risks related to its operation and management in a timely manner, and integrates compliance management throughout all aspects of decision-making, implementation, supervision and feedback, and into the entire process of the Company's operation and management.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 7. Capital management

The Group's objectives of capital management are:

- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth;
- To maintain a solid capital base to support the business development;
- To comply with the capital requirements under the PRC regulations.

In 2020, the China Securities Regulatory Commission issued the *Administrative Measures for Risk Control Indicators of Securities Companies* (Revision 2020), which took effect on March 20th, 2020. According to the above administrative measures, the Group is required to meet the following standards for risk control indicators on a continual basis:

The risk coverage ratio shall be no less than 100%;

The capital leverage ratio shall be no less than 8%;

The liquidity coverage ratio shall be no less than 100%;

The net stable funding ratio shall be no less than 100%.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES

### 1. Amounts of assets and liabilities measured at fair value and the fair value measurement hierarchy

The following table presents information about the fair value of the Group's assets and liabilities measured at fair value at each balance sheet date at the end of the current reporting period and the hierarchy of their fair value measurement. The level at which fair value measurement is categorized is determined by the lowest level to which the inputs that are significant to the fair value measurement as a whole belong. The three levels of inputs are defined below:

Level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for related assets or liabilities;

Level 2 inputs include: 1) quotation of similar assets or liabilities in the active market; 2) Quotation of the same or similar assets or liabilities in the inactive market; 3) Other observable input values other than quotation, including observable interest rate and yield curve, implied volatility and credit spread during normal quotation interval; 4) Inputs for market validation, etc.

Level 3 inputs: inputs that are unobservable for related assets or liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES (CONTINUED)

### 1. Amounts of assets and liabilities measured at fair value and the fair value measurement hierarchy (continued)

The following table presents the book value of the Group's financial instruments measured at fair value at the balance sheet date by the three levels of the fair value hierarchy.

Item	Fair value as at December 31st, 2025			Total
	Level 1	Level 2	Level 3	
Financial assets held for trading	612,707,322.51	15,278,233,918.16	1,227,036,493.34	17,117,977,734.01
(1) Bond investment		12,948,208,836.13		12,948,208,836.13
(2) Equity investment	358,090,471.70		240,910,496.82	599,000,968.52
(3) Public offering of funds	254,616,850.81	1,967,045,876.57		2,221,662,727.38
(4) Others		362,979,205.46	986,125,996.52	1,349,105,201.98
Other debt investments		3,145,918,204.30		3,145,918,204.30
Investments in other equity instruments			1,400,000.00	1,400,000.00
Derivative financial assets				
<b>Total</b>	<b>612,707,322.51</b>	<b>18,424,152,122.46</b>	<b>1,228,436,493.34</b>	<b>20,265,295,938.31</b>
Financial liabilities held for trading		492,320,856.43	458,142,492.31	950,463,348.74
Derivative financial liabilities				
<b>Total</b>		<b>492,320,856.43</b>	<b>458,142,492.31</b>	<b>950,463,348.74</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES (CONTINUED)

### 1. Amounts of assets and liabilities measured at fair value and the fair value measurement hierarchy (continued)

(Continued)

Item	Fair value as at December 31st, 2024			Total
	Level 1	Level 2	Level 3	
Financial assets held for trading	603,763,221.79	15,659,567,905.76	1,365,916,242.87	17,629,247,370.42
(1) Bond investment	3,786,003.29	11,980,907,497.55	35,345,400.00	12,020,038,900.84
(2) Equity investment	419,212,081.68		321,577,692.54	740,789,774.22
(3) Public offering of funds	180,765,136.82	3,352,428,810.57		3,533,193,947.39
(4) Others		326,231,597.64	1,008,993,150.33	1,335,224,747.97
Other debt investments		114,330,970.55		114,330,970.55
Investments in other equity instruments			1,400,000.00	1,400,000.00
Derivative financial assets	883,600.00		15,243,160.68	16,126,760.68
<b>Total</b>	<b>604,646,821.79</b>	<b>15,773,898,876.31</b>	<b>1,382,559,403.55</b>	<b>17,761,105,101.65</b>
Financial liabilities held for trading		223,811,867.81	355,075,799.85	578,887,667.66
Derivative financial liabilities	1,996,580.00			1,996,580.00
<b>Total</b>	<b>1,996,580.00</b>	<b>223,811,867.81</b>	<b>355,075,799.85</b>	<b>580,884,247.66</b>

### 2. Basis for determining the market value of items measured at fair value on a continuous and non-continuous Level 1 basis

The fair value of financial instruments traded in an active market shall be determined according to the market quotation on the balance sheet date. If quotations are obtained from exchanges and dealers on a timely and regular basis, and such quotations reflect actual and regular market transactions based on fair negotiation, a market is deemed to be active. Fair value is determined by the closing price on the balance sheet date. Such instruments are included in Level 1. Instruments included in Level 1 mainly consist of stocks and publicly offered funds traded on the Stock Exchange.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES (CONTINUED)

### 3. For items measured at fair value in the continuing and discontinued Level 2 fair value hierarchy, qualitative and quantitative information on valuation techniques used and significant parameters

The fair value of financial instruments purchased in an inactive market is determined using valuation techniques. These valuation techniques make full use of available observable market data and do not rely on entity-specific estimates as much as possible. An instrument is included in Level 2 if all of the key inputs required to measure it at fair value are observable.

#### **Bond investment:**

Bond investment shall be quoted by the valuation system of bond registration and settlement institutions. For bonds traded in the inter-bank bond market, relevant quoting institutions shall use observable inputs reflecting market conditions.

#### **Public offering of funds:**

The fair value of the public offering of funds shall be determined according to the net asset value of the fund on the balance sheet date. The net asset value of the fund is usually determined based on the fair value and related expenses of the underlying investment (debt instruments in the portfolio or publicly traded equity instruments) or valued by a third party (such as a registrar and clearing institution) according to the discounted cash flow model.

