



HOLLY FUTURES

(a joint stock company incorporated in the People's Republic of China (the "PRC") with limited liability under the Chinese corporate name 蘇豪弘業期貨股份有限公司 (formerly known as 弘業期貨股份有限公司) and carrying on business in Hong Kong as Holly Futures)

Stock Code: 03678.HK ; 001236.SZ

A large, circular graphic with a red center and a gold border. The border features a repeating geometric pattern. The center contains the text '2025 Annual Report' in a bold, sans-serif font. The background of the entire page is a vibrant red with flowing, wavy gold lines and scattered gold dots, creating a sense of movement and luxury.

2025 Annual Report

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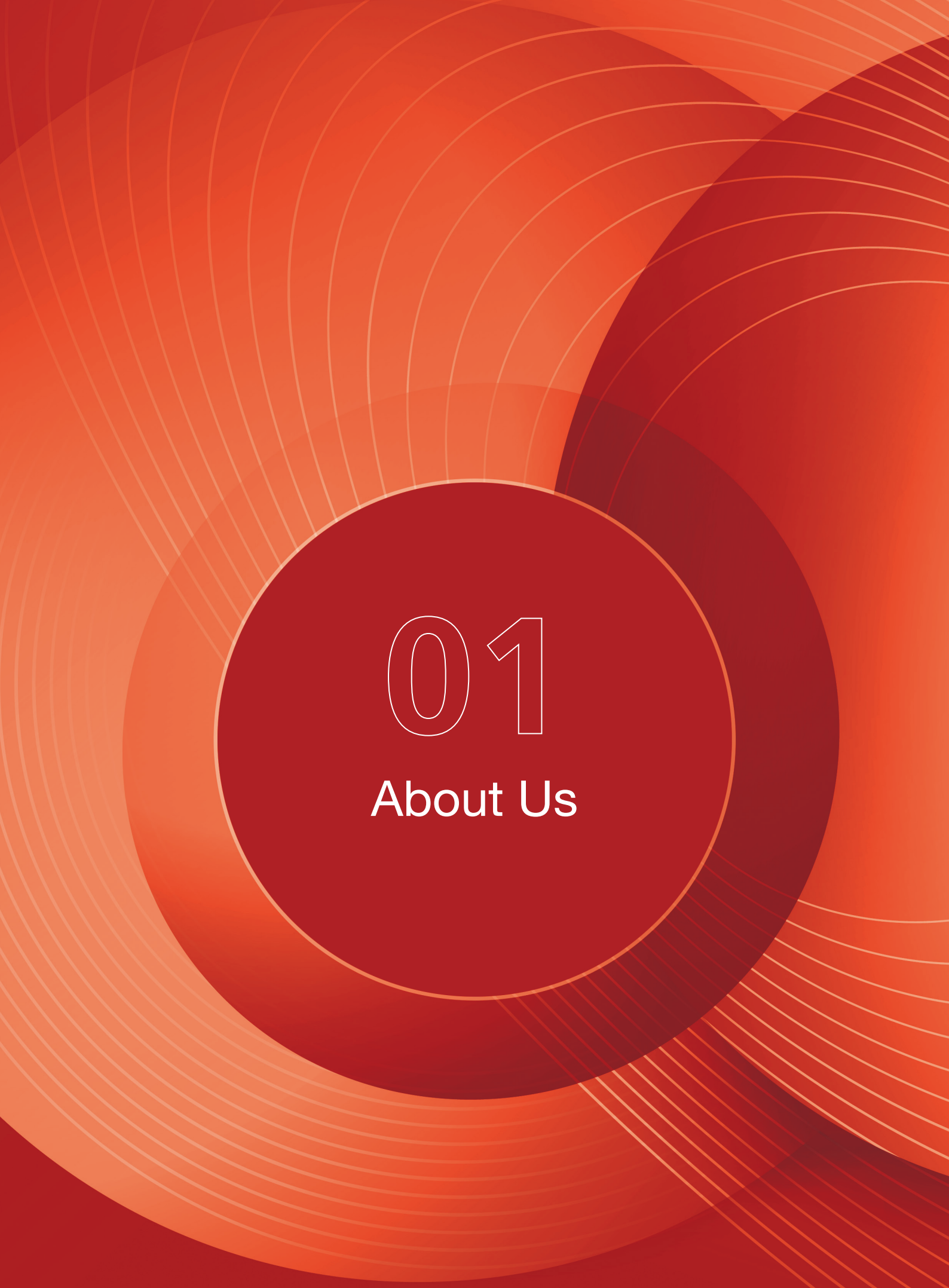
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This report has been prepared in both Chinese and English. In the event of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.



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About Us

Important

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

This report was considered and approved at the twelfth meeting of the fifth session of the Board. All Directors were present at the respective meetings. No Directors, and the senior management declared that they could not guarantee nor had any objection to the truthfulness, accuracy and completeness of this report.

The annual financial report for the year ended 31 December 2025 prepared by the Company in accordance with PRC Accounting Standard for Business Enterprises was audited by ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)), and an auditor's report without reservation opinions was issued by them. All amounts set out in this report are expressed in Renminbi (RMB) unless otherwise indicated.

The Company's Chairman Mr. Chu Kairong and supervisor of finance Mr. Jia Fuhua declare that they warrant the truthfulness, accuracy and completeness of the financial report contained in this annual report.

Forward-looking statements including future plan and development strategy involved in this report do not constitute the Company's substantive commitment to investors. Investors should be aware of the investment risks.

Chairman's Statement

As spring surges to start a new journey, everything takes on a new look for the future. At this wonderful moment of bidding farewell to the old year and ring in the new, on behalf of the Board of SOHO Holly Futures Co., Ltd., I would like to extend my sincere new year wishes to the Shareholders, partners and investors for your sustained care and support for the Company's development. My heartfelt gratitude also goes to all the staff for your contribution and dedication and your families who have silently supported us.

2025 was a year of profound transformation for the industry and tackling of difficulties for the Company. Uneven global economic recovery, significant adjustments in industry policies, plus accounting changes brought about by the implementation of new accounting standards led to market challenges far exceeding expectations. The Company consistently adhered to the strategic deployment of its holding group, focusing on the main themes of "serving the real economy, preventing financial risks, and promoting high-quality development", and upholding the operation policy of "stabilising revenue, controlling costs, preventing risks and strengthening assessment". In such a complex environment, the Company kept down-to-earth and steadfast and worked innovatively, recording an operating income of RMB288 million during the year, total assets of RMB12.662 billion and net assets of RMB1.865 billion. The Company received approximately 40 external honors throughout the year, including the "Best Futures Company of China (中國最佳期貨公司)", and was awarded the "National Civilized Unit (全國文明單位)" for the fourth consecutive time, maintaining a good momentum of overall steady and progressive development.

In this year, we anchored the bottleneck of our principal businesses and achieved breakthroughs in multiple areas of business development. Traditional brokerage business rose to the challenge, through refined pricing, further cultivation of existing clients, and expanded Internet channels, thus consolidating its industry foundation. Risk management business became the core growth engine, with Holly Capita deepening cultivation of three major sectors of spot and futures trading, market-making, and OTC derivatives business. Spot and futures trading business achieved an increase of 71.36% year-on-year in profit, so that our ability to serve the real economy continued to improve. Financial asset investment, wealth management and international business grew synergistically, further refining our diversified business structure.

In this year, we remained true to our original aspirations and mission, making unremitting efforts to serve the real economy. Deepening the dual-engine approach of "serving the real economy + empowering through technology", we continuously cultivated the "insurance + futures" model. Our projects covered 13 districts and counties in 7 provinces, serving more than 30,000 farmers, of which 9 exchange innovation projects were implemented, which injected financial momentum into rural revitalization. We accelerated our digital transformation by completing APP iterations, switching multiple systems, launching an intelligent service platform, and introducing professional columns such as "Live Market Broadcasts", thus simultaneously upgrading our investment research services and customer experience. In addition, the Company successfully completed its name change, continuously optimised its governance structure, and elevated its level of compliant operation and standardised practices to a new stage.

Chairman's Statement

We will never stop halfway up the mountain, nor pause mid-stream – we must row with determination. Looking ahead to 2026, the first year of the “15th Five-Year Plan,” the Company will adhere to the development principle of “focusing on core business, empowering through technology, serving the real economy, and achieving long-term success through compliance.” We will fully launch three major initiatives of “stabilising revenue, promoting transformation, and strengthening headquarters.” At the same time, we will reinforce five supporting systems: Party building guidance, mechanism reform, work style enhancement, digital empowerment, and compliance risk control. We will break away from reliance on traditional commission income, driving steady progress in our brokerage business, positioning our risk management business as a pillar, achieving breakthroughs in our asset management business to build momentum, and pursuing steady growth with progress in our international business, thereby establishing a diversified and counter-cyclical income structure. We will accelerate our transformation from a “channel provider” to a “derivatives service provider,” focusing on industrial clients and high-net-worth individuals, building a tiered empowerment service system, and exploring new cross-border business opportunities to comprehensively enhance development quality and efficiency.

With unwavering commitment and a steadfast mission, Holly Futures will always adhere to the original aspiration of serving the real economy, uphold the concepts of innovation, coordination, and win-win cooperation. In the new year, we will pursue our goals with greater resolve and more pragmatic measures. We will pool the wisdom and strength of all staff to overcome challenges and forge ahead ambitiously, and drive high-quality development by achieving breakthroughs through transformation. We will strive to create greater value for our Shareholders, build a win-win platform for our partners, and contribute more significantly to the nation's economic development through the power of futures!

For the Year of the Horse, I wish you all the great luck of galloping ahead with vitality, good health, infinite happiness to you and your families and success in all your endeavours!

Chu Kairong

Chairman

Nanjing, the PRC

31 March 2026

Definitions

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

A Share Offering	initial public offering of 100,777,778 A Shares of the Company which are listed on the Main Board of the Shenzhen Stock Exchange on 5 August 2022. The Company has completed the A Share Offering and of which all of its 657,300,000 Domestic Shares have been converted into A Shares, please refer to the Company's announcement dated 4 August 2022 for details
A Share(s)	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 Main Board of the Shenzhen Stock Exchange (Stock Code: 001236). As at the end of the Reporting Period, the Company has issued a total of 758,077,778 A Shares
A Shareholder(s)	holder(s) of A Shares
A Shares Prospectus	the prospectus in relation to the A Share Offering published on 5 July 2022
Articles of Association	the Articles of Association of the Company currently in force, as amended, supplemented and otherwise modified from time to time
AUM	the amount of assets under management
Board	the board of directors of the Company
CFA or China Futures Association	China Futures Association (中國期貨業協會)
CFFE	China Financial Futures Exchange (中國金融期貨交易所)
Chairman	the chairman of the Company
Chief Risk Officer	the chief risk officer of the Company
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Company Law or PRC Company Law	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented and otherwise modified from time to time

Definitions

Company, our Company, we or Holly Futures	Soho Holly Corporation (弘業期貨股份有限公司) (formerly known as Holly Futures Co., Ltd. (弘業期貨股份有限公司)), a joint stock limited company established in Jiangsu, the PRC under the laws of the PRC on 29 November 2012 and carrying on business in Hong Kong as “Holly Futures”, its H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and its A Shares of which are listed on the Main Board of the Shenzhen Stock Exchange
Controlling Shareholder, SOHO Holdings	Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司) (formerly known as Jiangsu Silk Group Company Limited (江蘇省絲綢集團有限公司)), a wholly state-owned company established under the laws of the PRC on 29 April 1994, which is the Controlling Shareholder and one of the promoters of the Company
Corporate Governance Code	the Corporate Governance Code contained in Appendix C1 of the Listing Rules
CSRC	China Securities Regulatory Commission
DCE	Dalian Commodity Exchange (大連商品交易所)
Director(s)	director(s) of the Company
FOF	a fund specially invests in other investment funds. It does not directly invest in stocks or bonds. With its investment limited to other funds only, it holds securitized assets such as stocks and bonds indirectly by holding other securities investment funds, becoming a new type of fund that combines fund product innovation with sales channel innovation
Futures and Derivatives Law	the Futures and Derivatives Law of the People’s Republic of China, implemented on 1 August 2022
GFE	the Guangzhou Futures Exchange
Group, our Group, us or we	the Company and its subsidiaries

Definitions

H Share Offering	the global offering of 227,000,000 H Shares offered by the Company and 22,700,000 H Shares offering by the selling shareholders which are listed on the Hong Kong Stock Exchange on 30 December 2015
H Share(s)	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each listed on the Main Board of the Hong Kong Stock Exchange. As at the end of the Reporting Period, the Company has issued a total of 249,700,000 H Shares
H Shareholder(s)	holder(s) of H Shares
H Shares Prospectus	the prospectus in relation to the H Share Offering published on 16 December 2015
High Hope Corporation	Jiangsu Soho High Hope Group Corporation (江蘇蘇豪匯鴻集團股份有限公司) (formerly known as Jiangsu High Hope International Group Corporation) (江蘇匯鴻國際集團股份有限公司), a limited liability company established in the PRC on 13 October 1992 which was subsequently converted to a joint stock limited company in 1994
High Hope International	Jiangsu High Hope International Group Co., Ltd. (江蘇匯鴻國際集團有限公司), a limited liability company established under the laws of the PRC on 18 December 1996 and one of the promoters of the Company, which was de-registered on 23 September 2015 as a result of the merger with High Hope Corporation by way of absorption
HK\$ or HKD or Hong Kong dollars	the lawful currency of Hong Kong
Holly Capital	Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a limited liability company established under the laws of the PRC on 25 June 2013 and a wholly-owned subsidiary of the Company
Holly Corporation, SOHO Holly	Soho Holly Corporation (蘇豪弘業股份有限公司) (formerly known as Jiangsu Holly Corporation (江蘇弘業股份有限公司)), a limited liability company established under the laws of the PRC on 30 June 1994 and one of the promoters and a Shareholder of the Company

Definitions

Holly International Asset Management	Holly International Asset Management Company Limited (弘業國際資產管理有限公司) (formerly known as Holly Su Asset Management Company Limited (弘蘇資產管理有限公司)), a company incorporated under the laws of Hong Kong with limited liability on 7 July 2016 and a wholly-owned subsidiary of Holly International Financial, which is licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, and changed its name in December 2019
Holly International Financial	Holly International Financial Holdings Limited (弘業國際金融控股有限公司) (formerly known as Holly Su Futures (Hongkong) Co., Limited (弘蘇期貨(香港)有限公司)), a company incorporated under the laws of Hong Kong with limited liability on 20 October 2011 and a wholly-owned subsidiary of the Company which is licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO, and changed its name in December 2019
Holly Logistics	Jiangsu Holly International Logistics Corporation (江蘇弘業國際物流有限公司) (formerly known as Jiangsu Pengcheng International Storage & Transportation Company Limited (江蘇鵬程國際儲運有限公司)), a limited liability company established under the laws of the PRC on 12 February 1996 and one of the promoters and a Shareholder of the Company
Holly Su Industrial	Jiangsu Holly Su Industrial Co., Ltd. (江蘇弘蘇實業有限公司), a limited liability company established under the laws of the PRC on 23 February 2011 and one of the promoters and a Shareholder of the Company
Hong Kong Stock Exchange or HKEX	The Stock Exchange of Hong Kong Limited
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Rui Growth	Jiangsu Hong Rui Growth Venture Investment Co., Ltd. (江蘇弘瑞成長創業投資有限公司), a joint stock company of the Company
Hong Rui New Era	Jiangsu Hong Rui New Era Venture Investment Co., Ltd. (江蘇弘瑞新時代創業投資有限公司), a joint stock company of the Company

Definitions

Hongrui Venture Capital	Jiangsu Hongrui Venture Capital Co., Ltd. (江蘇弘瑞科技創業投資有限公司), a limited liability company established under the laws of the PRC on 29 September 2002 and one of the promoters and a Shareholder of the Company
Jiangsu Holly	Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司) (formerly known as Jiangsu Jinling Futures Brokerage Company Limited (江蘇金陵期貨經紀有限公司), Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司) and Jiangsu Holly Futures Company Limited (江蘇弘業期貨有限公司)), a limited liability company established under the laws of the PRC on 31 July 1995 and the predecessor of the Company and, where the context refers to any time prior to its establishment, the business which its predecessors were engaged in
Jiangsu Securities Bureau	Jiangsu Securities Bureau of the China Securities Regulatory Commission (中國證券監督管理委員會江蘇監管局)
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
lot	the standardized quantity of futures as set out by the PRC Futures Exchange, and represents the minimum quantity of that futures that may be traded
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
MOF	Ministry of Finance of the PRC (中華人民共和國財政部)
Net Capital	equals net assets minus asset adjustment value plus liability adjustment value minus the deposits which the clients fail to fully replenish minus/plus other adjustment items recognised or approved by the CSRC

Definitions

PRC Futures Exchanges	China Financial Futures Exchange (中國金融期貨交易所), Dalian Commodity Exchange (大連商品交易所), Shanghai Futures Exchange (上海期貨交易所), Zhengzhou Commodity Exchange (鄭州商品交易所), Shanghai International Energy Exchange (上海國際能源交易中心) and Guangzhou Futures Exchange (廣州期貨交易所)
PRC or China	the People's Republic of China which, for the purpose of this report, excludes Hong Kong, Macau Special Administrative Region and Taiwan
PTA	pure terephthalic acid
R&D	research and development
Report	this annual report for 2025 of the Company
Reporting Period	the year ended 31 December 2025
RMB or Renminbi	the lawful currency of the PRC
SAT	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
Settlement Reserve Funds	unrestricted and unutilised cash balances reserved for the settlement and clearing of the futures trading, which are deposited with the futures exchanges and commercial banks. Settlement reserve funds include client settlement reserve funds and our own settlement reserve funds
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Shanghai Mingda	Shanghai Mingda Industrial (Group) Company Limited (上海銘大實業(集團)有限公司), a limited liability company established under the laws of the PRC on 26 December 2002 and one of the promoters and a Shareholder of the Company
Share(s)	A Share(s) and H Share(s)

Definitions

Shareholder(s)	holder(s) of the Shares
Shenzhen Stock Exchange	the Shenzhen Stock Exchange
SHFE	Shanghai Futures Exchange
SOHO Culture Group	SOHO Culture Group Company Limited (蘇豪文化集團有限公司) (formerly known as Artall Culture Group Company Limited (愛濤文化集團有限公司)), a limited liability company established under the laws of the PRC on 26 January 1999 and a wholly-owned subsidiary of the Company's Controlling Shareholder
State Council	State Council of the PRC (中華人民共和國國務院)
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	supervisory committee of the Company
ZCE	Zhengzhou Commodity Exchange (鄭州商品交易所)
Zhong Shan Company	Soho Holdings Group Zhong Shan Company Limited (formerly known as Zhong Shan Company Limited), a company incorporated in Hong Kong in 1985, the shareholding of which is ultimately held by the People's Government of Jiangsu Province

Company Profile

I. Basic Information about the Company

(1) Name of Company

Chinese name: 蘇豪弘業期貨股份有限公司 (formerly known as 弘業期貨股份有限公司), (a joint stock limited company established in Jiangsu, the PRC on 29 November 2012 under the PRC laws, and carrying on business in Hong Kong as “HOLLY FUTURES”)

Chinese abbreviation (in the PRC): 弘業期貨

English name: Soho Holly Futures Co., Ltd.