#### **Others:**

Other financial assets invested by the Group are mainly collective asset management products, fund financial products, trust plans, and bank financial products. The fair value is determined by the net value of the product corresponding to its share or by using valuation techniques. The observable inputs required by the valuation technique include the market price and interest rate of the investment target. These are observable inputs.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES (CONTINUED)

### 3. For items measured at fair value in the continuing and discontinued Level 2 fair value hierarchy, qualitative and quantitative information on valuation techniques used and significant parameters (continued)

Others: (continued)

The following table presents the relevant valuation techniques and input parameters for the main Level 2 financial instruments:

Financial instruments	Fair value hierarchy	Valuation techniques and main input parameters	Important unobservable input parameters	Impact of unobservable inputs on fair value
Financial assets held for trading				
— Bonds	Level 2	Quotations from the valuation system of the bond registration and settlement institutions	Not applicable	Not applicable
— Public offering of funds	Level 2	Net asset value of the fund on the balance sheet date	Not applicable	Not applicable
— Collective asset management products, fund financial products, trust plans, and bank financial products	Level 2	Net product value corresponding to its share or determined using valuation techniques.	Not applicable	Not applicable
Other debt investments				
— Bonds	Level 2	Quotations from the valuation system of the bond registration and settlement institutions	Not applicable	Not applicable

### 4. For items measured at fair value in the continuing and discontinued Level 3 fair value hierarchy, qualitative and quantitative information on valuation techniques used and significant parameters

If one or more of the main input parameters are not based on observable market data, the instrument is included in Level 3. For unlisted equity investment, bond investment, trust products, and financial liabilities, the Group uses valuation techniques to determine their fair values, including the discounted cash flow method and market comparison method. Their fair value measurements use important unobservable parameters such as liquidity discounts, volatility and market multipliers. The fair values of unlisted equity investments, bond investments, other investments, and financial liabilities are not significantly sensitive to the reasonable changes of these unobservable inputs. Investments in other equity instruments are futures memberships that do not have an active market and are determined at cost.

In 2025, there were no changes to the valuation techniques used in the Group's continuing Level 3 fair value measurements as described above.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES (CONTINUED)

### 5. Changes in Level 3 financial instruments

Item	January 1st, 2025	Increase	Decrease	December 31st, 2025
Financial assets held for trading	1,365,916,242.87		138,879,749.53	<b>1,227,036,493.34</b>
Financial liabilities held for trading	355,075,799.85	103,066,692.46		<b>458,142,492.31</b>
Investments in other equity instruments	1,400,000.00			<b>1,400,000.00</b>
Derivative financial assets	15,243,160.68		15,243,160.68	

(Continued)

Item	January 1st, 2024	Increase	Decrease	December 31st, 2024
Financial assets held for trading	2,222,588,119.57		856,671,876.70	1,365,916,242.87
Financial liabilities held for trading	578,564,904.36		223,489,104.51	355,075,799.85
Investments in other equity instruments	1,400,000.00			1,400,000.00
Derivative financial assets	27,202,732.17		11,959,571.49	15,243,160.68
Derivative financial liabilities	15,850,099.39		15,850,099.39	

For Level 3 financial instruments, fair value is determined using valuation techniques (such as the discounted cash flow model and other similar techniques). The classification of fair value measurements in Level 3 is generally determined by the significance of unobservable input parameters to the measurement of the overall fair value. The following table presents the relevant valuation techniques and input parameters for the main Level 3 financial instruments:

Financial assets/ financial liabilities	Fair value hierarchy	Valuation techniques and main input parameters	Important unobservable input parameters	Relationship between unobservable input parameters and fair value
Financial assets held for trading				
— Private equity funds	Level 3	— Future cash flows estimated based on expected recoverable amounts are used to discount the cash flows at a rate that reflects management's best estimate of the expected risk level;	— Expected future cash flow; — Expected recovery date; — The discount rate corresponding to the expected risk level;	— The higher the future cash flow, the higher the fair value; — The earlier the maturity date, the higher the fair value; — The lower the discount rate, the higher the fair value;
— Trust plan	Level 3	— Future cash flows estimated based on expected recoverable amounts are used to discount the cash flows at a rate that reflects management's best estimate of the expected risk level;	— Expected future cash flow — Expected recovery date — The discount rate corresponding to the expected risk level	— The higher the future cash flow, the higher the fair value; — The earlier the maturity date, the higher the fair value; — The lower the discount rate, the higher the fair value;

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES (CONTINUED)

### 5. Changes in Level 3 financial instruments (continued)

Financial assets/ financial liabilities	Fair value hierarchy	Valuation techniques and main input parameters	Important unobservable input parameters	Relationship between unobservable input parameters and fair value
— Private placement convertible bonds	Level 3	<ul style="list-style-type: none"> <li>— Future cash flows estimated based on expected recoverable amounts are used to discount the cash flows at a rate that reflects management's best estimate of the expected risk level;</li> <li>— Option pricing model;</li> </ul>	<ul style="list-style-type: none"> <li>— Expected future cash flow</li> <li>— Expected recovery date</li> <li>— The discount rate corresponding to the expected risk level</li> <li>— Stock price volatility</li> </ul>	<ul style="list-style-type: none"> <li>— The higher the future cash flow, the higher the fair value;</li> <li>— The earlier the maturity date, the higher the fair value;</li> <li>— The lower the discount rate, the higher the fair value;</li> <li>— The greater the fluctuation of stock price, the higher the fair value;</li> </ul>
— Unlisted equity	Level 3	<ul style="list-style-type: none"> <li>— Adopt the comparable company method to select comparable companies in the same industry similar to the important financial indicators of the target company, and calculate the PE, PB and PS of comparable companies; Considering the liquidity discount, estimate the expected exit date of equity, calculate the volatility of comparable companies, and use the option model to calculate the liquidity discount of comparable companies;</li> </ul>	<ul style="list-style-type: none"> <li>— Expected recovery date</li> <li>— Stock price volatility</li> </ul>	<ul style="list-style-type: none"> <li>— The earlier the expected recovery date, the higher the fair value;</li> <li>— The greater the fluctuation of stock price, the higher the fair value;</li> </ul>
Financial liabilities held for trading	Level 3	<ul style="list-style-type: none"> <li>— Future cash flows estimated based on the amount payable are used to discount the cash flows at a rate that reflects management's best estimate of the expected risk level</li> </ul>	<ul style="list-style-type: none"> <li>— Expected future cash flow</li> <li>— Expected payment date</li> <li>— The discount rate corresponding to the expected risk level</li> </ul>	<ul style="list-style-type: none"> <li>— The higher the future cash flow, the higher the fair value;</li> <li>— The earlier the payment date, the higher the fair value;</li> <li>— The lower the discount rate, the higher the fair value;</li> </ul>
Derivative financial instruments	Level 3	<ul style="list-style-type: none"> <li>— The option pricing model is used for valuation, and the main input parameter is the volatility of the underlying instrument;</li> </ul>	<ul style="list-style-type: none"> <li>— Volatility of underlying instruments</li> </ul>	<ul style="list-style-type: none"> <li>— The higher the volatility of the underlying instrument, the higher the fair value;</li> </ul>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XI. FAIR VALUE DISCLOSURES (CONTINUED)