(2) Legal Representative

Mr. Chu Kairong

(3) Authorized Representatives of the Company

Mr. Chu Kairong and Mr. Huang Haiqing

(4) Registered Capital

RMB1,007.777778 million

(5) Qualifications for Businesses in China

Commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management, sales of funds, trading participant for stock options, inter-bank bond transactions

(6) Head Office in China

Registered address of the Company: Building 3, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC (Postal code: 210019)

Office address of the Company: Building 3, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC (Postal code: 210019)

Website of the Company: www.ftol.com.cn

Email address: zqb@ftol.com.cn

(7) Principal Place of Business in Hong Kong

40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

Company Profile

II. List of Board and Special Committees

(8) Board

Executive Directors	Mr. Chu Kairong (<i>Chairman</i>) Mr. Zhao Weixiong
Non-executive Directors	Mr. Xue Binghai Ms. Jiang Haiying (Appointed on 18 February 2025) Mr. Jiang Lin (Retired on 18 February 2025)
Independent non-executive Directors	Mr. Lo Wah Wai Mr. Zhang Hongfa Mr. Wang Yuwei (Appointed on 3 March 2026) Mr. Huang Dechun (Resigned on 3 March 2026)
Employee Director	Mr. Chen Ke ((Appointed on 19 December 2025)

(9) Special Committees of the Board

Audit Committee	Mr. Lo Wah Wai (<i>Chairman</i>) Mr. Xue Binghai Mr. Wang Yuwei (Appointed on 3 March 2026) Mr. Huang Dechun (Resigned on 3 March 2026)
Remuneration Committee	Mr. Wang Yuwei (<i>Chairman</i>) (Appointed on 3 March 2026) Mr. Chu Kairong Mr. Zhang Hongfa Mr. Lo Wah Wai (Appointed on 3 March 2026) Mr. Chen Ke (Appointed on 3 March 2026) Mr. Huang Dechun (<i>Chairman</i>) (Resigned on 3 March 2026)
Nomination Committee	Mr. Zhang Hongfa (<i>Chairman</i>) Mr. Chu Kairong Ms. Jiang Haiying (Appointed on 28 August 2025) Mr. Lo Wah Wai (Appointed on 28 August 2025) Mr. Wang Yuwei (Appointed on 3 March 2026) Mr. Huang Dechun (Resigned on 3 March 2026)
Risk Management Committee	Mr. Zhao Weixiong (<i>Chairman</i>) Mr. Xue Binghai Ms. Jiang Haiying (Appointed on 18 February 2025) Mr. Lo Wah Wai Mr. Zhang Hongfa Mr. Jiang Lin (Retired on 18 February 2025)
Strategic and ESG Committee	Mr. Chu Kairong (<i>Chairman</i>) Mr. Zhao Weixiong Mr. Xue Binghai Ms. Jiang Haiying (Appointed on 18 February 2025) Mr. Lo Wah Wai Mr. Zhang Hongfa Mr. Wang Yuwei (Appointed on 3 March 2026) Mr. Chen Ke (Appointed on 3 March 2026) Mr. Huang Dechun (Resigned on 3 March 2026) Mr. Jiang Lin (Retired on 18 February 2025)

III. Contact Information

(10) Secretary to the Board

Secretary to the Board: Mr. Huang Haiqing

Address: Building 3, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC
(Postal code: 210019)

Tel: 025-52278884

Email: zqb@ftol.com.cn

(11) Joint Company Secretaries

Mr. Huang Haiqing and Ms. Chan Yin Wah

IV. Other Information

(12) Statutory Audit Institutions of the Company

ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合伙))

Public Interest Entity Auditor recognised in accordance with the Financial Reporting Council Ordinance

(13) Legal Advisers of the Company

As to Hong Kong Law: Grandall Zimmern Law Firm

As to PRC Law: Grandall Law Firm Nanjing

Company Profile

(14) Principal Bankers

Bank of China Limited
China Construction Bank Corporation
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Limited
Bank of Communications Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.
Industrial Bank Co., Ltd
China CITIC Bank Corporation Limited
China Merchants Bank Co., Ltd.
Bank of Jiangsu Co., Ltd.
Bank of Nanjing Company Limited
China Everbright Bank Co., Ltd
Ping An Bank Co., Ltd.
Bank of Hangzhou Co., Ltd.
China Guangfa Bank Co., Ltd.
Bank of China (Hong Kong) Limited
China Zheshang Bank Co., Ltd.
Bank of Ningbo Co., Ltd.
Evergrowing Bank Co., Ltd.
Nanyang Commercial Bank (China) Limited
Hua Xia Bank Co., Limited
Postal Savings Bank of China
Bank of Guangzhou Co., Ltd
HSBC Bank (China) Company Limited

V. Brief Description of the Company's Shares

Types of Shares	Listed Exchanges	Stock Code	Share Registrar
A Shares	Shenzhen Stock Exchange	001236	China Securities Depository and Clearing Corporation Limited, Shenzhen Branch
H Shares	Hong Kong Stock Exchange	03678	Computershare Hong Kong Investor Services Limited

VI. Development History

The Company is formerly known as Jiangsu Jinling Futures Brokerage Company Limited (江蘇金陵期貨經紀有限公司) (“**Jinling Futures**”), which was established on 31 July 1995 upon the approval of the CSRC. Upon its establishment, its registered capital was RMB10.00 million and its equity interest was held as to 60% by Jiangsu Metallurgy Commodities Trading Market (江蘇省冶金物資交易市場) (“**Metallurgy Commodities**”) and as to 40% by Jiangsu Nonferrous Metal Industrial Company Limited (江蘇省有色金屬工業公司) (“**Jiangsu Nonferrous**”).

In 1999, 60% equity interest as held by Metallurgy Commodities and 30% equity interest as held by Jiangsu Nonferrous in Jinling Futures were transferred to Jiangsu Crafts Import & Export Trading Group Co., Ltd. (江蘇省工藝品進出口集團股份有限公司) (“**Jiangsu Crafts**”, and now known as Jiangsu Holly Corporation (江蘇弘業股份有限公司)), and 10% equity interest as held by Jiangsu Nonferrous in Jinling Futures was transferred to Jiangsu Pengcheng International Storage & Transportation Company Limited (江蘇鵬程國際儲運有限公司) (“**Pengcheng International**”, and now known as Jiangsu Holly International Logistics Corporation (江蘇弘業國際物流有限公司)). Upon the transfer, the registered capital of the Company was RMB10.00 million, of which RMB9.00 million or 90% and RMB1.00 million or 10% were contributed by Jiangsu Crafts and Pengcheng International respectively.

In 1999, the Company changed its name to Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司). Its registered capital increased to RMB30.00 million, and RMB19.20 million and RMB0.80 million of the capital increase were contributed by Jiangsu Crafts and Pengcheng International respectively. After the completion of the capital increase, 94% of its registered capital or RMB28.20 million and 6% or RMB1.80 million were contributed by Jiangsu Crafts and Pengcheng International respectively.

In 2001, Holly Corporation transferred 48% equity interests in Jiangsu Holly to Jiangsu Holly International Group Investment Management Company Limited (江蘇弘業國際集團投資管理有限公司) (“**Holly Investment**”). After the equity transfer, 48% of the registered capital of Jiangsu Holly or RMB14.40 million was contributed by Holly Investment; 46% or RMB13.80 million by Holly Corporation; and 6% or RMB1.80 million by Pengcheng International.

In 2006, retain profit of RMB8.00 million of Jiangsu Holly was converted into paid-up capital and the registered capital of Jiangsu Holly increased to RMB38.00 million. After the completion of the capital increase, 48% of the registered capital of Jiangsu Holly or RMB18.24 million was contributed by Holly Investment; 46% or RMB17.48 million by Holly Corporation; and 6% or RMB2.28 million by Pengcheng International.

Company Profile

In 2007, the registered capital of Jiangsu Holly increased to RMB50.00 million, and RMB3.195 million, RMB3.955 million, RMB2.45 million and RMB2.40 million of the capital increase were contributed by Holly Investment, Holly Corporation, Hongrui Venture Capital and Shanghai Mingda respectively. After the completion of the capital increase, 42.87% of the registered capital of Jiangsu Holly or RMB21.435 million was contributed by Holly Investment; 42.87% or RMB21.435 million by Holly Corporation; 4.56% or RMB2.28 million by Pengcheng International, 4.90% or RMB2.45 million by Hongrui Venture Capital; and 4.80% or RMB2.40 million by Shanghai Mingda. In 2008, the registered capital of Jiangsu Holly increased to RMB108.00 million, of which RMB20.00 million was converted from audited capital reserve for 2007 of RMB4.92 million and retained profit of RMB15.08 million. Meanwhile, shareholders of Jiangsu Holly made cash contribution of RMB38.00 million to the capital. After the capital increase, the shareholding of each shareholder remained unchanged.

In 2009, the registered capital of Jiangsu Holly increased to RMB138 million. After the completion of the capital increase, 44.42% of the registered capital of Jiangsu Holly or RMB61.2996 million was contributed by Holly Investment; 44.42% or RMB61.2996 million by Holly Corporation; 3.57% or RMB4.9248 million by Pengcheng International, 3.83% or RMB5.292 million by Hongrui Venture Capital; and 3.76% or RMB5.184 million by Shanghai Mingda.

In 2011, the registered capital of Jiangsu Holly increased to RMB380 million. After the completion of the capital increase, 21.75% of the registered capital of Jiangsu Holly or RMB82.65 million was contributed by Holly Investment; 21.75% or RMB82.65 million by Holly Corporation; 21.34% or RMB81.0812 million by SOHO Holdings; 21.11% or RMB80.218 million by Holly Su Industrial; 10.00% or RMB38.00 million by High Hope International; 1.39% or RMB5.292 million by Hongrui Venture Capital; 1.36% or RMB5.184 million by Shanghai Mingda; and 1.30% or RMB4.9248 million by Holly Logistics. In 2011, Jiangsu Holly changed its name into Jiangsu Holly Futures Company Limited (江蘇弘業期貨有限公司), where its registered capital and shareholding structure remained unchanged.

In 2012, the 21.75% equity interest in Jiangsu Holly as held by Holly Investment was transferred to SOHO Holdings, and SOHO Holdings held 43.09% equity interest in Jiangsu Holly after the transfer.

On 29 November 2012, the whole of Jiangsu Holly was transformed into Holly Futures Co., Ltd. After the overall transformation, the total share capital of the new company amounted to 680,000,000 shares, of which 292,992,674 shares or 43.09% were held by SOHO Holdings; 147,900,000 shares or 21.75% were held by Holly Corporation; 143,548,000 Shares or 21.11% were held by Holly Su Industrial; 68,000,000 Shares or 10.00% were held by High Hope International; 9,469,895 Shares or 1.39% were held by Hongrui Venture Capital; 9,276,631 Shares or 1.36% were held by Shanghai Mingda; and 8,812,800 Shares or 1.30% were held by Holly Logistics.

Company Profile

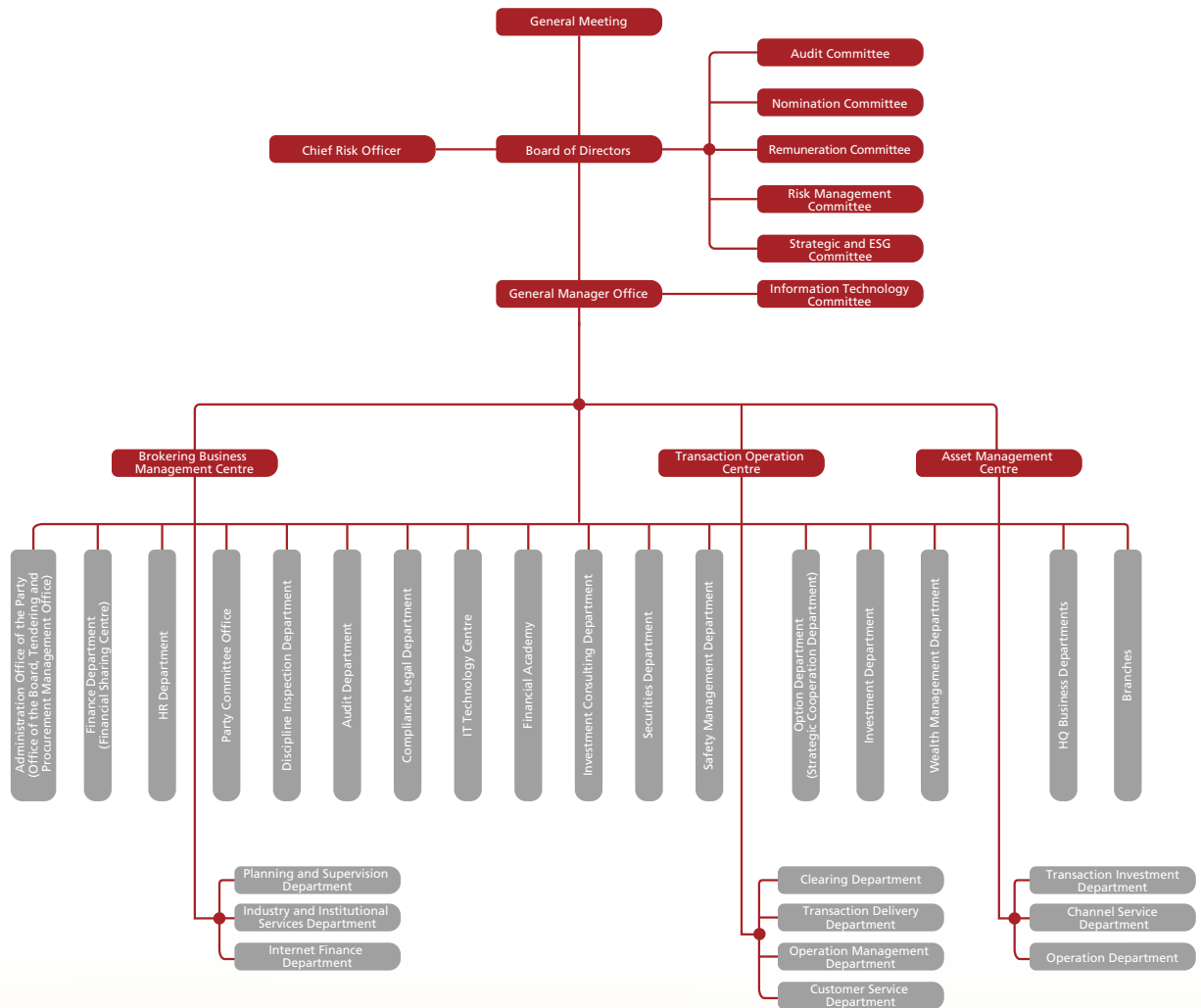
On 18 August 2015, the CSRC issued the Reply on Approving Holly Futures Co., Ltd.'s Offering of Overseas Listed Foreign Shares (Zheng Jian Xu Ke [2015] No. 1963) (《關於核准弘業期貨股份有限公司發行境外上市外資股的批覆》(證監許可[2015] 1963號)) to approve the Company's offering of no more than 261,050,000 overseas listed foreign shares, all of which are ordinary shares of a nominal value of RMB1 each. On 30 December 2015, the shares issued by the Company overseas were listed on the Main Board of the Hong Kong Stock Exchange (stock abbreviation: Holly Futures; and stock code: 03678). According to the Reply Concerning Transfer of State-owned Equities of Holly Futures Co., Ltd. (Guo Zi Chan Quan [2015] No. 411) (《關於弘業期貨股份有限公司國有股轉持有關問題的批覆》(國資產權[2015] 411號)) by State-owned Assets Supervision and Administration Commission of the State Council, after the completion of such offering of the Company, the state-owned shareholders Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司), Jiangsu High Hope International Group Co., Ltd. (江蘇匯鴻國際集團股份有限公司), Jiangsu Hongrui Venture Capital Co., Ltd. (江蘇弘瑞科技創業投資有限公司) and Jiangsu Holly International Logistics Corporation (江蘇弘業國際物流有限公司) transferred their respective 17,535,897 shares, 4,069,866 shares, 566,782 shares and 527,455 shares (22,700,000 shares in total) to National Council for Social Security Fund. Upon the listing, the total share capital of the Company amounted to 907,000,000 shares, which were held by Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司) as to 275,456,777 shares or 30.37%, by Jiangsu Holly Corporation (江蘇弘業股份有限公司) as to 147,900,000 shares or 16.31%, by Jiangsu Holly Su Industrial Co., Ltd. (江蘇弘蘇實業有限公司) as to 143,548,000 shares or 15.83%, by Jiangsu High Hope International Group Co., Ltd. (江蘇匯鴻國際集團股份有限公司) as to 63,930,134 shares or 7.05%, by Jiangsu Hongrui Venture Capital Co., Ltd. (江蘇弘瑞科技創業投資有限公司) as to 8,903,113 shares or 0.98%, by Shanghai Mingda Industrial (Group) Company Limited (上海銘大實業(集團)有限公司) as to 9,276,631 shares or 1.02%, by Jiangsu Holly International Logistics Corporation (江蘇弘業國際物流有限公司) as to 8,285,345 shares or 0.91%, by Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司) as to 8,300,000 H Shares or 0.92% and by public shareholders of H Shares as to 241,400,000 H Shares or 26.61%.

On 23 June 2022, according to the "Approval of the Initial Public Offering of Shares by Holly Futures Co., Limited" (Securities Regulatory Permit No. [2022] 1135) approved by the CSRC, the Company was permitted to issue up to 100,777,778 A Shares. On 5 August 2022, the A Shares of the Company were officially listed and trading on the Main Board of the Shenzhen Stock Exchange with the stock code 001236. Upon completion of the issuance, the registered capital and share capital of the Company are RMB1,007,777,778, with a total of 758,077,778 A Shares and 249,700,000 H Shares were issued, which were held by Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司) as to 275,456,777 A Shares or 27.33%; by Jiangsu Holly Corporation (江蘇弘業股份有限公司) as to 147,900,000 A Shares or 14.68%; by Jiangsu Holly Su Industrial Co., Ltd. (江蘇弘蘇實業有限公司) as to 143,548,000 A Shares or 14.24%; by Jiangsu High Hope International Group Co., Ltd. (江蘇匯鴻國際集團股份有限公司) as to 63,930,134 A Shares or 6.34%; by Shanghai Mingda Industrial (Group) Company Limited (上海銘大實業(集團)有限公司) as to 9,276,631 A Shares or 0.92%; by Jiangsu Hongrui Venture Capital Co., Ltd. (江蘇弘瑞科技創業投資有限公司) as to 8,903,113 A Shares or 0.88%; by Jiangsu Holly International Logistics Corporation (江蘇弘業國際物流有限公司) as to 8,285,345 A Shares or 0.82%; and by public shareholders of H Shares as to a total of 249,700,000 H Shares or 24.78%.

On 13 May 2025, the Company changed its name into "Soho Holly Futures Co., Ltd." (蘇豪弘業期貨股份有限公司), where its registered capital remained unchanged.

Company Profile

VII. Organizational Structure



VIII. Subsidiaries

Name	Registered and office address	Principal activities	Place of incorporation and principal place of operation	Date of incorporation	Registered capital	Shareholding ratio	Remarks
Holly Capital ⁽¹⁾	1st Floor, Building 6, No. 396 Binjiang Avenue, Nanjing Area of China (Jiangsu) Pilot Free Trade Zone	Pilot businesses such as basis trading, market making business, OTC derivatives business, warehouse receipts services and cooperation hedging and commodity risk management business, and other businesses related to risk management services	PRC	25 June 2013	RMB500 million	100%	Completed the registration of address change on 21 May 2025
Holly International Financial	Room 03-05, 20/F, Jubilee Centre, No. 46 Gloucester Road, Wanchai, Hong Kong	dealing in futures contracts, dealing in securities	Hong Kong	20 October 2011	HKD240 million	100%	
Holly International Asset Management	Room 03-05, 20/F, Jubilee Centre, No. 46 Gloucester Road, Wan Chai, Hong Kong	Asset management, advising on securities	Hong Kong	7 July 2016	HKD20 million	100%	Established and wholly owned by Holly International Financial, and completed the registration of address change on 2 December 2024

Note:

- Holly Capital is registered as domestic enterprise under PRC law, whose legal entity is limited liability company.

Company Profile

IX. Distribution of Futures Branches and Sub-branches

As at the end of the Reporting Period, the Company had established 31 futures branches and 3 sub-branches in the PRC with the approval from the CSRC. The details are set out in the following table:

Serial No.	Branch/ Sub-branch	Business Address	Date of Establishment
1	Beijing Branch	Unit B2, 901, 9th Floor, 118 Jianguo Road, Chaoyang District, Beijing City	2 February 2005
2	Changshu Branch	Part 2002, 2003 and 2004, Building 1, South of Yangzi River building, No.1 Haiyu South Road, Qinchuan Street, Changshu City, Suzhou City, Jiangsu Province	23 July 2013
3	Changzhou Branch	Room 1003, Building 2, Tianning Times Square, 19 Zhulin West Road, Changzhou City	24 September 2002
4	Changsha Branch	1405, Changfang Dongjun Building, 99 Renmin East Road, Furong District, Changsha City	11 December 2008
5	Chongqing Branch	Unit 5, 18/F, 1 Qingyun Road, Jiangbei District, Chongqing City	30 December 2011
6	Fuzhou Branch	Unit 1907–1908, 19th Floor of Lippo Tianma Plaza, 1 Wuyibei Road, Gulou District, Fuzhou City, Fujian Province	10 November 2008
7	Guangzhou Branch	Room 2208 (self-designated), 22nd Floor, 5–32/F, No. 406-1, Huasui Road, Tianhe District, Guangzhou City	8 March 2011
8	Hangzhou Fuguangzhi II Road Branch	Unit 1007, Block 1, Shipping International Administration Mansion, No. 55, Fuguangzhi II Road, Shangcheng District, Hangzhou City, Zhejiang Province	20 February 2008
9	Huai'an Branch	Room 2116, 2117, Fenghui Plaza, Qingjiangpu District, Huai'an City, Jiangsu Province	8 May 2012
10	Jinan Branch	910, Tower C, Shimao International Plaza, Daminghu Sub-district, Lixia District, Jinan City, Shandong Province	7 August 2009
11	Jiangyin Branch	Unit A, 14/F, Hailan International Trade Building, No. 118 Chengjiang Middle Road, Jiangyin City	23 July 2013
12	Lianyungang Branch	Room 907 & 908, No. 26. Hailan East Road, Haizhou District, Lianyungang City, Jiangsu Province	16 September 2011

Company Profile

Serial No.	Branch/ Sub-branch	Business Address	Date of Establishment
13	Nanning Branch	No. 2518, No. 2519, No. 2520, Building 1 Nanning Qingxiu Wanda Plaza West, No. 118 Dongge Road, Qingxiu District, Nanning City	19 September 2008
14	Nantong Branch	No. 6 Yaogang Road, Nantong City	6 September 2007
15	Ningbo Yangmuqi Road Branch	7-1-1, Building 1, Wante Business Center, No. 487, Yangmuqi Road, High-tech Zone, Ningbo City, Zhejiang Province	7 July 2011
16	Qingdao Branch	Room 2006, Building No. 1, No. 10 Xianggang Zhong Road, Shinan District, Qingdao City, Shandong Province	26 November 2007
17	Shenyang Branch	Unit 05-06, 5/F, Zhuoyue Building, No. 10 Huigong Street, Shenhe District, Shenyang City	11 October 2010
18	Suzhou Branch	Room 2160, Bojin Building, No. 1338 Sanxiang Road, Gusu District, Suzhou City	18 December 2001
19	Suqian Branch	Room 2605, Office Building, Zhonghao International Plaza, Sucheng District, Suqian City, Jiangsu Province	5 May 2010
20	Taiyuan Branch	Room 608, Building 3, No. 106 Fuxi Street, Sanqiao Sub-district, Xinghualing District, Taiyuan City, Shanxi Province	2 February 2012
21	Taizhou Branch	Room 407, No.3, Gulou South Road, Hailing District, Taizhou City, Jiangsu Province	3 July 2008
22	Wuxi Branch	Room 1706, 1707, No. 531 Zhongshan Road, Wuxi City	12 December 2003
23	Wuhu Branch	Room 1004, 1005, Weixing Times Financial Centre, Jinghu District, Wuhu City, Anhui Province	28 June 2012
24	Xiamen Branch	Room 1304, No. 820 Xiahe Road, Siming District, Xiamen City, Fujian Province	18 November 2013
25	Xi'an Branch	Room G, 13/F, New Times Plaza, No. 55 Beida Street, Lianhu District, Xi'an City	10 April 2009
26	Xuzhou Branch	Room 1-3903, 3904, 3905, Podium Building A, Suning Plaza, 29 Huaihai East Road, Gulou District, Xuzhou City	4 January 2008
27	Yancheng Branch	Room 1503, Building 10, Yancheng Financial City, No. 5 Century Avenue, Yannan High-tech Zone, Yancheng City, Jiangsu Province	16 June 2009

Company Profile

Serial No.	Branch/ Sub-branch	Business Address	Date of Establishment
28	Yangzhou Branch	Room 803, Zijin Plaza, No. 10 Wenchang West Road, Yangzhou City	25 October 2002
29	Yixing Branch	Room 1501 & 1502, No. 113, Wanda Plaza, Yicheng Street, Yixing City	23 August 2013
30	Zhangjiagang Branch	Room 2002, Guotai New World Living Mall, No. 801 Renmin East Road, Yangshe Town, Zhangjiagang City, Suzhou City, Jiangsu Province	6 September 2013
31	Zhenjiang Branch	17/F, No. 8 Guan Cheng Road, Runzhou District, Zhenjiang City	31 October 2008
32	Dalian Sub-branch	Room 2310, Dalian Futures Building, Block A, Dalian International Finance Center, No. 129 Exhibition Road, Sha He Kou District, Dalian City	26 November 2008
33	Shanghai Sub-branch	Unit 01A, 23rd Floor (Nominal Floor, Actual Floor: 21st Floor), No. 759 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone	15 October 2016
34	Zhengzhou Sub-branch	Room 1303, Futures Tower, No. 30 Business Outer Ring Road, Zhengdong New District, Zhengzhou Area of Henan Pilot Free Trade Zone	1 July 2008

Financial Summary

I. Major accounting data and financial indicators

(Unless otherwise specified, the accounting data and financial indicators contained in this annual report are prepared in accordance with the Accounting Standards for Business Enterprises issued by the MOF, financial data are presented in whole figure. Difference exists in the mantissa between the total of some tables and the direct addition of various values which is due to rounding of numbers.)

Major accounting data and financial indices for the past five years

In RMB'0,000	2025 as compared to 2024				2023	2022	2021
	2025	2024	Change in amount	Change			
Total operating income	28,755	36,184	-7,429	-21%	31,193	26,759	39,117
Total profit	434	3,829	-3,395	-89%	1,047	1,591	10,921
Net profit – attributable to shareholders of the Company	399	2,983	-2,583	-87%	779	1,238	8,021
Net cash generated from operating activities inflows/(outflows)	77,231	234,808	-157,577	-67%	-161,715	192,509	123,561
Earnings per share (RMB/share)							
Basic earnings per share	0.0040	0.0296			0.0884	0.0132	0.0884
Diluted earnings per share	0.0040	0.0296			0.0884	0.0132	0.0884
Profitability indicators							
Weighted average return on net assets	0.21%	1.60%			4.84%	0.71%	4.84%

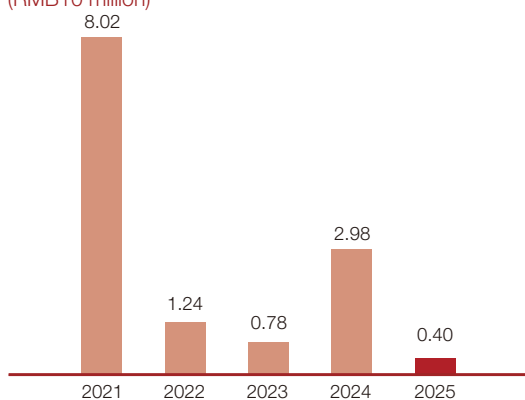
Scale indicators (RMB'0,000)	2025 as compared to 2024				As of 31 December 2023	As of 31 December 2022	As of 31 December 2021
	As of 31 December 2025	As of 31 December 2024	Change in amount	Change			
Total assets	1,266,229	1,169,937	96,292	8%	931,308	1,048,393	808,310
Total liabilities	1,079,741	982,259	97,482	10%	746,558	864,660	640,093
Customers' equity payable	972,729	883,889	88,840	10%	684,087	807,393	593,063
Equity attributable to shareholders of the Company	186,489	187,678	-1,189	-1%	184,749	183,732	168,217
Total share capital ('000)	1,007,778	1,007,778			1,007,778	1,007,778	907,000
Net assets value per share attributable to shareholders of the Company (RMB per share)							
	1.85	1.86			1.83	1.82	1.85
Gearing ratio ^{Note 1}	36%	34%			25%	24%	22%

Note 1: Gearing ratio = (Total liabilities – Customers' equity payable)/(Total assets – Customers' equity payable)

Financial Summary

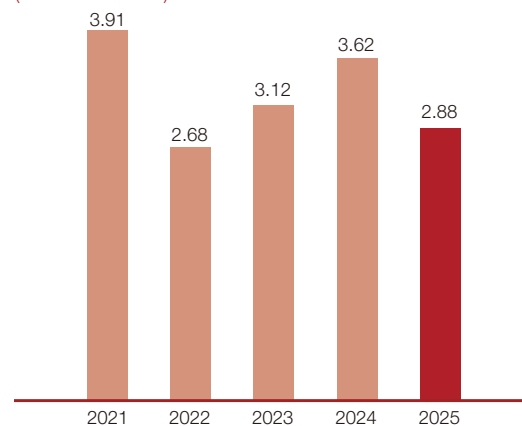
Net profit – attributable to shareholders of the Company

(RMB10 million)

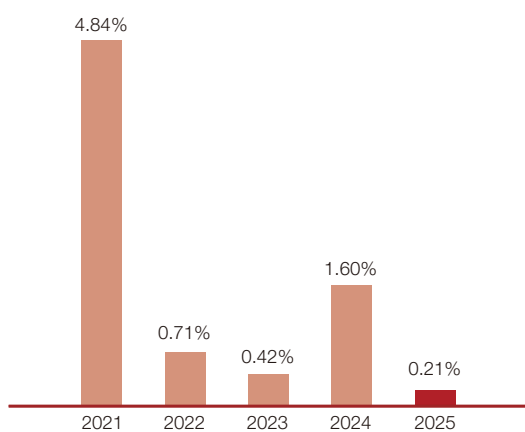


Operating income

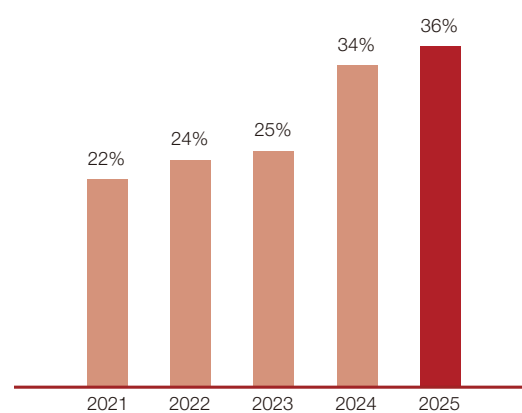
(RMB100 million)



Weighted average return on net assets

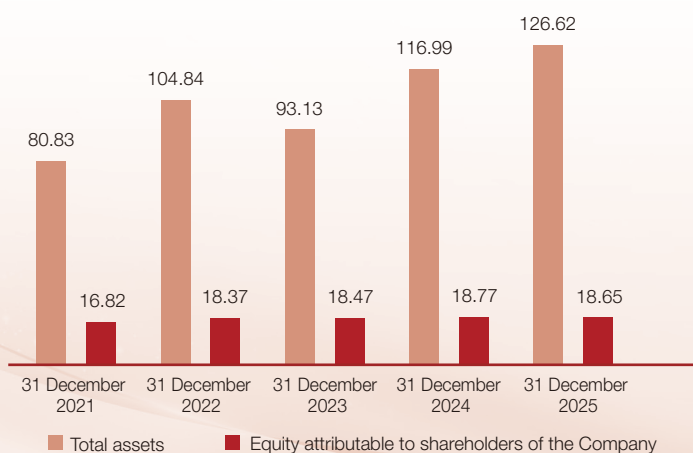


Gearing ratio



Scale indicators

(RMB100 million)



II. Net capital and relevant risk control indicators of the Company

The Net capital of the Company as at the end of 2025 amounted to RMB849 million, representing a decrease of RMB65 million as compared with RMB914 million as at the end of 2024. During the Reporting Period, various risk control indicators of the Company including the net capital met regulatory requirements. The following table sets out the net capital and the major risk control indicators prepared by the Company in accordance with PRC Accounting Standards and the regulatory requirements in the PRC.

	As of 31 December 2025	As of 31 December 2024	Warning level	Supervision level
Net capital (RMB million)	849	914	36	30
Net capital/total risk capital reserves (%)	233%	253%	120%	100%
Net capital/net assets (%)	45%	48%	24%	20%
Current assets/current liabilities (%)	502%	449%	120%	100%
Total liabilities/net assets (%)	12%	13%	120%	150%
Proprietary settlement reserve funds (RMB million)	660	674	—	12



02

Operating
Conditions

Management Discussion and Analysis

I. Industry and market review

In 2025, the global economy demonstrated resilience amidst complex changes, with geopolitical risks and adjustments in trade patterns continuing to evolve. The divergence of monetary policies among major economies has intensified volatility in commodity markets. Against this backdrop, China's futures industry has thoroughly embraced and implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference, closely aligning with the theme of promoting high-quality development, and achieving significant progress in terms of enhancing the regulatory system, substantially expanding market scale, innovating and diversifying product varieties, promoting high-level institutional opening up, and improving services to the real economy.

(1) Regulatory policies: refining tiered evaluations, guiding compliant operations, and consolidating the foundation for development

On 12 September 2025, the China Securities Regulatory Commission issued the Regulations on Classification and Evaluation of Futures Companies (《期貨公司分類評價規定》) (the "Regulations"), marking the fourth revision of the fundamental regulatory system for futures companies. The title of the Regulations has been adjusted from the Regulations on Classification and Supervision of Futures Companies (《期貨公司分類監管規定》) to the Regulations on Classification and Evaluation of Futures Companies, aiming to better reflect the compliance risk control capabilities of futures companies, enhance regulatory efficiency, and guide futures companies to operate in compliance and stably by improving the classification and evaluation system. In terms of specific measures, futures companies shall adhere to the principles of goal orientation, coordination and unity, and simplification of indicators. A key improvement has been made to the point deduction mechanism, clearly stipulating that deduction should be implemented based on effective regulatory measures in principle to eliminate repetitive deductions, and reasonably setting deduction gradients to gain a comprehensive punishment effect of multiple regulatory means. At the same time, the bonus point system has been optimized, and the indicators of capability for serving the real economy have been improved. The market competitiveness indicators have been adjusted to three major categories and nine indicators to comprehensively evaluate the operation of businesses, overall profitability and capital strength of futures companies. In addition, the special evaluation has been adjusted to three items: serving of national strategies, Party building and cultural construction, and information technology construction. Moreover, bonus points will be given as incentives for situations such as cooperating with risk disposal and maintaining compliance. The introduction of this series of measures has laid a solid institutional foundation for strengthening risk prevention in the futures market and promoting high-quality development.

Management Discussion and Analysis

(2) Market scale: trading volume and trading turnover both increased, and the number of clients and total funds reached new all-time highs

According to the data of China Futures Association, from January to December 2025, based on single-sided calculations, China's futures market realised a cumulative trading volume of 9.074 billion lots and a cumulative trading turnover of RMB766.25 trillion, representing a year-on-year increases of 17.4% and 23.74%, respectively. The market presented a positive trend with both volume and turnover growth, indicating that the futures market's function of serving the real economy was further strengthened, with increased participation from industrial enterprises and financial institutions. From the perspective of varieties, the top three varieties of each commodity futures exchange by trading turnover were as follows: gold, silver, and copper for the SHFE; caustic soda, glass, and soda ash for the ZCE; coking coal, palm oil, and soybean meal for the DCE; and lithium carbonate, polysilicon, and industrial silicon for the GFE. The top three varieties of each exchange by trading volume were as follows: rebar, silver, and fuel oil for the SHFE; glass, soda ash, and PTA for the ZCE; soybean meal, coking coal, and polyvinyl chloride (PVC) for the DCE; and lithium carbonate, industrial silicon, and polysilicon for the GFE. Based on single-sided calculations, the China Financial Futures Exchange achieved a cumulative trading volume of 304 million lots, accounting for 3.35% of the national market, and a cumulative trading turnover of RMB255.19 trillion, accounting for 33.3% of the national market, with the top three varieties in terms of trading turnover being the CSI 1000 Stock Index Futures, CSI 300 Stock Index Futures, and the 30-Year Treasury Bond Futures.

Regarding clients and capital, as of the end of December 2025, the total number of effective customers in the entire market reached 2.78 million, hitting a record high and representing a year-on-year increase of 11%. Throughout 2025, 940,000 new futures accounts were opened, representing a significant year-on-year increase. The enthusiasm of industrial customers and medium- and long-term funds for participating in the futures market continued to heat up. Compared to 2024, the number of new accounts opened by special institutional clients, represented by medium- and long-term funds, increased by 12%, becoming a core highlight of the optimization of the market's customer structure. The total amount of funds was approximately RMB2.15 trillion, representing a year-on-year increase of 32%, and the total customer equity of futures companies reached RMB2 trillion, representing a year-on-year increase of approximately 31%. Against the backdrop of effective exertion of market functions and continuous improvement of the product system, various types of institutional investors are accelerating their entry into the market, steadily pushing the total amount of funds in the futures market to a new level. (Source: Official website of China Futures Market Monitoring Center)

Management Discussion and Analysis

(3) Variety innovation: a number of new strategic varieties were listed, with the product system continuously improving

In 2025, China's futures market continued to make great efforts in variety innovation, with a number of new strategic futures and options products listed that year. As of the end of 2025, China's futures market had listed a cumulative total of 164 futures and options products, extensively covering major sectors of the national economy, including agricultural products, metals, energy, chemicals, building materials, shipping, and finance. The Shanghai Futures Exchange continuously promoted the construction of the non-ferrous metal sector. The lead, nickel, tin, and alumina options operated smoothly during the year, and achieved full coverage of non-ferrous metal options, further enriching the risk management toolkit for the non-ferrous industry. The new energy metal sector of Guangzhou Futures Exchange (GFEX) has gained a new member as on 27 November, platinum and palladium futures were officially listed, and on the next day, platinum and palladium options were listed and traded. This is another important green variety launched by the GFEX after industrial silicon, lithium carbonate and polycrystalline silicon, providing key risk management tools for industries such as automotive exhaust treatment, wind power and hydrogen energy. In the agricultural sector, relevant options products developed alongside futures varieties, providing agricultural enterprises with a complete derivatives toolchain covering raw materials and products, futures and options, thereby enhancing the overall risk management capabilities of the industries.

(4) Opening-up: institutional opening-up steadily expanded, and foreign clients' engagement continued to enhance

In 2025, the futures market made significant progress in high-standard institutional opening-up. In terms of the number of varieties, the scope of domestic futures and options products accessible to Qualified Foreign Institutional Investors (QFII and RQFII) continued to expand. From 10 September, the Shanghai Futures Exchange (SHFE) has added asphalt futures contracts, along with fuel oil, asphalt, and pulp options contracts for opening-up. By the end of 2025, the total number of domestic futures and options products eligible for trading by Qualified Foreign Institutional Investors reached 107, basically covering key sectors such as energy, chemicals and agricultural products. In terms of institutional development, the CSRC issued the Work Plan for Optimizing the Qualified Foreign Institutional Investor Scheme (《合格境外投資者制度優化工作方案》), allowing overseas investors to participate in trading a wider range of commodity futures and options varieties, with relevant varieties being progressively opened up on an ongoing basis. In terms of client participation, the number of overseas clients increased by 11% year-on-year in the first three quarters of 2025, with traders from 40 countries and regions. For the first time, overseas investors used government bonds as margin for commodity futures trading, marking a new stage in how domestic financial infrastructure serves the high-quality opening up of the capital market. These progresses reflect that China's futures market continues to gain international influence and attractiveness, and a new pattern of high-quality opening-up is rapidly taking shape.

Management Discussion and Analysis

(5) Serving the real economy: functional advancements deepened further and the “futures+” model drove industrial upgrading

In 2025, the futures market's service to the real economy further developed vertically and horizontally. Various futures exchanges and futures companies actively advanced the linkage between futures and spot markets, deeply implemented action plans to strengthen engagement with industrial clients, continuously optimised the institutional environment for corporate hedging transactions, steadily promoted portfolio margin, refined the rules for market maker management, and effectively reduced the hedging cost of enterprises. In the field of agricultural products, the “Insurance + Futures” model continued to iterate and upgrade, transitioning from “cost protection” to “income protection”. In the industrial field, the futures market provided enterprises with risk management instruments for raw material procurement and product sales, facilitating their stable production and operation. In addition, futures companies leveraged their professional expertise to provide comprehensive derivative services for real enterprises. They conducted in-depth trend monitoring and forward-looking research and judgment of key commodity price-volume indicators, established comprehensive analysis systems for futures and spot, on-and off-exchange and domestic and international markets, and enhanced their capabilities to interpret macroeconomic trends through futures and vice versa, ultimately contributing to macroeconomic governance.

Looking back on 2025, the futures market has taken solid steps on the path of high-quality development. The optimisation and upgrading of regulatory policies from classification and regulation to classification and evaluation guided the industry back to the origin of sound operations. We witnessed the steady growth of market scale, continuous optimisation of customer structure, and significant enhancement of market depth and capital carrying capacity; the continuous improvement of variety system, significant breakthroughs in risk management tools for the green and low-carbon sector and more complete non-ferrous metal product system. With the further expansion of opening-up, the breadth and depth of overseas client participation continuously increased. The linkage between futures and spot markets increasingly matured and the “Insurance + Futures” model achieved remarkable results in benefiting farmers, continually enhancing the precision and effectiveness of serving the real economy. Looking ahead to 2026, with the full implementation of classification and evaluation mechanism, continuous enrichment of the green product system, and steady expansion of institutional opening-up, the futures market will better play its role in price discovery and risk management, and demonstrate greater responsibility in serving new quality productivity, supporting rural revitalization, and ensuring the security of industrial and supply chains.

II. Business Review

The Group engages in the futures industry. The operating results of futures companies are correlated with the trend of the securities and futures market, and the operating income and profit level of the futures industry is strongly cyclical due to the macroeconomic impact. The Company's futures business is also dependent on and benefits from China's economic growth and the development and performance of China's capital markets, which are affected by various factors such as the economic environment, regulatory policies, investors' risk appetite and international markets.

Management Discussion and Analysis

As of 31 December 2025, total assets of the Group amounted to RMB12,662 million, representing an increase of 8.23% as compared to the beginning of the period. Net assets attributable to the Group amounted to RMB1,865 million, representing a decrease of 0.63% as compared to the beginning of the period. In 2025, the Company achieved a total operating income of RMB288 million, a total profit of RMB4.3423 million and a net profit of RMB3.9927 million, representing a year-on-year decreases of 20.53%, 88.66% and 86.61%. Average daily customer equity decreased by 8.36% year-on-year. Customer equity rose 11.38% at the end versus the beginning of the period. The Company was awarded approximately 40 honors, including the Best Futures Company of China (中國最佳期貨公司).