### 6. For continuing fair value measurements, if a transition between levels occurred during the year, the reason for the transition and the policy for determining the point of transition

The Group's continuing fair value measurements described above were not materially transitioned between levels during the year.

### 7. Changes in valuation techniques that occurred during the year and the reasons for the changes

There were no changes in the fair value valuation techniques for the Group's financial instruments during the year.

### 8. Fair value of financial assets and financial liabilities not measured at fair value

Financial assets and liabilities not measured at fair value mainly include: margin accounts receivable, financial assets held under resale agreements, accounts receivable, debt investments, short-term loans, accounts payable, short-term financing instruments payable, due to banks and other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients, bonds payable and long-term loans.

There is little difference between the book value and fair value of the above financial assets and liabilities not measured at fair value.

## XII. CONTINGENCIES

1. In connection with contract disputes between the Company and relevant parties, Central China Securities has recognized a provision of RMB29.3825 million in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 13 — Contingencies*, based on the information available and legal opinions, and applying the principle of prudence. For details, please refer to Note VI.33 Provisions.
2. In connection with contract disputes between its subsidiary and relevant parties, Central China Securities has recognized a provision of RMB17.0716 million in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 13 — Contingencies*, based on the information available and legal opinions, and applying the principle of prudence. For details, please refer to Note VI.33 Provisions.
3. The Shanghai International Economic and Trade Arbitration Commission served the Company with arbitration documents concerning a dispute over the settlement of financial derivatives contracts. As of the present date, the Company is actively communicating with the arbitral tribunal on relevant matters and has not participated in any hearing, based on the information currently available, the outcome of this matter is subject to uncertainty, this matter will not have a material impact on the Group's financial position or operating results at the current stage.

Apart from the matters mentioned above, the Group has no other material Contingencies.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XIII. COMMITMENTS

### 1. Capital commitments

The Group's capital commitments that have been contracted for but not confirmed in the financial statements are set out below:

Item	December 31st, 2025	December 31st, 2024
Contracted but not paid	403,776,352.21	447,185,554.52
<b>Total</b>	<b>403,776,352.21</b>	447,185,554.52

In addition to the above undertakings, as of December 31st, 2025, the Group has no other major commitments that should be disclosed.

## XIV. EVENTS AFTER THE BALANCE SHEET DATE

### 1. Profit distribution

The Company's profit distribution plan for 2025, as considered at the Forty-fourth Meeting of the Seventh Session of the Board of Directors, is to distribute a cash dividend of RMB0.22 (inclusive of tax) for every 10 shares. As of December 31st, 2025, the Company had a total share capital of 4,642,884,700 shares. Based on this calculation, the total proposed cash dividend is RMB102,143,463.40 (tax included). The Company does not convert capital reserve to increase share capital and does not issue bonus shares. This plan is still subject to the approval of the Company's general meeting of shareholders.

### 2. Public issuance of corporate bonds to professional investors

On February 4th, 2026, the Company completed the issuance of its 2026 public offering of corporate bonds to professional investors (first tranche). The bonds have a term of 3 years, an issuance size of RMB1 billion, and a coupon rate of 1.97%.

### 3. Other events after the balance sheet date

Except for the above events after the balance sheet date, as of the date of approval of the financial statement, the Group has no other significant events after the balance sheet date that need to be disclosed but have not been disclosed.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XV. SEGMENT INFORMATION

The Group's operating segments are determined on the basis of internal organizational structure, management requirements, and internal reporting system, and the Group's operating segments are those components that meet the following conditions at the same time:

- (1) The component is capable of generating revenue and incurring expenses in its ordinary activities;
- (2) The Company's management is able to periodically evaluate the component's results of operations in order to decide on the allocation of resources to it and to evaluate its performance;
- (3) The Group has access to relevant accounting information on the financial position, results of operations, and cash flows of the component.

According to the different business types, the Group's reporting segments are mainly divided into: wealth management business segment, proprietary business segment, investment banking business segment, credit business segment, investment management business segment, futures business segment, overseas business segment, headquarters, and other business segment.