The Group is mainly engaged in futures brokerage, asset management, commodity trading and risk management, and financial asset investment. During the Reporting Period, there was no significant change in the nature of the Group's principal business.

(1) The futures brokerage business

The Company's futures brokerage business includes the provision of brokerage services in respect to commodity and financial futures available at all futures exchanges in the PRC, and receiving handling fees from clients. As of 31 December 2025, the Company had 34 branches and sub-branches located in several municipalities, in Jiangsu Province, and in other economically developed cities in the PRC.

Brokerage business serves as the "ballast stone". In 2025, the Company focused on five key areas: refining commission rate management, precision operations for existing clients, sustained expansion of new client acquisition, growth in internet finance services, and strengthening transaction advisory services. Through concrete measures and streamlined initiatives involving various products, tools, and services, the Company drove steady development in its brokerage business. In 2025, the Group's net brokerage fee income was RMB167 million, representing a decrease of 3.80% compared to RMB173 million in 2024. Interest income from customer fund deposits was RMB47.4905 million, representing a decrease of 44.37% compared to RMB85.3616 million in 2024. Turnover from brokerage (bilateral statistics, the same below) amounted to RMB5,654.960 billion, representing a decrease of 20.69% from RMB7,130.623 billion in 2024. The Company's commodity futures brokerage turnover amounted to RMB4,093.836 billion, representing a decrease of 31.90% from RMB6,011.517 billion in 2024; financial futures brokerage turnover amounted to RMB1,561.124 billion, representing an increase of 39.50% from RMB1,119.106 billion in 2024. The Company's trading volume was 77.1835 million lots, representing a decrease of 14.74% from 90.5268 million lots in 2024.

Management Discussion and Analysis

(2) The asset management business

As of 31 December 2025, the AUM of the Company amounted to RMB1.059 billion, representing a decrease of 93.43% as compared to the AUM of RMB16.112 billion as at the end of 2024. The asset management business achieved an income (excluding fee income generated by the structured entity included in the consolidation) of RMB2.9866 million, representing a decrease of 50.24% as compared to RMB6.0019 million in 2024. There were 18 trading asset management accounts in total. The Company launched 9 new asset management schemes during the year, including 8 collective products and 1 individual product.

In the face of the continuous decline in market interest rates, the Company's asset management business proactively sought changes and engaged in in-depth exchanges with leading institutions in the industry. Building on the traditional futures margin management model, it innovatively increased the allocation of fixed-income public funds, which not only effectively enhanced the returns of cash management products but also further expanded its pool of cooperative institutions. That laid a solid foundation for product scale expansion and revenue generation in the asset management business, and achieved iterative upgrade and stable operation of its cash management products.

Adhering to the philosophy of "empowering cooperation and mutual benefit", the Company's asset management business maintained normalized and efficient communication with financial peer institutions. In cooperation negotiations, it accurately exerted the core advantages of the Company's asset management business based on the business need of partners, providing targeted empowerment for their business development and facilitating the implementation of cooperation. In 2025, the Company strengthened its efforts to approach institutions such as fund companies and securities firms, achieving substantial implementation of multiple business cooperation, which accumulated high-quality cooperative resources for subsequent business expansion.

In 2026, the Company's asset management business will closely follow regulatory guidance, continue to deepen the application of futures and derivatives in the asset management business, highlight the unique advantages of the futures asset management business, refine product strategies, optimize customer services, and promote high-quality leapfrog development of the Company's asset management business.

Management Discussion and Analysis

(3) The commodity trading and risk management business

Holly Capital has completed its registered address change, relocating its registered address from Qianhai Shenzhen – Hong Kong Cooperation Zone, Shenzhen to the Central Business District, Jiangbei New Area, Nanjing. Operating income for the year reached RMB42.0470 million, and total profits amounted to RMB8.8871 million. In particular, the spot and futures business innovatively launched distinctive services such as “copper basis + futures options” and “PVC warehouse receipt basis,” helping industrial enterprises optimize procurement costs while securing stable returns. Additional credit facilities totaling RMB1.82 billion have been extended, providing robust support for business operations. The OTC derivatives business achieved an additional notional principal of RMB27.103 billion, generating an operating profit of RMB10.437 million. The market-making team continuously enhanced product iteration and optimized systems and risk controls, achieving zero risk exposure while boosting returns.

(4) Financial assets investment business

With an aim of optimising its capital operation, the Group invested in a variety of financial assets including securities, funds and asset management plans. The Group adhered to the principle of prudence and stability to strictly control investment risks, rationally allocate its own funds, and enhance the efficiency of fund utilization and the level of returns, helping the stable development of its principal business.

In 2025, the domestic securities market presented structural opportunities with a notable increase in trading activity. The commodity market continued its divergent trends, with volatility intensified for certain products. Against this complex market backdrop, the Group continuously strengthened risk control across the investment process, dynamically optimized financial asset allocation and investment strategies, and achieved overall stable investment returns by seizing market opportunities. For the year 2025, the Company recorded financial asset investment income of RMB7.9571 million and fair value change gains of RMB12.3490 million, totaling RMB20.3061 million, representing a year-on-year decrease of 27.72%.

Management Discussion and Analysis

(5) Overseas financial services business

In 2025, amid a complex and severe external environment, the Company proactively seized development opportunities, continuously unleashed operational vitality, accelerated business transformation and upgrading, and achieved steady growth in overall performance, and made good progress in cost control.

For overseas futures and securities brokerage business, the Company closely followed market trends and customer demands, systematically restructured its traditional brokerage business, deepened the optimization of its customer base, and focused on expanding industrial and institutional clients. Efforts were made to cultivate the professional business team, while enhancing collaboration and linkage across front, middle, and back offices to comprehensively improve integrated service capabilities. As of December 2025, the futures business continued to expand its footprint and development, with revenue increasing by 38.82% year-on-year.

For overseas asset management business, the Company continuously enhanced its active management and risk management capabilities, closely tracked changes in the U.S. bond market, dynamically adjusted fund portfolios, and ensured the stable performance of underlying assets. The investment advisory business achieved notable results in expansion, further diversifying revenue streams, and achieved a year-on-year doubling of its advisory business scale.

(6) Wealth management business

In 2025, in line with the concept of “financial supermarket”, a total of 2,719 public fund products of 19 fund companies were listed, with 362 newly added during the year. The scale of public fund sales was RMB106.64 million. In terms of private placement distribution, 3 new private placement product was launched during the year, with a sales volume of RMB22.10 million. Looking ahead to 2026, the Company will accelerate the transformation of wealth management, continuously deepen the service concept of “client-centered” and focus on improving the wealth product system. Prioritizing the quality as the key differentiator, the Company will also establish a selection mechanism for gold-standard products, ensuring clients gain access to investment products with better quality.

III. Financial statement analysis

(1) Financial statement analysis

1. *Analysis of profitability*

During the Reporting Period, against the backdrop of a complex international situation and macroeconomic situation, as well as fierce market competition in the futures industry, the Company adhered to consolidating its main business and strictly controlling risks, and its overall operating results showed a bottoming-out trend. In 2025, the Group achieved total operating income of RMB288 million (a year-on-year decrease of 20.53%); a net profit attributable to shareholders of the Company of RMB3.99 million (a year-on-year decrease of 86.61%); earnings per share of RMB0.0040; and a weighted average return on net assets of 0.21%.

2. *Asset structure and asset quality*

As at the end of 2025, the total assets of the Group amounted to RMB12,662 million, representing a year-on-year increase of 8.23% as compared with RMB11,699 million at the end of 2024; the total liabilities amounted to RMB10,797 million, representing a year-on-year increase of 9.92% as compared with RMB9,823 million at the end of 2024; and the net assets amounted to RMB1,865 million, representing a year-on-year decrease of 0.63% as compared with RMB1,877 million at the end of 2024.

The asset structure remained stable while the quality and liquidity of assets were well maintained. At the end of 2025, the Group's total assets recorded a year-on-year increase of 8.23%, mainly due to the increase of customers' equity. As at the end of 2025, in the total assets of the Group, current assets of RMB12,288 million, accounting for 97%; non-current assets of RMB374 million, accounting for 3%. Total assets mainly include cash assets of RMB11,255 million, accounting for 89%; financial investment assets of RMB471 million, accounting for 4%; and other assets of RMB936 million, accounting for 7%.

As at the end of 2025, the liabilities deducting accounts payable to customers' equity amounted to RMB1,070 million, representing an increase of 9% as compared with RMB984 million at the end of 2024, mainly due to an increase in the amount of bills payable, which was derived from bank acceptance notes payable by the subsidiary Holly Capital. The Group's gearing ratio was 36%, an increase of 2 percentage points compared to 34% at the end of 2024 (Note: Gearing ratio = (Total liabilities – Customers' equity payable)/(Total assets – Customers' equity payable)); operating leverage was 1.57 times, an increase of 3% compared to 1.52 times at the end of 2024 (Note: Operating leverage = (Total assets – Customers' equity payable)/Equity attributable to shareholders of the Company).

Management Discussion and Analysis

3. *Liquidity level management*

The Company places great emphasis on liquidity management based on the principle of “comprehensive, prudent and predictability” while focusing on the organic combination of the security, liquidity and profitability of capital. The liquidity monitoring index of the Company in each month throughout 2025 complied with the regulatory requirements of the CSRC.

The Company has established a risk assessment and monitoring system centred on net capital as a key metric, enabling continuous oversight of risk regulatory indicators such as net assets. Real-time monitoring is implemented for significant fund movements, with centralised liquidity management to balance yield optimisation and funding requirements. As a financial institution, the Company generally does not engage in debt financing or guarantee arrangements.

Risk management companies under the Company utilise credit facilities extended by banks and other financial institutions when conducting commodity trading and risk management activities. Depending on operational needs and risk appetite, it may employ financing instruments including credit borrowings and bank acceptance notes to support business requirements.

At the end of 2025, the Group’s total borrowings amounted to RMB1,000,400 (end of 2024: RMB29.0189 million), all of which were repayable within one year, and the annual interest rates ranged from 2.20% to 2.30%. Details of the Group’s borrowings are set out in Note V. 20 and 32 to the financial statements of this annual report, and liquidity risk is set out in Note X. (III).

4. *Cash flow*

In 2025, the net decrease in cash and cash equivalents amounted to RMB-3,624 million, representing a year-on-year decrease of RMB5,848 million as compared with RMB2,224 million in 2024. This was mainly due to the decrease in net cash flow from investing activities resulting from the placement of fixed-term deposits in banks.

In 2025, the net cash generated from operating activities amounted to RMB772 million, representing a decrease of RMB1,576 million as compared with RMB2,348 million in 2024; net cash generated from investing activities amounted to RMB-4,346 million in 2025, representing a decrease of RMB4,384 million as compared with RMB38 million in 2024; net cash generated from financing activities amounted to RMB-54 million in 2025, representing a year-on-year increase of RMB103 million as compared with RMB-157 million in 2024; the effect of changes in foreign exchange rates amounted to RMB4.05 million in 2025, representing a year-on-year increase of RMB8.76 million as compared with RMB-4.71 million in 2024.

Management Discussion and Analysis

(2) Income statement items

In 2025, the Group's net profit amounted to RMB3.99 million, representing a year-on-year decrease of RMB25.83 million or 86.61%. The main items of the income statement are as follows:

In RMB'0,000	2025	2024	2025 as compared to 2024	
			Change in amount	Change
Total income from operations	28,755	36,184	-7,429	-21%
Net fee and commission income	16,976	17,932	-956	-5%
Net interest income	7,327	11,136	-3,809	-34%
Investment gains (loss denoted by "-")	-835	3,485	-4,320	-124%
Other income	40	111	-71	-64%
Gains on change in fair value	4,784	2,739	2,044	75%
Exchange gains (loss denoted by "-")	-11	-31	20	66%
Income from other business activities	563	816	-253	-31%
Asset disposal gain (loss denoted by "-")	-88	-4	-84	-2,073%
Total operating expense	28,382	32,719	-4,337	-13%
Futures risk reserve expenses	741	752	-11	-1%
Taxes and surcharges	441	408	34	8%
General and administrative expenses	26,921	30,999	-4,077	-13%
Credit impairment loss	-61	-49	-11	-23%
Other general expenses	339	610	-271	-44%
Profit from operations	373	3,464	-3,092	-89%
Add: Non-operating income	74	482	-408	-85%
Less: Non-operating expenses	12	117	-105	-90%
Total profit	434	3,829	-3,395	-89%
Less: Income tax expense	35	846	-811	-96%
Net profit	399	2,983	-2,583	-87%
Basic and Diluted earnings per share	0.0040	0.0296		
Other comprehensive income, net of tax	-581	349	-930	-266%
Total comprehensive income	-182	3,332	-3,513	-105%

Management Discussion and Analysis

1. Net handling fee and commission income and net interest income

In 2025, the Group achieved net fee and commission income and net interest income of RMB243.02 million, representing a year-on-year decrease of RMB47.65 million or 16%. In 2025 and 2024, the proportions of net fee and commission income were 70% and 62%, respectively, while the proportions of net interest income were 30% and 38%, respectively. Breakdown is set out in the following table:

In RMB'0,000	2025		2024		2025 as compared to 2024	
	Amount	Proportion	Amount	Proportion	Change in amount	Change
Net fee and commission income	16,976	70%	17,932	62%	-956	-5%
Net interest income	7,327	30%	11,136	38%	-3,809	-34%
Total	24,302	100%	29,068	100%	-4,765	-16%

- Net fee and commission income*

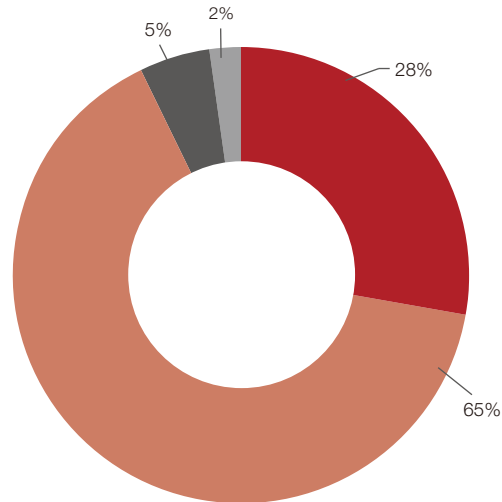
In 2025, net fee and commission income of the Group amounted to RMB169.76 million, representing a year-on-year decrease of RMB9.56 million or 5%. Breakdown is set out in the following table:

In RMB'0,000	2025		2024		2025 as compared to 2024	
	Amount	Proportion	Amount	Proportion	Change in amount	Change
Income from domestic brokerage handling fees	4,750	28%	2,969	17%	1,781	60%
Reduction of handling fees from exchanges	11,121	65%	13,341	74%	-2,220	-17%
Income from overseas brokerage business	802	5%	1,022	6%	-220	-22%
Income from asset management business	299	2%	600	3%	-301	-50%
Investment advisory income	4	0%	0	0%	4	N/A
Net fee and commission income	16,976	100%	17,932	100%	-956	-5%

Management Discussion and Analysis

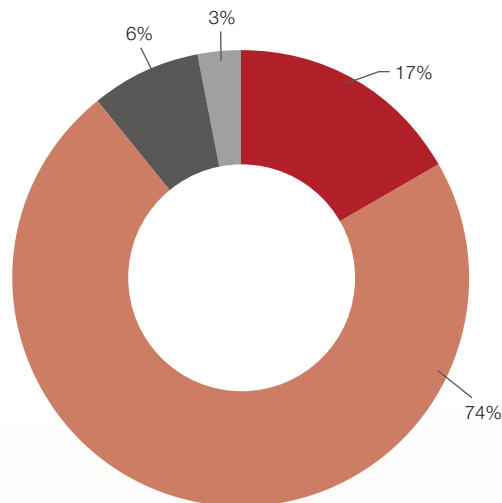
2025 Fee Income

- Income from domestic brokerage handling fees
- Reduction of handling fees from exchanges
- Income from overseas brokerage business
- Income from asset management business
- Investment advisory income



2024 Fee Income

- Income from domestic brokerage handling fees
- Reduction of handling fees from exchanges
- Income from overseas brokerage business
- Income from asset management business



Management Discussion and Analysis

- ① The income from brokerage business was RMB166.73 million, a year-on-year decrease of RMB6.59 million or 4%, which mainly comprised income from domestic brokerage handling fees, reduction of handling fees from exchanges, and income from overseas brokerage business. Among them, income from domestic brokerage handling fees was RMB47.50 million, reduction of handling fees from exchanges was RMB111.21 million, and income from overseas brokerage business was RMB8.02 million.
- ② The income from asset management business amounted to RMB2.99 million, representing a year-on-year decrease of RMB3.02 million or 50%. Income from asset management business mainly consisted of management fees and performance-based commissions. Management fees are accrued based on the net value of asset management plans, while performance-based commissions are accrued based on the operational efficiency of asset management plans.

- **Net interest income**

Net interest income of the Group amounted to RMB73.27 million, representing a year-on-year decrease of RMB38.09 million or 34%. Breakdown is set out in the following table:

In RMB'0,000	2025	2024	2025 as compared to 2024	
			Change in amount	Change
Deposit of client's fund	4,749	8,536	-3,787	-44%
Deposit of own fund	2,442	2,519	-77	-3%
Financial assets held under resale agreements	137	134	3	2%
Less: Interests expense	1	54	-52	-97%
Total	7,327	11,136	-3,809	-34%

Interest income is mainly attributable to: ① the interest income derived from the deposits of the Company's own funds and client deposits placed in financial institutions; ② Interest income derived from reverse repurchase agreements. The interest income decreased mainly due to the decline in interest rates.

Management Discussion and Analysis

2. Financial assets gains

In 2025, the Group achieved financial assets gains of RMB39.48 million, representing a year-on-year decrease of RMB22.76 million. The breakdown is set out in the following table:

In RMB'0,000	2025	2024	2025 as compared to 2024	
			Change in amount	Change
Investment gains	-835	3,485	-4,320	-124%
Gains from changes in fair value	4,784	2,739	2,044	75%
Total	3,948	6,224	-2,276	-37%

(1) Investment gains

In 2025, investment gains of the Group amounted to RMB-8.35 million, representing a year-on-year decrease of RMB43.20 million or 124%. Breakdown is set out in the following table:

In RMB'0,000	2025	2024	2025 as compared to 2024	
			Change in amount	Change
Gains on financial instrument during holding period				
– Financial assets held for trading	232	258	-26	-10%
– Other debt investments	3	3	0	-12%
– Other equity instruments investment	168	57	111	195%
Gains from disposal of financial instruments				
– Derivative financial assets	903	6,366	-5,463	-86%
– Financial assets held for trading	391	539	-148	-27%
– Other debt investments	2	16	-15	-90%
– Other current assets	-2,540	-3,801	1,261	33%
Long term equity investment gains calculated with equity method	6	46	-40	-88%
Total	-835	3,485	-4,320	-124%

Management Discussion and Analysis

The Company's financial assets investment business mainly comprised of proceeds from disposal and holding of securities, funds, trust schemes, asset management plans and bonds. In 2025, the total gains on financial instrument during holding period amounted to RMB4.03 million, a year-on-year increase of RMB0.85 million or 27%; the total gains from disposal of financial instruments amounted to RMB-12.44 million, a year-on-year decrease of RMB43.65 million or 140%. The income related to financial derivatives mainly came from the futures and risk management business of the subsidiary Holly Capital, and the rest mainly came from the financial asset investment business and the equity method accounting of associates. Investment gains in 2025 decreased significantly, mainly due to the impact of significant fluctuations in the futures market on the subsidiary Holly Capital, which led to a substantial decline in its forward and spot basis trading business profits.

(2) *Gains from changes in fair value*

In 2025, gains from changes in fair value of the Group amounted to RMB47.84 million, representing a year-on-year increase of RMB20.44 million or 75%. Breakdown is set out in the following table:

In RMB'0,000	2025	2024	2025 as compared to 2024	
			Change in amount	Change
Financial assets held for trading	1,264	1,882	-618	-33%
Financial liabilities held for trading	-29	54	-83	-154%
Derivative financial instruments	-7,120	1,952	-9,072	-465%
Investment properties	-40	-11	-29	-276%
Other current assets	10,709	-1,138	11,846	1,041%
Total	4,784	2,739	2,044	75%

The increase in gains from changes in fair value for the year was mainly due to the rise in prices of standard warehouse receipts and spot goods held by Holly Capital at the end of the period, driven by market price fluctuations.

Management Discussion and Analysis

3. Other operating income

In 2025, the Group achieved other operating income of RMB5.63 million, representing a year-on-year decrease of RMB2.53 million or 31%, which mainly included revenue from “Insurance + Futures” business and revenue from property leasing.

4. Other income

In 2025, the Group’s other income amounted to RMB-0.58 million, representing a year-on-year decrease of RMB1.35 million or 177%, mainly due to the decrease in other income as a result of the decline in government grants and gains on the disposal of assets. Breakdown is set out in the following table:

In RMB'0,000	2025	2024	2025 as compared to 2024	
			Change in amount	Change
Other gains	40	111	-71	-64%
Foreign exchange gains	-11	-31	20	66%
Profit from disposal of assets	-88	-4	-84	-2,073%
Other income	-58	76	-135	-177%

(1) Other gains

Other gains represent government subsidies and personal tax refunds received by the Group totaling RMB0.40 million, representing a year-on-year decrease of RMB0.71 million or 64%. Of which, government subsidies amounted to RMB0.29 million and personal tax refunds amounted to RMB90,000.

(2) Foreign exchange gains

In 2025, foreign exchange gains of the Group amounted to RMB-0.11 million, which was mainly attributable to the exchange rate fluctuations. In 2025, the Group did not use financial instruments to hedge our exposure to exchange rate fluctuations.

Management Discussion and Analysis

5. Operating and management expenses

The operating and management expenses of the Group amounted to RMB269.21 million in 2025, representing a year-on-year decrease of RMB40.77 million or 13%. Breakdown is set out in the following table:

Item	2025	2024	Change in amount	Change
Staff benefits	16,612	18,770	-2,159	-11%
Office expenses	3,611	4,283	-672	-16%
Depreciation and amortization	2,885	3,428	-543	-16%
Lease charges	266	724	-458	-63%
Finance costs	785	602	183	30%
Insurance, brokerage and consulting service fees	1,142	1,206	-64	-5%
Investors protection fund	32	40	-8	-20%
Maintenance fees	355	386	-32	-8%
R&D costs	0	176	-176	-100%
Others	1,233	1,383	-150	-11%
Total	26,921	30,999	-4,077	-13%

(1) Staff benefits

Staff costs mainly comprised of salaries, bonuses and allowances, social insurance, housing provident fund, enterprise annuity, and other welfare expenses.

In 2025, the staff costs of the Group amounted to RMB166.12 million with a year-on-year decrease of RMB21.59 million or 11%.

(2) Office expenses

Office expenses mainly comprised of office supplies fees, information fees, postal and communication expenses, business travel expenses and business entertainment expenses.

In 2025, the office expenses of the Group amounted to RMB36.11 million with a year-on-year decrease of RMB6.72 million or 16%, which was mainly due to the decrease in business entertainment expenses, business travel expenses and other expenses.

Management Discussion and Analysis

(3) Finance costs

Finance costs mainly included interest on loans and bank charges, among which financing interest expenses of the subsidiary Holly Capital accounted for a relatively large portion. Finance costs of the Group for the year 2025 amounted to RMB7.85 million, representing a year-on-year increase of RMB1.83 million or 30%.

6. Other operating costs

In 2025, the Group's other operating costs was RMB3.39 million, representing a year-on-year decrease of RMB2.71 million or 44%, which was mainly due to the cost of "Insurance + Futures" business.

(3) Asset items

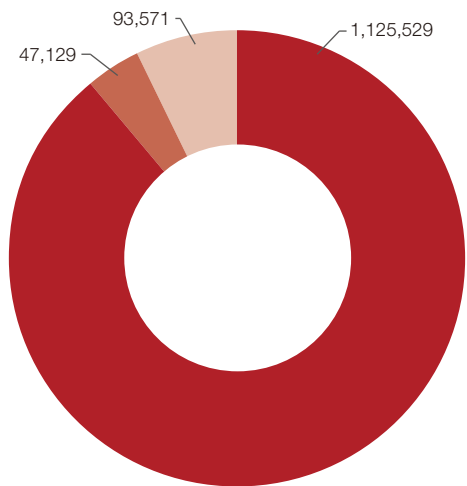
As of 31 December 2025, the total assets of the Group increased year-on-year by RMB963 million or 8% to RMB12,662 million, including cash assets amounting to RMB11,255 million with a year-on-year increase of 9%, financial investment assets amounting to RMB471 million with a year-on-year increase of 8%, and other assets amounting to RMB936 million with a year-on-year increase of 2%. The change in the total amount of principal assets of the Group is set out as follows:

In RMB'0,000	2025	2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Cash assets	1,125,529	1,034,550	90,979	9%
Financial investment assets	47,129	43,578	3,552	8%
Other assets	93,571	91,809	1,762	2%
Total	1,266,229	1,169,937	96,292	8%

Management Discussion and Analysis

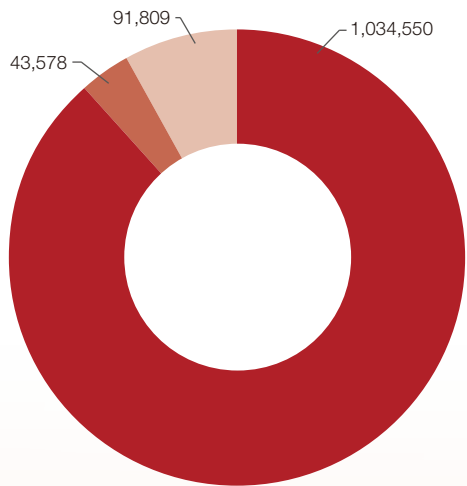
Asset distribution
as at 31 December 2025

- Cash assets
- Financial investment assets
- Other assets



Asset distribution
as at 31 December 2024

- Cash assets
- Financial investment assets
- Other assets



Management Discussion and Analysis

1. Cash assets

As of 31 December 2025, the cash assets of the Group amounted to RMB11,255 million, accounting for 89% of the total assets of the Group, with a year-on-year increase of RMB910 million or 9%. The composition of the cash assets of the Group is set out as follows:

In RMB'0,000	As of 31 December 2025	As of 31 December 2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Monetary fund	799,046	720,880	78,165	11%
Currency deposits receivable	318,723	284,856	33,867	12%
Pledged deposits receivable	7,761	28,814	-21,053	-73%
Total	1,125,529	1,034,550	90,979	9%

The change in cash assets mainly include monetary funds, currency deposits receivable and pledged deposits receivable. Among these, monetary funds amounted to RMB7,990 million, accounting for 63% of the total assets of the Group, representing an increase of RMB782 million or 11% compared to 2024. Currency deposits receivable of RMB3,187 million, accounting for 25% of the total assets of the Group, representing an increase of RMB339 million or 12% as compared to 2024. Pledged deposits receivable amounted to RMB78 million, accounting for 1% of the total assets of the Group, representing a decrease of RMB211 million or 73% as compared to 2024.

2. Financial investment assets

As of 31 December 2025, the financial investment assets of the Group amounted to RMB471 million, accounting for 4% of the total assets of the Group, with a year-on-year decrease of RMB36 million or 8%. The composition of the financial investment assets of the Group is set out as follows:

In RMB'0,000	As of 31 December 2025	As of 31 December 2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Derivative financial assets	915	1,156	-240	-21%
Financial assets held under resale agreements	9,397	9,625	-229	-2%
Financial assets held for trading	33,160	28,070	5,090	18%
Other debt investments	0	882	-882	-100%
Other equity instruments investment	2,781	2,974	-193	-6%
Long-term equity investment	877	871	6	1%
Total	47,129	43,578	3,552	8%

Management Discussion and Analysis

3. Other assets

As of 31 December 2025, the other assets of the Group amounted to RMB936 million, accounting for 7% of the total assets of the Group, and representing an increase of RMB18 million or 2%. The primary reasons for this change were, on the one hand, the increase in the scale of warehouse receipts and inventories in basis trading held by the subsidiary, Holly Capital; on the other hand, a significant reduction in fixed assets and right-to-use assets resulting from the Company's reduction in fixed asset investments and the closure of certain branches. The composition of other operating assets such as property and equipment of the Group is set out in the table below:

In RMB'0,000	As of 31 December 2025	As of 31 December 2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Receivables	3,616	3,264	351	11%
Financing capital	264	354	-90	-25%
Fixed, intangible and right-to-use assets	29,973	32,164	-2,191	-7%
Investment properties	4,807	4,847	-40	-1%
Deferred tax assets	1,739	1,835	-96	-5%
Other assets	53,171	49,345	3,826	8%
Total	93,571	91,809	1,762	2%

(4) Liabilities items

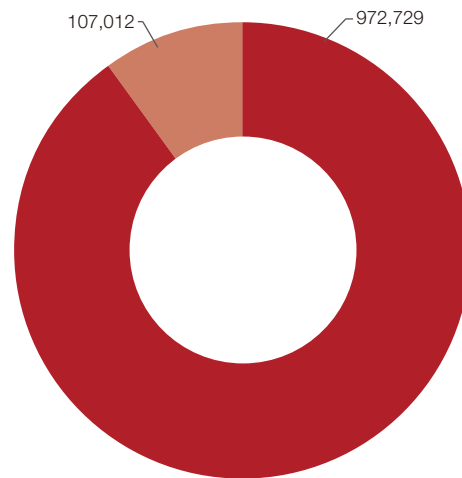
As of 31 December 2025, the total liabilities of the Group increased year-on-year by RMB975 million or 10% to RMB10,797 million, in which accounts payable to customers amounted to RMB9,727 million with a year-on-year increase of 10%, which was mainly attributable to the increase in the deposits contributed by clients. As at 31 December 2025, the Group had no contingent liabilities. The change in the total amount of principal liabilities of the Group is set out as follows:

In RMB'0,000	As of 31 December 2025	As of 31 December 2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Accounts payable to customers	972,729	883,889	88,840	10%
Other operating liabilities	107,012	98,370	8,642	9%
Total	1,079,741	982,259	97,482	10%

Management Discussion and Analysis

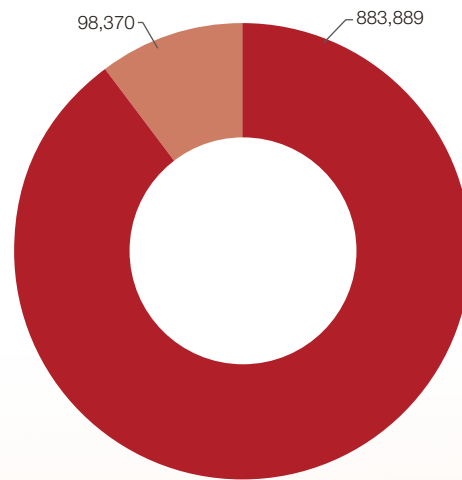
Liability distribution as at 31 December 2025

- Accounts payable to customers
- Other operating liabilities



Liability distribution as at 31 December 2024

- Cash assets
- Financial investment assets
- Other assets



Management Discussion and Analysis

1. *Accounts payable to customers*

As of 31 December 2025, the accounts payable to customers of the Group amounted to RMB9,727 million, accounting for 90% of the total liabilities of the Group, with a year-on-year increase of RMB888 million or 10%, which was mainly attributable to the increase in the deposits contributed by customers. Of which, currency deposits payable and pledged deposits payable amounted to RMB9,726 million and RMB1 million respectively. The composition of the accounts payable to customers of the Group is set out as follows:

In RMB'0,000	As of 31 December 2025	As of 31 December 2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Natural person clients	435,038	382,094	52,943	14%
Corporate clients	537,691	501,795	35,897	7%
Total	972,729	883,889	88,840	10%

2. *Other operating liabilities*

As of 31 December 2025, the other operating liabilities of the Group amounted to RMB1,070 million, accounting for 10% of the total liabilities of the Group, with a year-on-year increase of RMB86 million or 9%. The composition of the other operating liabilities of the Group is set out as follows:

In RMB'0,000	As of 31 December 2025	As of 31 December 2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Financial liabilities	1,703	2,207	-504	-23%
Other liabilities	105,309	96,163	9,146	10%
Total	107,012	98,370	8,642	9%

Among them, financial liabilities decreased by 23% year-on-year, mainly due to the reduction in financial liabilities held for trading and financial assets sold under repurchase agreements. Other liabilities increased by 10% year-on-year, mainly attributable to the increase in the balance of bills payable resulted from additional bank acceptance notes of the subsidiary, Holly Capital.

Management Discussion and Analysis

(5) Equity

As of 31 December 2025, the total owners' equity of the Group amounted to RMB1,865 million, representing a year-on-year decrease of RMB12 million or 1%. The composition of owner's equity of the Group is set out as follows:

In RMB'0,000	As of 31 December 2025	As of 31 December 2024	Change as at 31 December 2025 as compared to 31 December 2024	
			Change in amount	Change
Share capital	100,778	100,778	0	0%
Reserve	85,711	86,900	-1,189	-1%
Total shareholders' equity	186,489	187,678	-1,189	-1%

IV. Changes in branches and subsidiaries and impact on results

• Branches

1. Establishment of and changes in operation branches

• Establishment and closing of futures branches

During the Reporting Period, the Company closed Shanghai branch and Hefei branch.

• Relocation

The Company constantly adjusted and optimized its branch network. During the Reporting Period, 7 branches, namely the Changeshu branch, Huai'an branch, Suqian branch, Taizhou branch, Zhangjiagang branch, Qingdao branch and Yancheng branch were relocated.

2. Establishment of and changes in sub-branch offices

During the Reporting Period, the Company closed Beijing Sub-branch and Nanjing Sub-branch, one sub-branches, Shanghai Sub-branch, was relocated, and one Sub-branch in Northeast China was renamed as Dalian Sub-branch.

Management Discussion and Analysis

- *Impact on results*

According to the overall development strategy, the Company further combined and optimized regional resources and improved utilization of the resources to achieve optimal layout of branches, promoted the closure and merger of branch offices and reduction of rental expenses. Through the consolidation of under performing branch offices, the Company achieved cumulative cost savings of over RMB13 million, strove to build a network service system with risk control, effective management, sound functions, distinct image, moderate scale and reasonable layout.

V. Major investment and financing of the Company and subsidiaries

(i) Equity financing

The Company did not conduct any equity financing during the Reporting Period.

(ii) Debt financing

There was no long-term debt financing during the Reporting Period. Short-term debt financing is mainly short-term borrowings from banks or funds borrowed from related parties by the subsidiary and bank acceptance notes, Holly Capital, in accordance with its business needs, and is repaid in a timely manner, generally not exceeding one year.

(iii) Equity investment

The Company did not conduct any equity investment during the Reporting Period.

VI. Disposal, acquisition, substitution and spin-off of material assets of the Company, and reorganization of subsidiaries, associates and joint ventures

For the year ended 31 December 2025, the Company had no material acquisition or disposal of subsidiaries, associates and joint ventures.

VII. Risk factors and uncertainties faced by the Company and its risk strategy

The risks entailed by the Company's business activities include those inherent to policy risk, management and risks of internal control, professional conduct, markets, credit, information technology and ESG (environmental, social and governance) risk. In 2025, the Company put into place measures to effectively deal with these risks and safeguard the efficiency of its business activities.

(I) Policy risk

The futures industry and the regulatory environment are evolving. If regulatory authorities strengthen regulation on futures, it may result in restrictions on the scope of the Company's permissible operations, changes to its operating models, or increased costs. There is no guarantee that the Company will fully comply with new rules and regulations, or will be able to compete effectively with new market participants or efficiently adjust its business according to new policies, failing of which may have a material adverse effect on the business, financial condition, and results of operations of the Company.

At present, to promote industry development, domestic futures exchanges implement reductions in handling fees charged to futures companies regularly or from time to time. If there are significant changes in the future regarding these handling fee reduction policies of the exchanges, such as a decrease in the amount of fee reductions or suspension of such reductions, it would have a material impact on the Company's level of operating income, which in turn may result in a risk of significant fluctuations in profitability.

(II) Risk management and internal control risk

The Company relies on consistent application of management and internal control systems by relevant personnel to manage risks. The said systems are used to identify, monitor and control a wide range of risks, including those pertaining to the market, operations, credit and compliance. Some risk management methods used are based on internally established control systems, observation and summary of past market behaviours, and standard industry practices. However, these systems may not predict future risk exposure or identify unexpected or unforeseen risks occurring in the process of business innovation and diversification development of the Company. Other risk management methods rely on the assessment and analysis of information associated with market and operating conditions, but their assessment and analysis may not be accurate. Taking factors such as changes in market conditions and regulatory policies into consideration, if the Company cannot make timely adjustments and improvements to its risk management and internal control policies and procedures in light of future futures market development and business expansion, its business, financial condition and operating performance may be materially and adversely affected.

Management Discussion and Analysis

The Company's risk management approach also relies on the control and supervision of the executive staff. As errors and mistakes may occur in actual operation, despite that the Company can identify potential risks, its assessment of the risks involved and the corresponding measures to deal with them may not be fully effective. Due to the Company's large number of branches, it cannot guarantee that every employee will comply fully with its risk management and internal control policies. The Company's risk management and internal control policies do not necessarily protect the Company from all risks, and in certain circumstance, this could potentially have a material adverse impact on the business, financial condition and operating results of the Company.

(III) Professional conduct risk

Professional conduct risk refers to any legal sanctions, prosecutions, litigation claims, penalties, financial loss as well as damage to the reputation of the Company as a result of the failure to comply with the regulations, the requirements of supervisory authorities or agencies, the self-discipline code of conduct, or any guidelines concerning the futures brokerage business of the Company. The major professional conduct risk concerns the employees of the Company.

The professional conduct risk posed by employees includes managing customers' assets, opening accounts and trading on behalf of customers without their consent or authorization. The risk largely stems from individual staff members with low integrity level who cannot resist the temptation of the market, resulting in those staff members are more prone to manage customers' finance in violation of rules and regulations, or open accounts on their own accord to trade. Currently, the Company is screening and shielding the trading terminals of the staff members' office computers through technical measures to prevent staff members from accepting customers' instructions in the business premises to manage their assets on their behalf improperly and from opening accounts on their own accord to trade. Against the professional conduct risk posed by staff members, the Company has begun the strengthening of the internal system and established the mechanism of accountability. Through joint investigation by related departments, the risk of staff members opening accounts for trading will be eliminated at source and at the same time, through strengthening the training and education of staff members, their compliance awareness will be enhanced to reduce the chance of occurrence of such risk.

Management Discussion and Analysis

(IV) Market risk

Market risk refers to the risk of a decrease in revenue or asset loss of the Company resulting from macroeconomic conditions, such as fluctuations in risk factors, including stock prices, interest rates, exchange rates and commodities.

During the Reporting Period, the domestic and international macroeconomic situation was complex and volatile, presenting both opportunities and challenges in the operating environment of capital markets and commodity markets. The Company's principal business and financial asset investment operations both encountered corresponding pressures in their development. In terms of equity asset investments, the Company primarily aimed for steady asset appreciation, adhered to the investment philosophy of pursuing absolute returns, continuously optimized the allocation structure of low-volatility assets, and flexibly adjusted the allocation ratios of related assets in response to market trends. The Company consistently implemented the general policy of preventing risks and promoting high-quality development. So that, it strictly enforced various risk control measures, and dynamically managed the market risks of its portfolio assets to ensure stable and orderly conduct of its investment operations.

In terms of the traditional brokerage business, since there is a large number of futures companies, the price war of handling charges intensifies year after year for traditional brokerage business whose development prospect is not optimistic. Meanwhile, investors enter the futures market without adequate investment experience and skills nor good risk control capability but simply emphasise speculative trading and neglect risk control, or have to be forced to terminate trading as a result of their own factors being influenced by the economic environment. The combined effect of various factors has resulted in futures companies facing the risk of customers incurring losses in trading.

To address this kind of risk, the risk control department of the Company, through close tracking of the market trend, has monitored market fluctuations, reasonably adjusted investors' margin standards, strengthened the monitoring of risk indicators such as the change to position holding and the level of margin, adopted actions to liquidate the customers' position through raising the amount of margin timely and regulated investors' trading behavior according to relevant rules and regulations. The Company has also exerted greater force on monitoring the daily trading, especially the unusual trading behavior of less favored commodities and contracts, discovered, reported and dealt with straddling buy and sell positions in time and strengthened the education of customers and to remind investors to take risk management well so as to prevent the inherent risks to them as a result of their failure to understand the related rules and weak risk prevention consciousness.

In addition, as the Company has registered overseas subsidiaries whose capital is contributed in foreign currency, the Company holds foreign currency funds and assets, the changes of exchange rate will have certain impact on the Company's financial position. The Company does not currently hedge its exchange rate risk with derivative financial instruments. For details of the analysis of foreign currency risk, please refer to Note X. (I). 1 to the financial statement of this report.

Management Discussion and Analysis

(V) Credit risk

Credit risk refers to the risk of loss of the Company's assets due to default by the financing customer, the issuer of the product or bond, or the default of the counterparty.

When futures brokerage companies accept orders from customers to engage in futures trading on behalf of their customers, they would incur losses if their customers are unable or refuse to fulfill their contractual obligations. There are two kinds of credit risk from customers. The first one is the inability of corporate customers to fulfill their contractual obligations due to change of legal persons, change in ownership, poor business performance and other force majeure events. The second kind of credit risk comes from the turbulence in the futures market, resulting in great price fluctuations and also in some customers not being able to fulfill their contractual obligations.