### 1. Reporting segments (by business)

Expressed in RMB'0000

Item	FY 2025									Total
	Wealth management business	Proprietary business	Investment banking business	Credit business	Investment management business	Futures business	Overseas business	Headquarters and others	Offset	
<b>1. Operating income</b>	105,579.00	16,012.04	1,979.82	46,246.74	17,061.57	8,100.36	184.76	1,632.38	-502.56	196,294.10
Net fee and commission income	83,831.33		1,973.92		2,973.59	6,215.69	689.99	2,180.31	-160.04	97,704.80
Investment income		51,138.15			16,354.82	636.19	313.33	-711.61	85.59	67,816.47
Gains on changes in fair value		-12,084.83			-2,562.28	-35.07	-1,707.34	4,114.44	-72.00	-12,347.07
Exchange gains	-5.25						34.16	-23.87		5.03
Other income	686.55	426.43	12.01	0.76	20.28	328.63	51.89	530.73	-128.57	1,928.70
Net interest income	21,066.37	-23,467.72	-6.10	46,245.99	275.16	954.92	802.73	-4,457.62	-227.55	41,186.18
<b>2. Operating cost</b>	60,839.90	7,740.26	6,909.51	3,496.19	14,052.38	6,946.65	2,632.61	30,097.66	-217.56	132,497.60
<b>3. Operating profit</b>	44,739.10	8,271.78	-4,929.69	42,750.55	3,009.19	1,153.70	-2,447.85	-28,465.28	-285.00	63,796.50
<b>4. Total assets</b>	3,823,669.24	1,895,244.77	1,260.43	1,265,280.93	300,310.53	299,256.74	66,026.94	2,167,503.97	-3,975,821.94	5,842,731.61
<b>5. Total liabilities</b>	3,802,382.96	1,901,864.03	1,260.43	1,277,277.77	38,144.18	252,783.38	29,283.63	1,012,875.62	-3,931,936.59	4,383,935.40
<b>6. Supplementary information</b>										
(1) Depreciation and amortization	7,625.58	1,179.75	230.73	151.56	438.09	626.43	207.41	6,548.44	-122.04	16,885.96
(2) Capital expenditure	4,979.91	154.54	266.38	96.62	309.65	141.21	1.41	11,663.76		17,613.49

Note: The data in the table needs to be rounded when calculating, and there may be rounding differences. Other similar disclosures in this report are the same.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVI. OTHER IMPORTANT MATTERS

### 1. Margin trading and short selling business

As of December 31st, 2025 and December 31st, 2024, the scale of the Group's margin trading and short selling business is as follows:

Item	December 31st, 2025	December 31st, 2024
Margin accounts receivable	11,019,598,591.21	9,411,110,025.37
Securities lending	18,597,732.01	12,201,501.73
Total	11,038,196,323.22	9,423,311,527.10

### 2. Securities lending

The specific types and fair values of bonds borrowed by the Company on the trading platforms of the interbank and exchange bond markets are as follows:

Item	Fair value as at December 31st, 2025	Fair value as at December 31st, 2024
National bonds	371,754,760.00	1,014,038,040.00
Policy-based financial bonds	657,057,110.00	947,503,330.00
Total	1,028,811,870.00	1,961,541,370.00

As at December 31st, 2025, the bond fair value of the financial liabilities held for trading arising from the pledge or sale on the pledged repurchase business of bonds acquired by the Group by way of borrowing through the inter-bank and exchange markets was RMB1,028.8119 million.

### 3. Security of customer funds

As of December 31st, 2025, the Company has deposited customer transaction settlement funds in commercial banks with depository qualifications, which is in compliance with the requirements for the security of customer transaction settlement funds as set out in the *Customer Transaction Settlement Fund Management Measures* (China Securities Regulatory Commission Order No. 3), the third-party depository of customer transaction settlement funds, and other relevant regulations, to safeguard the safety of customer funds, and the misappropriation of customer funds does not exist.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## XVI. OTHER IMPORTANT MATTERS (CONTINUED)

### 4. Assets and liabilities measured at fair value

Item	December 31st, 2024	Gains and losses from changes in fair value for the current year	Cumulative changes in fair value included in equity	Impairment accrued in the current year	December 31st, 2025
1. Financial assets held for trading (excluding derivative financial assets)	17,629,247,370.42	-116,842,809.89			17,117,977,734.01
2. Derivative financial instruments	14,130,180.68	-5,284,180.31			
3. Other debt investments	114,330,970.55		-16,919,915.22	2,007,641.03	3,145,918,204.30
4. Investments in other equity instruments	1,400,000.00				1,400,000.00
5. Financial liabilities held for trading	578,887,667.66	-1,343,758.08			950,463,348.74

Note: There are no necessary articulation relationships in this table.

### 5. Basic classification table for the measurement of financial assets

Financial assets items	Book value as of December 31st, 2025					
	Financial assets measured at amortized cost	Measured at fair value through profit or loss				
		Financial assets classified as at fair value through other comprehensive income	Investments in non-trading equity instruments designated at fair value through other comprehensive income	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss in accordance with the Financial Instruments Recognition and Measurement standards	Financial assets designated as at fair value through profit or loss in accordance with the Hedge Accounting standards
Cash and bank balances	19,288,837,976.68					
Clearing settlement funds	3,401,684,665.84					
Margin accounts receivable	10,937,435,576.51					
Derivative financial assets						
Refundable deposits	1,132,108,669.16					
Accounts receivable	126,783,514.23					
Financial assets held under resale agreements	709,036,883.79					
Financial assets held for trading			17,117,977,734.01			
Debt investments	73,734,853.74					
Other debt investments		3,145,918,204.30				
Investments in other equity instruments			1,400,000.00			
Other assets	54,909,379.80					
<b>Total</b>	<b>35,724,531,519.75</b>	<b>3,145,918,204.30</b>	<b>1,400,000.00</b>	<b>17,117,977,734.01</b>		

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVI. OTHER IMPORTANT MATTERS (CONTINUED)

### 5. Basic classification table for the measurement of financial assets (continued)

(Continued)

Financial assets items	Book value as of December 31st, 2024				
	Financial assets measured at amortized cost	Financial assets classified as at fair value through other comprehensive income	Investments in non-trading equity instruments designated at fair value through other comprehensive income	Measured at fair value through profit or loss	
				Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss in accordance with the Financial Instruments Recognition and Measurement standards
Cash and bank balances	14,400,984,039.97				
Clearing settlement funds	4,531,325,343.18				
Margin accounts receivable	9,326,761,787.66				
Derivative financial assets				16,126,760.68	
Refundable deposits	1,216,799,648.55				
Accounts receivable	331,013,831.49				
Financial assets held under resale agreements	1,445,001,679.44				
Financial assets held for trading				17,629,247,370.42	
Debt investments	49,846,701.66				
Other debt investments		114,330,970.55			
Investments in other equity instruments			1,400,000.00		
Other assets	59,041,914.05				
<b>Total</b>	<b>31,360,774,946.00</b>	<b>114,330,970.55</b>	<b>1,400,000.00</b>	<b>17,645,374,131.10</b>	

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVI. OTHER IMPORTANT MATTERS (CONTINUED)

### 6. Basic classification table for the measurement of financial liabilities

Financial liabilities items	Book value as of December 31st, 2025			
	Financial liabilities measured at amortized cost	Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss in accordance with the Financial Instruments Recognition and Measurement standards	Financial liabilities designated as at fair value through profit or loss in accordance with the Hedge Accounting standards
Short-term loans				
Derivative financial liabilities				
Short-term financing instruments payable	2,798,087,200.02			
Due to banks and other financial institutions	3,030,308,361.12			
Financial liabilities held for trading		950,463,348.74		
Financial assets sold under repurchase agreements	7,017,190,370.59			
Accounts payable to brokerage clients	21,702,396,171.66			
Accounts payable	133,056,959.21			
Bonds payable	7,121,278,049.37			
Other liabilities	279,488,541.78			
<b>Total</b>	<b>42,081,805,653.75</b>	<b>950,463,348.74</b>		

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVI. OTHER IMPORTANT MATTERS (CONTINUED)

### 6. Basic classification table for the measurement of financial liabilities (continued)

(Continued)

Financial liabilities items	Book value as of December 31st, 2024			
	Financial liabilities measured at amortized cost	Measured at fair value through profit or loss		
		Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss in accordance with the Financial Instruments Recognition and Measurement standards	Financial liabilities designated as at fair value through profit or loss in accordance with the Hedge Accounting standards
Short-term loans	7,008,341.66			
Derivative financial liabilities		1,996,580.00		
Short-term financing instruments payable	3,896,489,565.69			
Due to banks and other financial institutions	3,962,603,712.35			
Financial liabilities held for trading		578,887,667.66		
Financial assets sold under repurchase agreements	5,289,084,372.35			
Accounts payable to brokerage clients	16,476,010,375.54			
Accounts payable	205,338,964.19			
Bonds payable	6,112,729,880.19			
Other liabilities	202,642,667.15			
<b>Total</b>	<b>36,151,907,879.12</b>	<b>580,884,247.66</b>		

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

### 1. Accounts receivable

#### (1) By details

Item	December 31st, 2025	December 31st, 2024
Stock-pledged repurchase receivable		626,241,864.08
Fees and commission receivable	<b>19,345,574.43</b>	31,506,361.78
Receivables from clients' financing	<b>3,734,356.00</b>	5,609,195.54
Receivables from over-the-counter transactions		31,441,313.58
Others	<b>177,131.10</b>	290,018.71
Less: Provision for bad debts (According to the simplified model)	<b>19,232,228.58</b>	655,857,734.95
Book value of accounts receivable	<b>4,024,832.95</b>	39,231,018.74

#### (2) By portfolio methods

Item	December 31st, 2025			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Provision Proportion (%)
Separate provision for bad debts	<b>18,608,022.80</b>	<b>80.01</b>	<b>18,608,022.80</b>	<b>100.00</b>
<b>Subtotal</b>	<b>18,608,022.80</b>	<b>80.01</b>	<b>18,608,022.80</b>	<b>100.00</b>
Combination provision for bad debts				
Including: Within 1 year	<b>1,734,693.09</b>	<b>7.46</b>	<b>8,673.47</b>	<b>0.50</b>
1-2 years	<b>394,224.84</b>	<b>1.70</b>	<b>19,711.24</b>	<b>5.00</b>
2-3 years	<b>619,366.89</b>	<b>2.66</b>	<b>61,936.69</b>	<b>10.00</b>
3-4 years	<b>969,555.30</b>	<b>4.17</b>	<b>193,911.06</b>	<b>20.00</b>
4-5 years	<b>628,129.93</b>	<b>2.70</b>	<b>188,438.98</b>	<b>30.00</b>
More than 5 years	<b>303,068.68</b>	<b>1.30</b>	<b>151,534.34</b>	<b>50.00</b>
<b>Subtotal</b>	<b>4,649,038.73</b>	<b>19.99</b>	<b>624,205.78</b>	
<b>Total</b>	<b>23,257,061.53</b>	<b>100.00</b>	<b>19,232,228.58</b>	

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 1. Accounts receivable (continued)

#### (2) By portfolio methods (continued)

(Continued)

Item	December 31st, 2024			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Provision Proportion (%)
Separate provision for bad debts	654,858,979.31	94.21	654,858,979.31	100.00
<b>Subtotal</b>	<b>654,858,979.31</b>	<b>94.21</b>	<b>654,858,979.31</b>	<b>100.00</b>
Combination provision for bad debts				
Including: Within 1 year	35,808,394.64	5.15	179,041.97	0.50
1-2 years	619,366.89	0.09	30,968.34	5.00
2-3 years	2,269,555.30	0.33	226,955.53	10.00
3-4 years	628,129.93	0.09	125,625.99	20.00
4-5 years	80,000.00	0.01	24,000.00	30.00
More than 5 years	824,327.62	0.12	412,163.81	50.00
<b>Subtotal</b>	<b>40,229,774.38</b>	<b>5.79</b>	<b>998,755.64</b>	
<b>Total</b>	<b>695,088,753.69</b>	<b>100.00</b>	<b>655,857,734.95</b>	

- (3) Among the balance of accounts receivable at the end of the period, the amount receivable from shareholder units holding more than 5% (including 5%) of the voting shares of the Company was RMB2,477,170.97, which was the accrued receivable of asset management fee.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 1. Accounts receivable (continued)