In order to control credit risk, the Company will control the account opening process strictly. The Company has established a strict investor suitability management system and takes investor suitability seriously by thoroughly assessing the identity and creditworthiness of each new customer, and the adequacy of the funds that they will be using in the futures trading. The Company will also conduct investor education and training programmes to ensure that the customers understand the risks involved in futures trading adequately and will continue to enhance customers' ability to resist risks.

(VI) Information technology risk

Information technology risk mainly refers to exposure to losses caused by the failure of the information system to continuously ensure the stable, efficient and safe operation of transaction and business management in terms of business realization, timely response, solving capacity and data security, resulting from the abnormal operation of the Company's information system or data corruption or leakage caused by various internal or external reasons.

The business lines and the middle and back office management of the Company are highly dependent on the information technology system, which has become the key support to the operation of businesses of the Company. During the Reporting Period, the Company continued to increase investment in information technology to improve the management system and process of information technology risks, strengthened quality control for information technology, strengthened the investigation and governance for information technology risks and improved the monitoring system, further improving the effectiveness of risk management. The Company continues to improve its information technology risk contingency plans and conducts regular contingency drills. During the Reporting Period, the Company's information system was operated safely and stably. No major information technology risk events occurred.

Management Discussion and Analysis

(VII) ESG (Environmental, Social and Governance) risks

In June 2023, the International Sustainability Standards Board (ISSB) officially issued two international sustainability disclosure standards: IFRS S1 and IFRS S2. In April 2024, the Hong Kong Stock Exchange revised the Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》) to fully align with the ISSB standards. In January 2026, the Shenzhen Stock Exchange revised and released the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange: Preparation of Sustainability Report (2026 Revision) (《深圳證券交易所上市公司自律監管指南第3號－可持續發展報告編制(2026年修訂)》). These regulatory rules, both domestic and international, are well-coordinated and progressively aligned, continuously promoting a more systematic and standardized ESG information disclosure by enterprises.

Holly Futures closely follows domestic and international regulatory requirements and industry development trends. It has established a three-tier structure of “decision-making level – management level – execution level” around ESG governance, clarifying the authority and responsibilities at each level and integrating ESG concepts into business operations. The Company also identifies and assesses 25 ESG issues in reference to international and exchange regulations, specifies issues of double materiality, and comprehensively identifies and assesses related risks and opportunities, taking proactive measures to effectively promote the implementation of ESG management.

(1) *Compliance risks*

As the domestic and international sustainable information disclosure regulatory framework continues to improve and regulatory requirements become increasingly stringent, compliant operation has become a core prerequisite for the stable operation and high-quality development of futures companies. The Company conducts comprehensive identification and analysis of compliance risks in its operational processes through methods such as process analysis, case collection, and departmental communication, and assesses the overall impact on the Company’s development strategy, core business layout, and financial status. The Company has established a mechanism for dynamically tracking regulatory policy changes, strictly implementing measures such as information disclosure and internal auditing. The Company regularly conducts identification and re-assessment of compliance risks, timely updating risk list in response to changes in internal and external environments such as business development, policy changes, and regulatory updates, ensuring that compliance risks are always kept under control across the Company’s development process.

Management Discussion and Analysis

(2) *Climate change risks*

Against the backdrop of the in-depth advancement of the national “dual carbon” strategy, actively responding to climate change and practicing low-carbon development have become essential requirements for the Company to achieve sustainable development. The Company has established a climate change governance structure centered around the Strategic and ESG Committee, implementing full-process control over climate change risk management and low-carbon development. This includes conducting comprehensive assessments to define risk control priorities and formulate differentiated response measures, as well as establishing an identification and early-warning mechanism for extreme climate risks to solidify the foundation of risk prevention and control.

At the same time, Holly Futures actively explores effective paths for green finance development, deeply integrating the concept of climate sustainability into its business layout. The Company has continuously expanded its trading portfolio of new energy futures products listed on the Guangzhou Futures Exchange. Additionally, it has signed cooperation agreements on “Green Finance Futures Services for Entity Enterprises” with several provincial state-owned enterprises, leading industrial enterprises, and trading companies, developing “futures + insurance” projects to effectively secure farmers’ income and promote industry low-carbon transformation.

(3) *Product and service quality risks*

As a financial service institution, the quality of products and services serves as the cornerstone of the Company’s core competitiveness and customer trust, directly affecting investor rights protection and market reputation. The Company continuously deepens the construction of an intelligent customer service system, collecting internal and external information through professional teams via multiple channels, conducting risk level assessments and clarifying risk control priorities to implement targeted response measures such as comprehensive customer risk assessment, effectively preventing risks related to products and services. Furthermore, the Company regularly conducts various forms and channels of investor education and protection activities, continuously popularizing financial knowledge and enhancing investors’ risk prevention awareness, thereby strengthening both professional investment education and high-quality services to build robust defenses line against product and service quality risks while effectively improving customer satisfaction and trust.

Management Discussion and Analysis

(4) *Data security risks*

The Company strictly adheres to laws and regulations such as the Cybersecurity Law of the People's Republic of China and continues to strengthen data security risk management and control across all processes. We identify three core risks – technology, data security, and reputation – from multiple dimensions, conduct comprehensive assessments, and improve emergency plans while regularly conducting emergency drills. Meanwhile, the Company strengthens the data security awareness and compliance literacy of all employees by conducting specialized data security training and advancing internal and external audits for data security. This helps comprehensively identify management vulnerabilities and verify the effectiveness of systems and processes, effectively enhancing the overall data security management and control capabilities and compliant operation level.

VIII. Constructing the risk management system of the Company

The objective of risk management of the Company is to implement a comprehensive risk management system to ensure the business operation complies with the relevant rules and regulations, and limit the risk related to the business operation to a tolerable level, thereby maximizing the corporate value of the Company.

(1) *Risk management principles*

The Company values the importance of the risk management system, which is established to achieve the following business goal:

1. Preventing ethical, market, credit and investment risks;
2. Ensuring the safety and integrity of the assets of the Company's customers and the Company's own assets;
3. Ensuring the reliability, completeness and timeliness of the business records, financial records and other information of the Company; and
4. Enhancing the operation efficiency and the efficiency in future business development of the Company.

Management Discussion and Analysis

The risk management and internal control system of the Company has been designed based on the following principles:

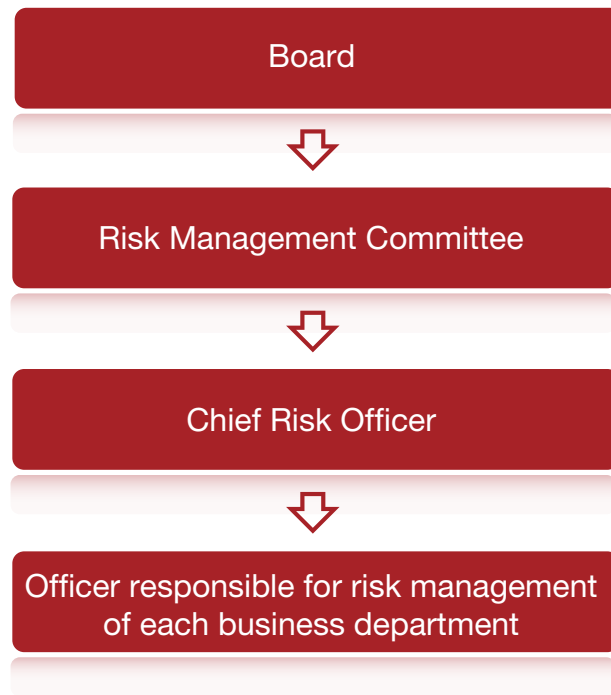
1. **Comprehensiveness:** The Company has developed a comprehensive and unified risk management system which covers the entire process of the Company's business and the various processes of different departments and individual employees permeating through decision-making, execution, supervision and evaluation. Each department and individual employee must have a clearly defined role and responsibility in the risk management process.
2. **Sustainability:** The Company takes the initiative in actively setting risk management objectives and implementing risk management measures with proper supervision and evaluation on a sustainable basis.
3. **Independency:** The Compliance and Legal Department, Discipline Inspection Department as well as, Audit Department operate independently from other departments in inspecting, assessing and monitoring various risks applicable to the Company on a regular basis.
4. **Effectiveness:** Risk management should be in proportion to the scale of the Company's business, scope of business as well as actual circumstances and unite with the efficacy of actual delivered results, so as to realize the risk management objectives of the Company.

The Company has established an internal structure and designed the business process for the purpose of segregating the powers of decision-making department, execution department and inspection and evaluation department and implemented check and balance among these departments.

Management Discussion and Analysis

(2) Risk management system

The organization structure of risk management of the Company is illustrated below:



There are four management levels in risk management of the Company, namely, the Board, the risk management committee, the Chief Risk Officer and the officers responsible for risk management of each business department.

The Board is responsible for setting the strategic objectives of risk management, fulfilling the values of risk management, appointing and removing the Chief Risk Officer, evaluating and approving risk management policies, ensuring the implementation of risk management systems and providing feedback on the effectiveness of risk management systems.

Management Discussion and Analysis

The risk management committee of the Company is responsible for: (i) reviewing the risk management strategies of the Company, including the goals, risk tolerance and plans for managing and resolving material risks; (ii) analyzing and evaluating the risk profiles and the overall risk management of the Company; (iii) making suggestions and proposals in enhancing risk management of the Company; and (iv) supervising the implementation of the risk control system in the aspects of application of fund, marketing, operation and compliance. The risk management committee of the Company has five members with an average of bachelor, master or higher degrees. Two of them are senior certified public accountants (at the professional level) or senior accountants, and one is a senior economist. The Company's risk management committee is led by Mr. Zhao Weixiong, an executive director of the Company.

The Chief Risk Officer of the Company is responsible for ensuring the effective implementation of the internal policies of the Company and compliance with the business policies of the Company; evaluating and advising on the risks and compliance by the management of the Company in and regarding the major decisions making and main business activities of the Company; inspecting and investigating possible regulatory violations and risk concerns in the operation of the Company, reporting to the Board, the Shareholders and the regulatory authority independently on any non-compliance and enhancing the risk management of the Company through training, inspection and supervision. Ms. Zhan Jieying is currently acting as the Chief Risk Officer of the Company and has over 10 years of experience in the financial industry.

Officers in each business department responsible for risk management shall be responsible for implementing the risk management policies.

IX. Industry competition, market position and core competitiveness

(1) Industry competition

In the context of the licensing system for futures companies in China, the current main scope of business of futures companies is mainly commodity futures and financial futures brokerage, while gradually expanding into emerging areas such as futures investment consulting, asset management, risk management and wealth management. However, taking the overall picture, these emerging businesses remain at a relatively low level in terms of both market share and maturity.

Management Discussion and Analysis

According to data released by the China Futures Market Monitoring Center, as of the end of 2025, the total number of effective clients in China's futures market reached 2.78 million, representing an increase of 11% over the previous year. The steady expansion of the client base and continuous optimisation of its structure fully demonstrate that the futures market's role in serving the real economy has gained widespread recognition, and the market is making steady progress towards standardised, healthy, and high-quality development. In 2025, the appeal of China's futures market continued to rise, with the client base growing steadily and the market's vitality and development resilience constantly strengthening. A total of 940,000 new futures clients were opened during the year, representing a significant increase over the previous year, with market participants across various sectors maintaining a high level of enthusiasm for entering the market.

(2) Market position

After years of development, the Company has continuously improved its competitiveness, and all indicators continue to comply with the relevant requirements of the CSRC, and is in a good financial position with strong market competitiveness. The Company ranks as a strong performer in terms of comprehensive strength among the top 150 futures companies in China. As of 31 December 2025, the Company had 31 sales departments and 3 sub-branches in the territory, ranking among the top in the industry in terms of the number of network locations.

During the Reporting Period, the Company's domestic agency futures turnover and market share were as follows:

Unit: RMB100 million

Stock exchanges	2025		2024		2023	
	Turnover	Market share	Turnover	Market share	Turnover	Market share
SHFE	17,023.97	0.33%	34,213.78	0.84%	15,616.12	0.52%
ZCE	8,499.37	0.48%	9,431.97	0.55%	14,569.63	0.57%
DCE	11,170.85	0.54%	12,232.42	0.62%	11,623.80	0.51%
CFFE	15,611.24	0.31%	11,191.06	0.29%	7,465.45	0.28%
Energy Exchange	1,838.65	0.32%	3,497.35	0.56%	2,037.58	0.28%
GFE	2,405.51	0.38%	739.65	0.34%	426.63	0.35%
Total	56,549.60	0.37%	71,306.23	0.58%	51,739.20	0.46%

Note 1: The above table shows the parent company's turnover data and the bilateral calculation of calibre;

Note 2: Market share = turnover of the Company (bilateral calibre)/(cumulative annual total market turnover (unilateral calibre) as published by the CFA * 2).

Management Discussion and Analysis

(3) Core competitiveness

1. *Superior geographical location*

The Company's headquarters is located in Nanjing, the capital of Jiangsu Province, where it boasts an exceptionally solid market presence. As of the end of the Reporting Period, the Company had a total of 34 branches (including 31 futures branches and 3 sub-branches), of which 16 were located in Jiangsu Province.

Jiangsu Province is located in the eastern coastal areas of China and is developed in economy. In 2025, Jiangsu Province's GDP reached RMB14,235.15 billion, up by 5.3% year-on-year, the increment remains the largest in the country. In 2025, the per capita disposable income of residents in Jiangsu Province reached RMB57,971, representing a year-on-year increase of 4.6%. During the "14th Five-Year Plan" period, Jiangsu is accelerating its development into a province with a strong financial sector, driving high-quality growth in the financial industry. Currently, Jiangsu's social financing scale remains firmly among the top in the country. As of the end of 2025, Jiangsu had ranked first in the country in terms of new loans for four consecutive years, held the top position in the number of companies listed on the STAR Market and the Beijing Stock Exchange, as well as in the outstanding balance of financing guarantees.

2. *Widely distributed business network*

The Company has a total of 34 branches (including 31 futures branches and 3 sub-branches), of which 16 were located in Jiangsu Province. The rest are mainly located in economically developed and financially prosperous areas such as Beijing, Guangzhou, Shanghai, giving coverage of financially developed areas and other major areas. In addition, Holly International Financial, a subsidiary of the Company, provides securities and futures brokerage services at the Hong Kong Stock Exchange, the Hong Kong Futures Exchange, and other major futures exchanges around the world.

The relatively wide distribution of the Company's futures branches has obvious advantages as it enables the Company to secure high-end customers resources from developed regions and benefit from the urbanisation process and economic growth of eastern coastal areas and central and western regions. The reasonable distribution and geographical coverage of its branches will provide convenient and efficient financial services to customers and further enhance awareness of the Company brand and customer loyalty.

Management Discussion and Analysis

3. *Strong innovative ability enables the Company to grasp opportunities generated from the reform of China's futures industry*

As competition in China's futures industry intensifies, the Company is actively seizing the new opportunities brought by reforms in the Chinese futures sector to broaden its own futures business, revenue streams, and customer base. In August 2022, the Futures and Derivatives Law of the People's Republic of China was officially implemented, which further clarified functional positioning and regulatory framework of the futures market and provided legal guarantees for the Company's innovation. The Company seizes the policy dividends and broadens its business layout. The restriction on the proportion of foreign ownership in futures companies was formally removed from 1 January 2020, marking a new stage in the industry's opening up to the overseas. The opening up has been continuously deepened in recent years. Since 2025, many exchanges have expanded the range of QFII/RQFII tradable varieties. At the beginning of 2026, a batch of futures and options varieties such as nickel, lithium carbonate, PTA, and international copper were further opened up to the overseas, showing more diverse participants overseas. With the implementation of top-level designs such as the Opinions on Strengthening Supervision, Preventing Risks, and Promoting High-quality Development of the Futures Market, the industry, while expanding opening up and strengthening supervision, has continuously stimulated competitive vitality and built core competitiveness, so that its ability to serve the real economy and enhance international pricing influence has been continuously strengthened. In the future, the Company will continue to explore interactive innovation of futures and spot, on-exchange and off-exchange, domestic and overseas markets, build a "full-chain, internationalized" service system, and achieve high-quality development in serving the real economy and financial opening up.

4. *Efficient, comprehensive and stable online trading platform*

As an online futures trading service provider, the Company provides clients with an efficient and stable platform for real-time trading. Through the Company's online platform, clients can trade futures in real time as the market opens, as well as accessing details and records of their accounts, charting systems, news highlights, past market data, and other services such as technical analysis. Clients can quickly execute trades using free PC software trading programs and smartphone apps.

The Company's ability to maintain a stable trading platform – supplemented by a backup system – is a key factor in gaining and fostering customer loyalty and attracting new customers. The Company further increase the investment in technology; strive to improve the service quality and customers' experience. There have been no major incidents affecting the activities of clients since the platform went into operation. To ensure the smooth execution of clients' trading activities, the Company established three independent data centres, one of which are located in Nanjing and two in Shanghai, which have been successfully listed on Shanghai Futures Exchange, China Financial Exchange, Zhengzhou Commercial Exchange and multiple DCE Speedy Trading Centers. The Company is upgrading and improving the main core business system. The Company also launched innovation columns such as video broadcast and video live through online cloud service platforms, issued information including financial calendar, prevailing hot events to investors regularly in order to form better communication and influence.

Management Discussion and Analysis

5. *Strong customer service capabilities*

The Company provides multiple layers of service support to its clients. The Company's sales team remained stable, the Company's account managers have close contact with their clients, and through customer service support, the Company can leverage customer relationships to support its domestic expansion and operations.

The Company provides its clients with guidance on using its online trading platform, including that pertaining to technical issues, questions encountered regarding the trading system, and their account status. The Company's research team also led in establishing a national post-doctoral workstation to provide clients with such value-added services such as macroeconomic situation analysis and industrial variety research and analyse.

A 400 hotline maintained by the Company gives clients access to additional comprehensive services including information consulting, quotation transactions and opening online accounts. These services can also be reached via a WeChat public account, Weibo public account and the Holly Futures App.

6. *Experienced and stable senior management team*

The company has a stable and experienced senior management team with many years of experience in the futures industry. The Company was awarded the title of a state-owned enterprise in Jiangsu Province with an advanced team in building the "four good (四好)" leading group, which has led Holly Futures to be awarded the title of "National Civilized Unit". The Company believes the strength and experience of its senior management team to be a vital key to realising its long-term growth strategies.

7. *Comprehensive business qualifications*

The Company and its subsidiaries have obtained comprehensive domestically and internationally recognised business qualifications which enabled them to offer services across the whole futures spectrum, from spot to on-and off-exchange, from domestic to international, and from online to offline. The Company's qualifications issued by the CSRC or industry regulators include those for commodity futures brokerage, financial futures brokerage, futures investment advisory, asset management, fund sales, inter-bank bond transactions and participants of stock options trading.

Holly International Financial, a subsidiary of the Company, holds the securities, futures licences in Hong Kong under which it (or by agent) can trade main foreign futures products around the world, including CME (Chicago Board of Trade), LME (London Metal Exchange), HKEX (Hong Kong Stock Exchange), Eurex (European Futures Exchange), SGX (Singapore Futures Exchange), TOCOM (Tokyo Commodity Exchange) and ICE (American Intercontinental Exchange). Additionally, it uses Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect to carry out agency securities trading on the Hong Kong Stock Exchange, providing advice on securities trading and providing asset management.

Management Discussion and Analysis

Holly Capital, a subsidiary of the Company, is principally engaged in risk management, including pilot businesses such as basis trading, market making business, OTC derivatives business, warehouse receipts services and cooperation hedging and commodity risk management business, and other businesses related to risk management services. It is a trader on the Zhengzhou Commodity Exchange and Shanghai Futures Exchange market makers for 4 futures varieties.

8. *Good market reputation*

With years of business development and market accumulation, the Company has built up a good market image in the futures industry and formed a stable client base, enhancing its brand value continuously.