#### (4) Accounts receivable of the top five closing balances, grouped by party in arrears

Name of entity	Balance as of December 31st, 2025	As a percentage of the balance of accounts receivable (%)	Balance of bad debt provision	Nature or content of payment	Aging
Entity 1	10,052,807.86	43.22	10,052,807.86	Receivables from asset management fees	4–5 years, more than 5 years
Entity 2	2,477,170.97	10.65	403,319.94	Receivables from asset management fees	Within 1 year, 1–2 years, 2–3 years, 3–4 years, 4–5 years
Entity 3	2,203,020.43	9.47	2,203,020.43	Receivables from clients' financing and securities lending	More than 5 years
Entity 4	2,000,000.00	8.60	2,000,000.00	Financial advisory fees receivable	More than 5 years
Entity 5	1,200,000.00	5.16	1,200,000.00	Receivables from underwriting and sponsorship fees	3–4 years
<b>Total</b>	<b>17,932,999.26</b>	<b>77.11</b>	<b>15,859,148.23</b>		

### 2. Other assets

#### (1) Details

Item	December 31st, 2025	December 31st, 2024
Other receivables	40,443,936.67	42,615,366.69
Deferred expenses	13,143,496.41	12,377,336.40
Long-term deferred expenses	26,509,247.48	33,830,328.52
Assets held for debt settlement	4,896,704.75	
Prepayment of enterprise income tax		39,238,242.60
Others	1,956,859.47	508,347.71
<b>Total</b>	<b>86,950,244.78</b>	<b>128,569,621.92</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 2. Other assets (continued)

#### (2) Other receivables

##### 1) By details

Item	December 31st, 2025	December 31st, 2024
Prepayments	<b>34,378,743.14</b>	35,548,083.61
Cash pledge	<b>8,940,490.00</b>	9,974,697.39
Others	<b>14,222,119.99</b>	16,324,399.01
Less: Provision for bad debts	<b>17,097,416.46</b>	19,231,813.32
<b>Book value of other receivables</b>	<b>40,443,936.67</b>	42,615,366.69

##### 2) By portfolio methods

Item	December 31st 2025			December 31st 2024		
	Book balance	Provision for bad debts	Provision Proportion (%)	Book balance	Provision for bad debts	Provision Proportion (%)
Separate provision for bad debts	11,736,611.37	11,736,611.37	100.00	13,099,965.05	13,099,965.05	100.00
<b>Subtotal</b>	<b>11,736,611.37</b>	<b>11,736,611.37</b>	<b>100.00</b>	13,099,965.05	13,099,965.05	100.00
Combination provision for bad debts						
Including: Within 1 year	26,032,490.94	130,162.45	0.50	23,267,209.69	116,336.05	0.50
1-2 years	3,617,235.75	180,861.79	5.00	9,816,790.44	490,839.52	5.00
2-3 years	4,798,741.70	479,874.17	10.00	3,634,615.93	363,461.59	10.00
3-4 years	3,357,679.07	671,535.81	20.00	2,331,411.67	466,282.33	20.00
4-5 years	504,631.45	151,389.44	30.00	768,324.17	230,497.25	30.00
More than 5 years	7,493,962.85	3,746,981.43	50.00	8,928,863.06	4,464,431.53	50.00
<b>Subtotal</b>	<b>45,804,741.76</b>	<b>5,360,805.09</b>		48,747,214.96	6,131,848.27	
<b>Total</b>	<b>57,541,353.13</b>	<b>17,097,416.46</b>		61,847,180.01	19,231,813.32	

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 2. Other assets (continued)

#### (2) Other receivables (continued)

#### 3) Other receivables with bad debt in accordance with the general model of expected credit losses

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses in lifetime (No credit impairment)	Expected credit losses in lifetime (Credit impairment)	
<b>Balance as of January 1st, 2025</b>	6,131,848.27		13,099,965.05	19,231,813.32
Current year balance as of January 1st, 2025	—	—	—	—
— transfer to stage 2				
— transfer to stage 3				
— transfer back to stage 2				
— transfer back to stage 1				
Accrual				
Transfer back	771,043.18			771,043.18
Write off			1,363,353.68	1,363,353.68
Translation differences of foreign currency financial statements				
<b>Balance as of December 31st, 2025</b>	5,360,805.09		11,736,611.37	17,097,416.46

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 2. Other assets (continued)

#### (2) Other receivables (continued)

#### 4) Other receivables of the top five closing balances, grouped by party in arrears

Name of entity	Closing balance	As a percentage of the total closing balance of other receivables (%)	Closing balance of bad debt provision	Nature of the payment	Aging
Hundsun Technologies Inc.	14,484,699.13	25.17	1,075,477.85	Prepayments for asset acquisition	Within 1 year, 1–2 years, 2–3 years, 3–4 years, 4–5 years, more than 5 years
Hainan Jinhai City Credit Cooperative	5,748,880.00	9.99	5,748,880.00	Take over the creditor's rights of the former Henan Finance Securities Company	More than 5 years
Shanghai Lujiazui Finance & Trade Zone United Development Co., Ltd.	3,615,488.52	6.28	1,704,365.09	Rental deposit	3–4 years, more than 5 years
Henan Hezheng Industrial Co., Ltd.	2,183,774.78	3.80	2,183,774.78	Creditor's rights arising from the acquisition of the assets of former Henan Finance Securities Company	More than 5 years
Zhejiang Tonghuashun Intelligent Technology Co., Ltd.	2,068,325.00	3.59	10,341.63	Prepayments for asset acquisition	Within 1 year
<b>Total</b>	<b>28,101,167.43</b>	<b>48.84</b>	<b>10,722,839.35</b>		

#### (3) Long-term deferred expenses

Item	December 31st, 2024	Increase	Amortized	Other increases/ decreases	December 31st, 2025
Decoration expenses, etc.	33,830,328.52	8,324,485.02	15,645,566.06		<b>26,509,247.48</b>
<b>Total</b>	<b>33,830,328.52</b>	<b>8,324,485.02</b>	<b>15,645,566.06</b>		<b>26,509,247.48</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025 (Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 3. Long-term equity investments

Item	December 31st, 2025			December 31st, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	4,589,655,803.95	952,422,749.57	3,637,233,054.38	4,789,655,803.95	363,448,720.01	4,426,207,083.94
<b>Total</b>	<b>4,589,655,803.95</b>	<b>952,422,749.57</b>	<b>3,637,233,054.38</b>	<b>4,789,655,803.95</b>	<b>363,448,720.01</b>	<b>4,426,207,083.94</b>

#### (1) Investment in subsidiaries

Investee	December 31st, 2024	Increase	Decrease	December 31st, 2025	Provision for impairment for the year	Balance of provision for impairment as of December 31st, 2025
Central China Futures Co., Ltd.	413,613,442.08			413,613,442.08		
Zhongding Kaiyuan Venture Capital Management Co., Ltd.	300,530,961.87			300,530,961.87		
Central China International Financial Holdings Co., Ltd.	1,522,636,400.00			1,522,636,400.00	588,974,029.56	952,422,749.57
Central China Blue Ocean Investment Management Co., Ltd.	2,426,000,000.00		200,000,000.00	2,226,000,000.00		
Central China Equity Exchange Co., Ltd.	126,875,000.00			126,875,000.00		
<b>Total</b>	<b>4,789,655,803.95</b>		<b>200,000,000.00</b>	<b>4,589,655,803.95</b>	<b>588,974,029.56</b>	<b>952,422,749.57</b>

Note: The parent company made no investments in associates and joint ventures.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 4. Net interest income

Item	FY 2025	FY 2024
<b>Interest income</b>	<b>830,943,813.01</b>	751,406,283.52
Including: Interest income from deposits with financial institutions	<b>245,750,417.26</b>	234,588,662.66
Interest income from margin trading and short selling business	<b>555,698,933.40</b>	470,871,852.04
Interest income from financial assets held under resale agreements	<b>19,360,955.07</b>	37,205,580.97
Including: Interest income from agreed repurchase		49,422.74
Interest income from stock pledge repurchase	<b>8,810,094.95</b>	26,989,668.37
Interest income from other debt investments	<b>10,133,507.28</b>	7,525,559.12
Others		1,214,628.73
<b>Interest expenses</b>	<b>437,169,865.44</b>	547,222,051.28
Including: Interest expenses of income securities issued certificates	<b>37,241,789.90</b>	24,565,124.89
Interest expenses of due to banks and other financial institutions	<b>34,086,334.13</b>	25,452,509.58
Including: Interest expenses of refinancing	<b>12,359,083.34</b>	10,895,681.58
Interest expenses of financial assets sold under repurchase agreements	<b>133,353,564.68</b>	203,511,167.12
Interest expenses of accounts payable to brokerage clients	<b>11,687,583.93</b>	19,914,956.42
Interest expenses of bonds payable	<b>203,486,825.07</b>	254,741,928.86
Including: Interest expenses of subordinated bonds	<b>57,852,310.94</b>	91,959,575.01
Interest expenses of bond lending	<b>8,072,812.29</b>	9,662,138.78
Others	<b>9,240,955.44</b>	9,374,225.63
<b>Net interest income</b>	<b>393,773,947.57</b>	204,184,232.24

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 5. Net fee and commission income

#### (1) Details

Item	FY 2025	FY 2024
Net income of securities brokerage business	<b>758,625,473.96</b>	568,344,887.37
Including: Securities brokerage business income	<b>996,522,804.60</b>	727,859,908.45
Including: Funds received as an agent of the stock exchange	<b>980,150,329.25</b>	713,169,565.24
Leasing of trading units and seats	<b>114,443.52</b>	176,614.69
Sales agent of financial products	<b>15,410,980.98</b>	13,313,424.41
Including: Securities brokerage business expenses	<b>237,897,330.64</b>	159,515,021.08
Including: Funds received as an agent of the stock exchange	<b>237,836,602.71</b>	159,469,760.26
Sales agent of financial products		
Net income of investment banking business	<b>20,272,664.61</b>	49,607,745.29
Including: Investment banking business income	<b>21,300,396.70</b>	52,823,012.21
Including: Securities underwriting business	<b>4,670,349.53</b>	29,364,228.36
Securities sponsorship business	<b>2,086,792.45</b>	600,000.00
Financial advisory business	<b>14,543,254.72</b>	22,858,783.85
Including: Investment banking business expenses	<b>1,027,732.09</b>	3,215,266.92
Including: Securities underwriting business		2,032,924.53
Securities sponsorship business	<b>158,490.57</b>	
Financial advisory business	<b>869,241.52</b>	1,182,342.39
Net income of asset management business	<b>24,835,263.32</b>	24,328,823.74
Including: Asset management business income	<b>24,835,263.32</b>	24,328,823.74
Asset management business expenses		
Net income of investment consulting business	<b>79,268,800.25</b>	57,325,617.49
Including: Investment consulting business income	<b>79,268,800.25</b>	57,325,617.49
Investment consulting business expenses		
Net income of other fees	<b>24,270,858.39</b>	19,437,613.59
Including: Income of other fees	<b>24,274,154.44</b>	19,437,613.59
Other fee expenses	<b>3,296.05</b>	
<b>Total net fee and commission income</b>	<b>907,273,060.53</b>	719,044,687.48
<b>Including: Total fee and commission income</b>	<b>1,146,201,419.31</b>	881,774,975.48
<b>    Total fee and commission expenses</b>	<b>238,928,358.78</b>	162,730,288.00