During the Reporting Period, the Company received the following honours and qualifications from regulatory authorities and other institutions:

Time	Honours and qualifications	Institutions
2025	Lei Feng Demonstrative Unit of National Financial System in 2024 (2024 年金融系統學雷鋒示範點)	The Committee for Inheriting the Spirit of Lei Feng of the Research Association of Ideological and Political Work of China Financial Institutions
	National Civilized Units (全國文明單位)	The Volunteer Committee for Inheriting the Spirit of Lei Feng of the China Volunteers Association
	Second Prize in the 2025 Jiangsu Province Excellent Financial Education Case Collection Activity (2025 年江蘇省優秀金融教育案例徵集活動二等獎)	Central Public Communication and Culture Work Leading Group
	Investor education cases of Holly Futures being selected in the "CFA 2024 Outstanding Trader Education Case Library" (弘業期貨投教案例入選「中期協2024年交易者教育優秀案例」)	The Organizing Committee of the Jiangsu Province Excellent Financial Education Case Collection Competition
		CFA

Management Discussion and Analysis

Time	Honours and qualifications	Institutions
	Golden Great Wall Service Provider Award for Chinese Enterprise Risk Management in 2024 (2024 年中國企業風險管理金長城服務商獎)	Futures Daily
	Excellent Industry Service Award (優秀產業服務獎)	
	Best Futures Company of China (中國最佳期貨公司)	
	Gold Medal Management Team for Futures Companies of China (中國期貨公司金牌管理團隊)	
	Best Helmsman of China Futures Companies (Chu Kairong) (中國期貨公司最佳掌舵人(儲開榮))	
	Best Commodity Futures Industry Service Award (最佳商品期貨產業服務獎)	
	Best Financial Futures Service Award (最佳金融期貨服務獎)	
	Outstanding Contribution Award for Green Financial Services (綠色金融服務卓越貢獻獎)	
	Public Welfare Award of Best Comprehensive Rural Revitalization & Social Responsibility (最佳全面鄉村振興及社會責任公益獎)	
	Best Futures Industry Cultural Construction Practice Award (最佳期貨行業文化建設踐行獎)	
	Best Risk Management and Enterprise Brand Building Award (最佳風輿管理及企業品牌建設獎)	
	Best Capital Operation and Development Award (最佳資本運營發展獎)	
	Best Risk Management Subsidiary Service Innovation Award (Holly Capital) (最佳風險管理子公司服務創新獎(弘業資本))	
	Annual Newcomer in Internationalization Process Award (Holly International Financial) (年度國際化進程新銳獎(弘業國際金融))	
	Annual Most Popular Self-Media Platform for Futures Brokerage Institutions (年度最受歡迎的期貨經營機構自媒體)	
	Annual Outstanding Performance for Best Futures Company App (年度最佳期貨公司APP突出表現獎)	
	Award of the Year for Innovation in Investor Protection and Education (年度投資者保護教育創新獎)	
	Award for Best Contribution in Cultivating Future Talent in the Futures Industry (最佳期貨人才培養機構貢獻獎)	

Management Discussion and Analysis

Time	Honours and qualifications	Institutions
	China Golden Futures Research Institute (中國金 期貨研究所)	
	Best Metal Industry Futures Research Team: Holly Futures Non-ferrous Metals Business Division (最佳 金屬產業期貨研究團隊: 弘業期貨有色金屬事業部)	
	Best Energy and Chemical Industry Futures Research Team: Holly Futures Energy and Chemical Industrial Products Team (最佳能源化工產業期貨研究團隊: 弘業期貨能化工業品團隊)	
	Best Agricultural Products Industry Futures Research Team: Holly Futures Agricultural Products Team (最 佳農產品產業期貨研究團隊: 弘業期貨農產品團隊)	
	Best Digital and Intelligent Transformation Futures Brokerage Institutions, AI Intelligent Innovation Application Launch Award (最佳數智化轉型期貨 經營機構, AI 智能創新應用啓航獎)	
	Excellent Industry Service Award (優秀產業服務獎)	
	Jun Ding Award for China's Outstanding Futures Company on Rural Revitalization in 2025 (2025 中國 優秀鄉村振興期貨公司君鼎獎)	Securities Times

Management Discussion and Analysis

X. Prospects for the Company's future development

2026 marks the start of the country's "15th Five-Year Plan" and is a crucial year for the Company to seize opportunities presented by industry revolution, achieve a breakthrough in transformation, and move towards high-quality development. Currently, the futures industry is accelerating a profound reshuffling where policy dividends are gradually fading and customer demand is rapidly upgrading towards comprehensive solutions, and the external environment for industry development is becoming more complex, which have put pressure on the Company's business operations. However, new opportunities lie within the transformation. The gradual elimination of inefficient supply in the industry has unleashed development space for operating entities with solid professional capabilities; policy adjustments are forcing the industry to return to its service-oriented roots; and the upgrade of customer demand has created a historic opportunity for the Company to transform and leap into a professional derivatives service provider. At present, the industry's regulatory direction is clear and definite, the market development foundation is continuously strengthened, and the pattern of opening up to the outside world is constantly expanding, thus establishing a general trend towards high-quality development in the futures industry.

Entering a new stage of industry development, the Company will plan its long-term strategy from a higher strategic standpoint, establishing the development principle for 2026 of "focusing on core business, empowering through technology, serving the real economy, and achieving long-term success through compliance". We will coordinate the advancement of strategic transformation and the reshaping of core capabilities, striving to build a sustainable development model centred on clients, supported by professional capabilities, and driven by innovation, so as to anchor the direction and solidify the foundation for stable development over the next five years and beyond. Looking ahead, the Company will unify thoughts and consolidate consensus, fully launching the three major initiatives of "stabilising revenue, promoting transformation, and strengthening headquarters." At the same time, we will reinforce five supporting systems: Party building guidance, mechanism reform, work style enhancement, digital empowerment, and compliance risk control, aiming to promote a fundamental shift in the Company's development from "passive response" to "active leadership" and from "scale dependence" to "capability-driven", thereby striving to create a new landscape of high-quality development.

(I) Launching three major initiatives, reshaping development momentum

The Company profoundly recognises that stabilising revenue is the foundation for survival, promoting transformation is the strategy to break through challenges, and strengthening headquarters is the cornerstone for success. These three major initiatives will be advanced in an integrated and mutually supportive manner, collectively forming the strategic axis for the high-quality development of the Company in 2026.

Management Discussion and Analysis

1. *Stabilising revenue: building a solid operational foundation, accumulating resources for transformation*

Stable revenue is the cornerstone of the Company's operational development and a crucial guarantee for strategic transformation. In response to the fluctuations in profit levels in 2025, the Company will accelerate the establishment of a diversified, counter-cyclical, and resilient income structure, completely breaking away from reliance on traditional commission income and speeding up the cultivation of new engines for internal growth. For brokerage business, we will focus on steady progress, deepening the refined operation of existing clients, enhancing average daily equity of clients and trading activity through client segmentation, behavioural profiling, and precise targeting, and promoting the deep integration between internet financial channels and trading consulting services, thus expanding the effective client base and transaction volume scale. In terms of risk management business, the Company will position it as a pillar for development, with Holly Capital as the core growth pole, focusing on the three principal businesses of over-the-counter derivatives, commodity risk management, and market-making. The Company will increase investment in talent and systems, deepen cooperation with leading enterprises in the industrial chain, and develop one-stop risk management service capabilities, striving to make this business the Company's most reliable source of sustainable profitability. For the asset management business, the Company will seek breakthroughs by integrating resources across asset management, wealth management, and other businesses. We will promote product upgrades, strictly control inefficient channel businesses, and focus on developing actively managed products driven by "management fees + performance rewards". We will also enhance investment and research capabilities and institutional cooperation, achieving a steady improvement in operating performance within the year. Regarding international business, we will pursue steady growth with progress in this area, leveraging Holly International Financial as the platform to optimise the operational efficiency of mature businesses, strictly controlling compliance and foreign currency risks, continuing to consolidate operational achievements, and driving a steady improvement in profitability. Additionally, the Company will explore the potential of local customers and expand high value-added services, contributing to the optimization of the Company's income structure.

Management Discussion and Analysis

2. *Promoting transformation: driving dual upgrades and breakthroughs, injecting core development momentum*

In line with the industry's regulatory guidance of "reducing channels, strengthening services" (去通道、強服務), the Company will completely abandon the "trading channel" mindset, transitioning from a "channel provider" to a "strategic co-creation partner" for clients. Focusing on industrial clients and high-net-worth individuals, the Company aims to drive systematic leaps in our service model, client structure, income structure, and capability system. Concentrating on the needs of the real economy, the Company will establish professional, localised industry service teams in national strategic regions such as the Yangtze River Delta, the Greater Bay Area, and the Chengdu-Chongqing region. We will delve into key industrial chains such as chemicals, the steel industry, and agricultural products, providing customised services with tiered empowerment for leading enterprises, SMEs, and affiliated group companies. By collaborating with various institutions, we will jointly build industry service bases, creating "one-stop" solutions for industrial and financial integration. We will achieve breakthroughs in our cross-border business layout, using Holly International Financial as a pivot to orderly expand our global service network, focusing on the needs of export-oriented enterprises and high-net-worth individuals, and prioritizing the development of niche businesses like cross-border hedging, comprehensive services for qualified foreign investors, and offshore asset management, thereby establishing a differentiated international financial service system. The Company will resolutely eliminate inefficient supply by rationally evaluating and decisively withdrawing from long-term loss-making and weak synergistic marginal businesses and branches, promoting the integration of inefficient outlets, reducing fixed costs, and concentrating limited resources on high-value sectors, thereby streamlining operations while improving quality and efficiency.

3. *Strengthening headquarters: building new central capabilities, solidifying the development support system*

The Company will strengthen the core role of the headquarters in strategic leadership, standard formulation, resource allocation, and risk management and control, promoting a shift from "passive response" to "proactive planning", thereby making it the core engine driving the Company's high-quality development. We will enhance the headquarters' coordination capabilities by leveraging the financial sharing centre, client operation systems, and data middle platforms. This will facilitate seamless connections among front, middle, and back office data links, enabling unified scheduling of core elements such as clients, capital, and human resources. We will accurately allocate resources focusing on strategic business directions, eliminating decentralised investments. Furthermore, the Company will optimise regional coordination mechanisms, breaking away from the linear "headquarters-branch" communication model, and establishing an integrated operational mechanism characterised by "headquarters coordination, regional linkage, and subsidiary collaboration", so as to consolidate development synergies through joint meetings, collaborative project teams, and shared KPIs. We will create strategic pilot models, initiating the establishment of a Shanghai sub-headquarters at an appropriate time, positioning it as a coordinative centre for the Yangtze River Delta region and a strategic pivot for international business. It will focus on developing cross-border financial services and strengthening support for high-end client services. Once the mechanisms mature, this model will be replicated and promoted to national strategic regions, thereby comprehensively enhancing the Company's service capabilities in key economic zones.

Management Discussion and Analysis

(II) SOLIDIFYING THE FIVE SUPPORTING SYSTEMS TO CONSOLIDATE THE DEVELOPMENT FOUNDATION

Winning the three major initiatives requires a solid support system. In 2026, the Company will simultaneously advance the construction of the five supporting system projects to provide comprehensive, multi-level backing for the transformation offensive, ensuring the implementation and effectiveness of its strategic deployments.

1. *Consolidating the Foundation through Party Building Guidance and Consolidating Synergies for Development*

Adhere to the leadership of the Communist Party of China, leverage the unique political advantages of a state-owned enterprise, and steer high-quality development with high-quality Party building. We will strengthen the arming of theory by integrating the Party's latest theories and policy deployments into training programs for all employees, ensuring that the Company's development resonates with national strategies and the strategic plans of its controlling shareholder. We will polish the "Hongxin Escort" Party building brand, promote the development of "Four Strengths" Party branches, and transform Party branches into formidable fortresses for business development. We will deepen the integration of Party building with business operations by establishing a "Party Building + Project" mechanism, enabling Party members to play an exemplary and vanguard role in core businesses and critical tasks. We will conduct regular integrity warning education and risk inspections. Leveraging the naming rights advantage of the holding group in the Jiangsu Football City League ("Su Chao"), we will organise Party members to carry out voluntary services and public awareness campaigns, promote professional knowledge of futures trading and the concept of rational investment, and advance the Party building and business operations are planned, deployed, and advanced in tandem.

2. *Strengthening Safeguards through Mechanism Reform to Stimulate Organisational Vigour*

With institutional reform as the core, we will deepen mechanism innovation, talent cultivation, and institutional construction to unleash the organisation's endogenous development potential. We will optimise the organisational structure and build an operational system featuring a "small back office, strong middle office, and large front office". We will improve market-oriented mechanisms whereby "promoting or demoting cadres, hiring or dismissing personnel, and increasing or decreasing salaries", and strengthen the rigid linkage between remuneration and performance. We will reinforce talent support by focusing on key areas such as mega asset management business, international business, and digital transformation. We will introduce high-end professional talents through multiple channels, improve the tiered and categorised training system, cultivate composite backbones combining "futures and spot commodities, industry and finance", and strengthen the echelon construction of young talent. We will improve the institutional system by keeping pace with regulatory and market changes, addressing institutional shortcomings in emerging fields such as derivatives and cross-border business. We will strengthen the rigid implementation of institutions, and establish and improve supervision and accountability mechanisms, achieving management by institutions and action by rules.

Management Discussion and Analysis

3. *Fostering a new trend in work style to foster an atmosphere for doing things*

Taking the construction of work style as the starting point, the Company will comprehensively foster a favorable operational atmosphere of “wanting to act, being able to act, and accomplishing goals of the act”. The Company will reinforce responsibility and commitment by strengthening the requirements of the management as the “primary person in charge” and “dual responsibility for one position”, driving cadres at all levels to take proactive roles, exercise bold oversight, and ensure that all work responsibilities are implemented. The Company will promote professional spirit, resolutely oppose bureaucratic habits, encourage cadres at all levels to master strategy and excel in business, using operational data and management tools to support scientific decision-making, thereby enhancing the rigor and efficiency of work advancement. The Company will eliminate formalism, promote a quantitative evaluation mechanism centered on operational achievements and actual contributions, and oppose “lying flat” and “internal consumption” behaviors, ensuring that those who work hard are recognized and those who make achievements are rewarded.

4. *Digital empowerment enhances efficiency to build an intelligent system*

The Company will take digitalization as a strategic fulcrum to enhance service quality and efficiency, build competitive barriers, and promote digital upgrades in phases to empower business development with technology. The Company will strengthen the data foundation, connect the data links of various business systems, integrate core data resources, and build a unified data middle platform to provide data support for operational decision-making and customer service. The Company will build an intelligent service model by integrating artificial intelligence and big data technologies under the premise of compliance to construct scenario-based service models such as intelligent customer service, intelligent investment advice, and intelligent risk control, thereby enhancing the response speed and personalization level of services. The Company will establish an intelligent service model, deepen the integration of investment research, product and customer service, explore applications of AI intelligent information, industrial research, marketing, etc., and create a one-stop intelligent risk control service driven by data and models, enhancing the accuracy and effectiveness of serving the real economy.

Management Discussion and Analysis

5. *Upholding compliance and risk control to safeguard business security*

The Company will adhere to compliance-oriented and safety-based, advancing the development of its compliance system and security risk prevention in a coordinated manner to fortify development safeguards comprehensively. The Company will iterate its compliance systems, promptly revise and refine compliance regulations for emerging businesses, and establish a compliance early-warning system to achieve early risk identification, early warning, and early resolution. The Company will intensify compliance education and inspections, conducting regular compliance training and cautionary education, while persistently carrying out specialised compliance reviews, resolutely rectifying issues and implementing closed-loop management. The Company will also coordinate full-process safety management, diligently advancing the construction of the “six modernisations (六化)” in safety management, strictly enforcing safety management responsibilities for office and business premises, refining multi-scenario emergency response mechanisms, and strengthening the full lifecycle protection of information systems and client data, rigorously guarding against cyber-attacks and data breaches to ensure lawful, compliant, stable, and orderly operations.

Standing at a new developmental juncture, the Company will steadfastly uphold its founding mission of serving the real economy, advancing with unwavering resolve, pragmatic measures, and an enterprising spirit to coordinate the three major initiatives and consolidate the five supporting systems, thereby accelerating strategic transformation and capability enhancement. The Company firmly believes that through concerted efforts and diligent execution, it will seize opportunities and forge ahead amidst the wave of high-quality development within the industry, striving to compose a new chapter of sustainable and high-quality growth, thereby contributing greater strength to the broader mission of the futures industry to serve the real economy.

Management Discussion and Analysis

XI. Business overview

(1) Key financial ratios

	As at 31 December 2025	As at 31 December 2024
Net assets per Share attributable to shareholders of the Company (RMB/share)	1.85	1.86

The Group's net assets per Share attributable to shareholders of the Company as at 31 December 2025 decreased by 1% as compared to 31 December 2024.

Gearing ratio

	As at 31 December 2025	As at 31 December 2024
Gearing ratio (%) ^{Note}	36%	34%

Note: Gearing ratio = (Total liabilities – accounts payable to brokerage clients)/(Total assets – accounts payable to brokerage clients)

Gearing ratio of the Group as at 31 December 2025 increased compared to 31 December 2024, which was mainly attributable to the increase in the balance of bills payable resulted from additional bank acceptance notes of the subsidiary, Holly Capital. The overall financial position of the Group remained stable, with sufficient liquidity and solvency.

Weighted average return on net assets

	2025	2024
Weighted average return on net assets	0.21%	1.60%

Weighted average return on net assets of the Group in 2025 decreased compared to 2024, which was mainly attributable to the decrease in profit for the year.

(2) Corporate social responsibility

1. *Relationship with employees*

The employees are the valuable wealth for the Company, the foundation of the survival and development for the Company. The Company treats employees with fairness and respect. The talents are the base of strong company, the foundation of development and the requirement of transition. The Company endeavours to be employee centered, and strives to create a people oriented and caring working environment, and is sparing no effort to build “enrichment platform”, “entrepreneurial platform” and “career platform” for employees. A total of 27 people were employed during 2025, and the total number of employees was 568 as of 31 December 2025.

The Company attaches great importance to talents, further broadening its channels for attracting talent, optimizing its talent strategic layout, and continuously refining its corporate talent pipeline. It actively promotes the synergy of four pillars: universities, markets, talents and businesses. The Company is committed to build a pyramid-shaped talent platform with high-quality graduates from universities as its reserve talent pool at the base of the pyramid, professionals selected through market-oriented recruitment as the core driver at the middle layer, and the high-level talents as the leading edge at the top. Firstly, the Company has established and improved a system of open recruitment and conducted market-oriented selection and recruitment of innovative talents. The Company utilizes various channels such as online network, new media and offline platforms to attract talent resources and provide solid talent support for its business transformation, improves the efficiency of talent introduction externally by establishing effective communication channels, so as to reserving suitable candidates in a timely manner, and actively appoints backbone personnel internally by organizing competitions for the positions of heads of branches, so as to realize precise matching of talents and positions. Secondly, the Company proactively captures a leading position in the competition for talents, and strategically recruits high-level professionals. Responding to the national talent strategy requirements, the Company actively promotes the recruitment of high-level talents from both domestic and overseas, injecting cutting-edge professional strength into the Company’s development.

The Company persistently drives initiatives for nurturing talents and intensifies the training of their specialized skills. Firstly, the Company enhances the construction of the training system and promotes innovation in training. Through institutional innovation, the Company implements a training points management for employees, and establishes an archive for employee training and internal trainers, respectively. It incorporates training evaluation into the employee assessment system for intensifying post-training follow-up efforts to ensure the effectiveness of training. Secondly, the Company carries out professional training to consolidate the skills foundation of employees. By combining internal and external training, the Company effectively conducts training for external institutions such as associations, exchanges and holding groups. The Company facilitates employees to consolidate their occupational skills foundation and sharpen their specialized skills. A total of 71 internal and external training sessions were held during the year. Thirdly, the Company organizes specialized training to improve employees’ professional skills. The Company carries out “Weekly Lecture” training series courses, organizing specialized training around dimensions such as business development, skill improvement, compliance and law and institution and policy, so as to enhance employees’ exclusive business capabilities.

Management Discussion and Analysis

The Company provides and establishes (including but not limited to) statutory benefits such as reserve fund, basic medical insurance, endowment insurance, maternity insurance, employment injury insurance and unemployment insurance for employees in accordance with laws, regulations and relevant policies of Hong Kong and Mainland China. Employees are also entitled to public holidays, marriage leave, bereavement leave and maternity leave.

2. *Environmental protection*

The Company aims to minimize the impact of our activities on the environment and will remind our staff to follow the same principle. The Company adheres to the approach of low carbon, emission reduction, energy saving and environmentally friendly in business management. It has adopted the following measures:

- (1) improve the official vehicle-using arrangement and advocate taking public transportation;
- (2) encourage staff to print on two sides of paper and remind staff to reduce waste production when printing and photocopying documents;
- (3) encourage staff to turn off lights when leaving, so as to reduce unnecessary lightings;
- (4) adopt an office automatic online management system to promote electronic office work and reduce paper consumption;
- (5) encourage employees to bring their own cups to save the use of disposable cups and so on; and
- (6) carry out production safety investigation to implement rectification action plans, enlarge the involvements in aspects such as safety supervision, risk management and publicity and education and ensure the secure line of high-quality development.

By implementing appropriate measures, the Company has improved efficiency, saved energy and further improved the overall environmental awareness of the Company.

3. *Compliance with relevant laws and regulations*

The Group has adopted internal control to monitor the continuous compliance with relevant laws and regulations. During the Reporting Period, the Company did not violate any laws or regulations that resulted in material effect on the business of the Group.

Management Discussion and Analysis

4. *Relationships with customers and suppliers*

The Group is always customer-focused and aims at standardization, honesty, service and professionalism. In accordance with the business philosophy of honesty, safety, professionalism and efficiency, the Group has been strengthening its customer service and maximizing customer benefits.

The Group adheres to the principles of openness, fairness and impartiality in the course of cooperation with suppliers, and procurements are made through market inquiries, bidding, competitive negotiations, single source procurement, etc. We have formulated the Procurement Management Measures of Holly Futures (Trial) and other systems to continuously promote regulated procurement, standardized construction and procurement efficiency.