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 6. Investment income

#### (1) By categories

Item	FY 2025	FY 2024
Income from long-term equity investments calculated by cost method	<b>138,578,379.60</b>	
Investment income from financial instruments	<b>472,858,381.36</b>	211,291,489.07
Including: Income generated during the holding period	<b>322,535,366.75</b>	462,258,386.72
Including: Financial assets held for trading	<b>340,830,642.04</b>	497,053,737.53
Financial liabilities held for trading	<b>-18,295,275.29</b>	-34,795,350.81
Income from disposal of financial instruments	<b>150,323,014.61</b>	-250,966,897.65
Including: Financial assets held for trading	<b>62,669,609.67</b>	720,551,515.44
Other debt investments	<b>7,103,967.22</b>	2,245,236.31
Derivative financial instruments	<b>11,575,616.01</b>	-903,120,951.04
Financial liabilities held for trading	<b>68,973,821.71</b>	-70,642,698.36
<b>Total</b>	<b>611,436,760.96</b>	211,291,489.07

#### (2) Statement of investment income from financial instruments held for trading

Financial instruments held for trading		FY 2025
Financial assets classified as at fair value through profit or loss	Income during the holding period	<b>340,830,642.04</b>
	Income from disposal	<b>62,669,609.67</b>
Financial liabilities classified as at fair value through profit or loss	Income during the holding period	<b>-18,295,275.29</b>
	Income from disposal	<b>68,973,821.71</b>

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 7. Business and administrative expenses

Item	FY 2025	FY 2024
Employee expenses	<b>724,101,894.41</b>	618,167,371.35
Amortization of intangible assets	<b>71,820,714.82</b>	69,422,520.45
Electronic equipment operating fees	<b>49,469,774.63</b>	49,340,932.33
Depreciation of right-of-use assets	<b>36,107,160.74</b>	48,966,196.80
Depreciation of fixed assets	<b>33,959,451.25</b>	31,270,574.80
Member fees	<b>19,671,517.44</b>	14,712,058.70
Securities Investor Protection Fund	<b>17,908,843.60</b>	10,967,421.06
Amortization of long-term deferred expenses	<b>15,645,566.06</b>	18,593,417.58
Advertising fees	<b>14,480,239.45</b>	19,023,225.37
Information fees	<b>12,911,461.36</b>	8,010,604.49
Communication fees	<b>12,414,184.91</b>	13,289,586.16
Water and electricity charges	<b>8,479,482.41</b>	8,586,099.62
Others	<b>55,077,045.96</b>	62,901,181.25
<b>Total</b>	<b>1,072,047,337.04</b>	973,251,189.96

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## XVII. NOTES TO MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 8. Supplementary information of cash flow statement of parent company

Item	FY 2025	FY 2024
<b>1. Reconciliation of net profit to cash flow from operating activities:</b>		
Net profit	40,402,577.46	72,680,862.03
Add: Provision for impairment of assets	594,914,794.96	140,920,226.94
Accumulated depreciation of investment properties and fixed assets	34,812,446.41	32,192,590.80
Right-of-use assets depreciation	36,107,160.74	48,966,196.80
Amortization of intangible assets	71,820,714.82	69,422,520.45
Amortization of long-term deferred expenses	15,645,566.06	18,593,417.58
Losses on disposal of fixed assets, intangible assets and other long-term assets (or revenue: "-")	-2,039,381.67	821,225.79
Gains and losses on changes in fair value (or revenue: "-")	81,916,991.29	-22,110,503.58
Interest expenses	240,728,614.97	279,307,053.75
Exchange losses (or revenue: "-")	291,273.30	27,001.79
Investment losses (or revenue: "-")	-155,815,854.10	-9,770,795.43
Decrease in deferred tax assets (or increase: "-")	15,620,820.12	-15,849,776.74
Increase in deferred tax liabilities (or decrease: "-")	-1,392,044.77	
Decrease of operating receivables (or increase: "-")	6,142,302,885.45	3,993,025,622.30
Increase of operating payable (or decrease "-")	29,036,879.34	-941,277,125.90
Net cash flow from operating activities	7,144,353,444.38	3,666,948,516.58
<b>2. Significant investing and financing business not related to cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under finance lease		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	20,561,127,405.16	16,097,515,104.49
Less: Opening balance of cash	16,097,515,104.49	11,203,798,588.51
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	4,463,612,300.67	4,893,716,515.98

## XVIII. FINANCIAL REPORT APPROVAL

This financial report was approved for reporting on March 27th, 2026, by the Company's Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS

January 1st, 2025 — December 31st, 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

## SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

### 1. Statement of non-recurring profit or loss for the year

In accordance with the China Securities Regulatory Commission's *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Gains and Losses (Revised in 2023)*, the Company's non-recurring gains and losses for the reporting period are as follows:

Item	FY 2025	FY 2024
Gains and losses on disposal of non-current assets	<b>1,927,228.88</b>	2,306,066.86
Government grants included in current profit or loss	<b>10,925,544.50</b>	13,270,434.35
Profit or loss arising from contingencies unrelated to the Company's ordinary business	<b>-46,454,062.70</b>	
Other non-operating income and expenses other than the above items	<b>5,219,314.61</b>	31,989,439.22
<b>Subtotal</b>	<b>-28,381,974.71</b>	47,565,940.43
Less: Income tax impact	<b>-7,094,349.26</b>	11,633,184.25
Influence amount of minority shareholders' equity (after tax)	<b>-2,288,389.32</b>	3,589.04
<b>Non-recurring net profit or loss attributable to shareholders of the parent company</b>	<b>-18,999,236.13</b>	35,929,167.14

### 2. Return on net assets and earnings per share

In accordance with the China Securities Regulatory Commission's *Compiling Rule No. 9 on Information Disclosure for Companies Offering Their Securities to the Public — Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 Revision)*, the Company's weighted-average return on net assets and earnings per share for the year 2025 are set out below:

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the parent company	3.20%	0.0982	0.0982
Net profit attributable to shareholders of the parent company after deducting non-recurring profits or losses	3.34%	0.1023	0.1023

Central China Securities Co., Ltd.  
March 27th, 2026