In order to enhance the awareness of the responsibility of suppliers, the Company selects, accesses, evaluates, manages and regularly inspects the quality of suppliers it works with, and discontinues cooperation with suppliers with poor ratings. During the Reporting Period, all suppliers have passed the Company's annual audit and the Company is not aware of any significant actual and potential negative impact or non-compliance with business ethics, environmental protection, or labor standards by any of its suppliers.

XII. Event subsequent to the Reporting Period

(1) Subsequent Events Relating to the Company and subsidiaries

For changes in the independent non-executive directors and members of the committees under the Board, please refer to "Directors, Supervisors, Senior Management and Staff" – "IV. Change of Directors, Supervisors and Senior Management" as set out in Section III Corporate Governance of this Report.

Report of the Board

The Board of the Company are pleased to present the audited combined financial statements (the “**Financial Statements**”) of the Company for the year ended 31 December 2025.

I. The principal business lines of the Company

As set out in Section II “Management Discussion and Analysis” – “II. Business review” of this Report.

II. Business overview

As set out in Section I “Financial Summary” and Section II “Management Discussion and Analysis” – “XI. Business overview” of this Report.

III. Major risks and uncertainties faced by the Company

As set out in Section II “Management Discussion and Analysis” – “VII. Risk factors and uncertainties faced by the Company and its risk strategy”, “VIII. Constructing the risk management system of the Company” and “IX. Industry competition, market position and core competitiveness” of this report.

IV. Event subsequent to the Reporting Period and prospects of the Company

As set out in Section II “Management Discussion and Analysis” – “X. Prospects for the Company’s future development” and “XII. Event subsequent to the Reporting Period” of this Report.

V. Profit distribution and profit distribution plan

In view of the long-term development and interests of investors, the Company is expected to make the following profit distribution plan: the Board proposed distribution of cash final dividend as of 31 December 2025 of RMB0.04 (tax inclusive) for every ten shares (“**2025 Final Dividend**”) to A Shareholders and H Shareholders of the Company. The proposed distribution of profit is based on the total issued share capital of 1,007,777,778 shares of the Company after the listing of A Shares and the total amount to be distributed is RMB4,031,111.11 (tax inclusive) among which, the number of A Shares is 758,077,778 with a cash dividend of RMB3,032,311.11 (tax inclusive); the number of H Shares is 249,700,000 with a cash dividend of RMB998,800.00 (tax inclusive). The actual total amount to be paid is determined based on the total share capital of the Company as at the record date of entitlement. The proposed distribution of the 2025 Final Dividend is subject to the approval of the Shareholders at the 2025 AGM of the Company. The Company will make separate announcement(s) on the record date of entitlement of the final dividend and the closure of the register of members. Please refer to the circular of general meeting to be published by the Company in due course for details and the actual arrangement regarding the distribution of final dividend. Regarding the distribution of the 2025 Final Dividend, the dividend payable to A Shareholders will be in RMB while those payable to H Shareholders of the Company will be in Hong Kong dollars. The exchange rate shall be calculated on the basis of the average benchmark exchange rate between RMB and Hong Kong dollars as announced by the People’s Bank of China for the five working days prior to the date of the 2025 AGM of the Company. During the Reporting Period, the Company is not aware of any arrangements where shareholders have waived or agreed to waive any dividends.

VI. Issue of Shares and use of proceeds

(1) Use of proceeds

H Shares

As approved by CSRC Zheng Jian Xu Ke [2015] No. 1963, the Company was listed on the Main Board of the Hong Kong Stock Exchange on 30 December 2015 and it issued 249,700,000 H Shares (comprising 227,000,000 H Shares offered by the Company and 22,700,000 H Shares offered by the selling Shareholders) under the global offering. The numbers offer shares under the H Share Offering was 24,970,000 H Shares, representing 10% of total number of offer shares offered under the global offering. The numbers of offer shares under the international placing was 224,730,000 H Shares, representing 90% of total number of offer shares offered under global offering, with an offer price of HKD2.43 per Share, raising total proceeds of approximately HKD607 million. The net proceeds of the Company amounted to approximately HKD536 million (after deducting the Group's underwriting fees and all related expenses).

According to the use of proceeds from H Share Offering as set out in the H Shares Prospectus, the Company intended to use the proceeds to: develop the Hong Kong and global futures business of the Group; develop the asset management business; develop the commodity trading and risk management business; develop and strengthen the existing futures brokerage business; purchase information technology equipment and software; and serve as general working capital of the Group.

After deducting all listing expenses, transferred payments of the social insurance and the part used in developing Hong Kong and global futures business, the total proceeds of the Company are remitted to the PRC and converted to RMB.

The Company held the 2018 annual general meeting on 6 June 2019 and passed to transfer the remaining fund of HKD50 million which originally intended to be used for “developing and strengthening the existing futures brokerage business” to “developing the Hong Kong and global futures business”. The change must be approved by the State Administration of Foreign Exchange and the National Development and Reform Commission and other relevant regulatory authorities before implementation. As of 31 December 2022, the Company has obtained approval from the relevant regulatory authorities for the above application for changing the use of proceeds, and completed the implementation.

The Company held the first extraordinary general meeting of 2022 on 22 November 2022 and transferred the remaining fund of HKD19.05 million which originally intended to be used for “developing and strengthening the existing futures brokerage business”, “developing the Hong Kong and global futures business” and “developing the commodity trading and risk management business” to “purchasing IT equipment and software”.

Report of the Board

A Shares

According to “the Approval of the Initial Public Offering of Shares by Holly Futures Co., Ltd.” (Securities Regulatory Permit No. [2022] 1135) approved by the CSRC, the Company was permitted to make a public offering of 100,777,778 ordinary shares of RMB (par value RMB1 each) to the public at an effective issue price of RMB1.86 per share. As of 2 August 2022, the Company had raised gross proceeds of RMB187,446,667.08 through the public offering of 100,777,778 ordinary shares of RMB to the public, and the actual net proceeds raised after deduction of issue expenses amounted to RMB161,354,358.20, for a net proceeds of approximately RMB1.60 per share. According to the description of the use of proceeds in the A Shares Prospectus, all proceeds raised from the A Share Offering of the Company, after deducting the issue expenses, will be used for capital replenishment of the Company, which is necessary for the Company’s development and achievement of its strategic objectives, enhancement of its core competitiveness, integration of resources and promotion of the rapid development of various businesses. The above proceeds were transferred to the designated accounts of the Company on 2 August 2022 and the availability of funds has been verified by ShineWing Certified Public Accountants LLP, which has issued the relevant Capital Verification Report.

The Company’s proceeds of RMB161,354,358.20 have been fully utilized for capital replenishment. As of 31 December 2025, the proceeds have been fully utilized and the designated accounts for the proceeds have been cancelled.

(2) Use of proceeds for committed items

H Shares

As of 31 December 2025, the above-mentioned proceeds raised from H Share Offering, for the purposes as set out in the H Shares Prospectus, were used as follows:

Description	Consolidated usage of the proceeds raised (as of 31 December 2025)		
	Usable amount HKD’0,000	Used amount HKD’0,000	Balance HKD’0,000
Development of the future business in Hong Kong and throughout world ^{1,2}	21,500	21,500	0
Development of the asset management business	13,404	13,404	0
Development of the commodity trading and risk management business ²	9,784	9,784	0
Development and enhancement of the existing futures brokerage business ²	52	52	0
Purchasing IT equipment and software ²	4,586	4,055	531
General working capital	4,289	4,289	0
Total	53,615	53,084	531

Note 1: The Company held the 2018 annual general meeting on 6 June 2019 and transferred the remaining fund of HKD50 million which originally intended to be used for “developing and strengthening the existing futures brokerage business” to “developing the Hong Kong and global futures business”. It has been approved by the regulatory authorities and completed the implementation.

Note 2: The Company held the first extraordinary general meeting of 2022 on 22 November 2022 and transferred the remaining fund of HKD19.0539 million which originally intended to be used for “developing and strengthening the existing futures brokerage business”, “developing the Hong Kong and global futures business” and “developing the commodity trading and risk management business” to “purchasing IT equipment and software”.

In order to enhance the efficiency of the utilisation of the proceeds, as of 31 December 2025, the Company’s remaining proceeds were deposited into large commercial banks as bank deposits. The Company intends to utilise the net proceeds in the amount and usages as prescribed in the H Shares Prospectus and as amended in the 2022 first extraordinary general meeting of the Company in due course in 2026.

A Shares

As of 31 December 2025, the aforementioned proceeds from the A Share Offering have been fully utilized for capital replenishment and the designated accounts for the proceeds have been cancelled.

VII. Directors

Information on Directors of the Company, their biographies and the changes during the Reporting Period and as of the date of this Report is set out in Section III Corporate Governance “Directors, Supervisors, Senior Management and Staff” of this Report.

VIII. Service contracts of Directors and Supervisors

No Directors and Supervisors of the Company, or their related entities, entered into any service contract with the Company or its subsidiaries which shall be compensated (except for statutory compensation) upon termination within one year.

IX. Interests of Directors and Supervisors in material transactions, arrangements or contracts

As of 31 December 2025, the Company or its subsidiaries did not enter into any material transactions, arrangements or contracts entitling direct or indirect substantial interests to the Directors or Supervisors of the Company (or the related entities of any Director or Supervisor) during the Reporting Period.

Report of the Board

X. Interests of Directors in business that competes with the Company

As of 31 December 2025, none of the Directors of the Company had any interest in businesses directly or indirectly competing with the Company.

XI. Directors' right to purchase shares or debentures

As of 31 December 2025, the Company has not given Directors or their respective spouse or children under the age of 18 the rights to purchase the Shares or debentures of the Company to obtain benefit, nor did they exercise any such rights; nor have any arrangements been made by the Company or any of its subsidiaries to entitle such rights to the Directors or their respective spouse or children under the age of 18 in any other body corporate.

XII. Interests and short positions of Directors and chief executive in the Shares, underlying Shares or debentures of the Company and any of its associated Corporations

As at 31 December 2025, based on the information obtained by the Company and the knowledge of the Directors, the Directors and chief executive of the Company have no (i) interests and short positions that shall be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) shall be entered in the register maintained pursuant to Section 352 of the SFO, or (iii) interests or short positions which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code in the Shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO).

XIII. Purchase, sale and redemption of securities

During the year ended 31 December 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares). As of 31 December 2025, the Company did not hold any treasury shares.

XIV. Controlling shareholders' interests in contracts

Save as disclosed in this Report and the H Shares Prospectus, no contracts of significance to which the Company or its controlling companies or any of its subsidiaries was a party in which the controlling shareholder or its subsidiaries had a material interest subsisted at the end of the Reporting Period or at any time during the year.

XV. Permitted indemnity provision

Pursuant to the Articles of Association of the Company, every Director shall be entitled to be indemnified out of the assets of the Company against all loss or liabilities (to the fullest extent permitted by the Companies Ordinance) which he may sustain during his service or incur in or in connection with the execution of the duties of his office. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance when this report of the Board prepared by the Directors is approved in accordance with section 391(1) (a) of the Companies Ordinance.

XVI. Share scheme

The Company and its subsidiaries have no share scheme.

XVII. Compliance with the non-competition undertakings

As disclosed in the H Shares Prospectus, the Company and SOHO Holdings entered into the noncompetition undertaking in favor of the Company on 8 December 2015 (the “**H Shares Non-competition Undertaking**”), pursuant to which SOHO Holdings and its close associates (as defined in the Listing Rules) (other than subsidiaries of the Company) undertook that, save as disclosed in the H Shares Prospectus, neither SOHO Holdings nor any of its close associates (as defined in the Listing Rules) (other than subsidiaries of the Company) would, in any form, engaged in, assisted or supported any third party in the operation of, participate, or has any interest in, any business that, directly or indirectly, competes or will compete or may compete with the business carried on or contemplated to be carried on by the Company from time to time, namely futures-related financial services including futures brokerage, asset management and commodity trading and risk management business.

Report of the Board

As disclosed in the A Shares Prospectus, the Company and SOHO Holdings entered into the non-competition undertaking in favor of the Company (the “**A Shares Non-competition Undertaking**”), pursuant to which SOHO Holdings undertook that: (1) SOHO Holdings and legal persons or other organizations directly or indirectly controlled by SOHO Holdings (other than the Group) (“**Other Enterprises Controlled By SOHO Holdings**”) are not currently engaged in business that competes with Holly Futures; (2) SOHO Holdings and Other Enterprises Controlled By SOHO Holdings will not engage, directly or indirectly, in any form of business that competes or is likely to compete with the Company during the period that SOHO Holdings is a controlling shareholder of the Company. SOHO Holdings will supervise other enterprises controlled by SOHO Holdings to induce compliance with the A Shares Non-competition Undertaking through the exercise of its legal rights; (3) SOHO Holdings will strictly comply with the provisions of relevant laws, administrative regulations and regulatory documents, exercise shareholders’ rights and fulfill shareholders’ obligations in accordance with the law, and will not take advantage of its position as a controlling shareholder to obtain improper benefits or prejudice the legitimate interests of the Company and other shareholders of the Company; (4) the Company has the right to choose the appropriate time to acquire from SOHO Holdings and Other Enterprises Controlled By SOHO Holdings those assets and businesses currently held by SOHO Holdings and Other Enterprises Controlled By SOHO Holdings that may compete with the Company. SOHO Holdings and Other Enterprises Controlled By SOHO Holdings shall cede to the Company any future business opportunities available to SOHO Holdings and Other Enterprises Controlled By SOHO Holdings that are engaged in a business similar to that of the Company, and SOHO Holdings and Other Enterprises Controlled By SOHO Holdings shall only invest in such business opportunities after they have been relinquished by the Company; (5) SOHO Holdings and Other enterprises Controlled By SOHO Holdings shall notify the Company in a timely manner when SOHO Holdings intends to undertake new businesses, investments and research that may compete with the business of the Company, the Company will have the right of first refusal to develop and acquire such projects and SOHO Holdings will use its best endeavors to procure that the price of the transaction is determined on a fair and reasonable basis and in an arm’s length commercial transaction with an independent third party; (6) if SOHO Holdings breaches the A Shares Non-competition Undertaking, SOHO Holdings shall be liable for the corresponding legal liabilities under the law; (7) the A Shares Non-competition Undertaking shall remain in force until SOHO Holdings ceases to be a controlling shareholder of the Company.

SOHO Holdings has confirmed to the Company that, during the Reporting Period, it has complied with all the undertakings and requirements under the H Shares Non-competition Undertaking and the A Shares Non-competition Undertaking. The independent non-executive Directors of the Company have conducted annual review over the compliance with and performance of all the undertakings and requirements under the H Shares Non-competition Undertaking and the A Shares Non-competition Undertaking by SOHO Holdings, during the Reporting Period, and confirmed that SOHO Holdings was in full compliance with the H Shares Non-competition Undertaking and the A Shares Non-competition Undertaking and there was no breach.

Save as disclosed, no other non-competition agreements or arrangements have been provided by the controlling shareholder as of 31 December 2025 or during the Reporting Period.

XVIII. Other disclosures

(1) Equity

Details of changes in equity of the Group for the year ended 31 December 2025 are set out in Note V. 33 to the financial statements of this annual report.

(2) Pre-emptive rights arrangements

Pursuant to the PRC laws and the Articles of Association, the Company has no pre-emptive rights arrangements during the Reporting Period.

(3) Sufficiency of public float

Based on the information obtained by the Company and to the knowledge of the Directors, during the Reporting Period and the date of this report, the Company has sufficient public float.

(4) Management contract

No contracts concerning the management and administration of the whole or any substantial part of the Company's business (other than the service contracts entered into with the Directors, Supervisors and the senior management) were entered into or existed during the Reporting Period.

(5) Data on tax reduction and exemption of the H Shareholders

Individual investors

In accordance with the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) issued by the Fifth Session of the Standing Committee of the National People's Congress on 10 September 1980, revised on 31 August 2018 and came into effect on 1 January 2019 and the "Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China" (《中華人民共和國個人所得稅法實施條例》) revised by the State Council on 28 December 2018 and came into effect on 1 January 2019, the dividends paid by Chinese companies shall be subject to the withholding tax at a rate of 20.0%. Non-Chinese resident foreign individuals shall be imposed 20.0% of individual income tax on the dividends from Chinese companies, unless specific exemptions allowed by the tax authorities of the State Council or special deductions in accordance with applicable tax treaty.

Report of the Board

According to the Notice on the Management of Individual Income Tax Impose after the Abolition of Guo Shui Fa [1993] No. 045 issued by the State Administration of Taxation (《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》) (Guo Shui Han [2011] No. 348), for domestic non-foreign-invested enterprises publicly listed in Hong Kong, its overseas resident individual shareholders are entitled to the preferential tax treatments under the taxation agreement entered into between China and the countries in which they reside. Dividends paid by domestic non-foreign-invested enterprises listed in Hong Kong to its H share individual holders who are not Chinese residents shall be subjected to individual income tax at the rate of 10.0%, and without prior approval from the Chinese tax authorities. In the event that the tax rate of 10.0% is not applicable, (i) for a foreign citizen who receives dividend in the capacity of an H share individual holder, where an income tax treaty prescribing a rate of less than 10.0% was entered into between China and the country in which he resides, the non-foreign-invested enterprises listed in Hong Kong may, on behalf of such holder, apply for further preferential tax treatment; and upon approval from the competent tax authorities, the withholding tax paid in excess will be refunded; (ii) for a foreign citizen who receives dividend in the capacity of an H share individual holder, where an income tax treaty prescribing a rate higher than 10.0% but less than 20.0% was entered into between China and the country in which he resides, the non-foreign-invested enterprises listed in Hong Kong shall withhold dividends pursuant to the agreement, without making an application; (iii) for a foreign citizen who receives dividend in the capacity of an H share individual holder, where the country he resides in has not entered into any tax treaty or otherwise with China, the non-foreign-invested enterprises listed in Hong Kong shall withhold dividends at the rate of 20.0%.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (Guo Shui Han [2006] No. 884) with respect to taxes on income signed on 21 August 2006, the PRC government may impose tax on dividends payable by a PRC company to a Hong Kong resident, but such tax shall not exceed 10.0% of the gross amount of dividends payable, and in the case where a Hong Kong resident holds at least 25.0% equity interest in a PRC company, such tax shall not exceed 5.0% of the gross amount of dividends payable by the PRC company.

Enterprise

According to the prevailing effective Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), the non-resident enterprises shall be subject to 10.0% enterprise income tax for the income originated from the PRC provided that the non-resident enterprises do not establish offices or premises in the PRC, or where there are offices and premises established, but there is no connection between the dividends and bonuses received and the offices or premises established by the non-resident enterprises. Such withholding tax may be reduced pursuant to an applicable double taxation treaty. According to the Notice Regarding Questions on Withholding Enterprise Income Tax When PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股利代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by the State Administration of Taxation, which became effective on 6 November 2008, PRC resident enterprises should withhold enterprise income tax at a rate of 10.0% when they distribute dividends to Overseas non-resident enterprise shareholders of H Shares from the year of 2008. Such withholding tax may be reduced pursuant to an applicable double taxation treaty.

(6) Reserves and reserves of profits available for distribution

Details of changes in reserve of the Group for the year ended 31 December 2025 are set out in Notes V. 34 to 38 to the financial statements of this annual report.

(7) Charity donation

During the Reporting Period, the staff of the Group carried out a one-day donation charity campaign and raised approximately RMB13,500.

(8) Major customers and suppliers

The Company provides services for various institutional and individual customers engaged in a number of industries. Clients of the Company include large, small and medium enterprises, high net worth clients and retail customers mainly located in China. As the Company expands to overseas market, it is expected to provide services for more overseas customers in the future.

During the Reporting Period, income and other gains generated by the five largest customers was RMB6,834,362.73 (futures handling fee net income tax price inclusive), accounting for 11%.

To the knowledge of the Directors, no Directors or any of their close associates or any shareholders holding more than 5% of the issued share capital of the Company have any beneficial interests in any of the top five customers of the Company during the Reporting Period.

Given its business nature, the Company has no major suppliers.

(9) Property and equipment

Details of changes in property, plants and equipment of the Group for the year ended 31 December 2025 are set out in Note V. 15 to the financial statements of this annual report.

(10) Social responsibilities

The Company actively carried out a series of public welfare and charity activities such as helping rural revitalization, caring for women and children, voluntary donations, blood donation, etc., and effectively guided party members and cadres to play a pioneering role in driving the masses to participate in the construction of enterprises. Leveraging on our professional advantages, we have been down-to-earth and diligent in supporting the revitalization of rural areas. In 2025, the “Insurance + Futures” project covered 13 counties in seven provinces across the country, insuring eight types of agricultural products and serving over 30,000 farmers. Nine projects have received support from the exchange. For the third consecutive year, the “Insurance + Futures” project for rubber on SHFE has been carried out in Baisha, Hainan. For the first time, the Company successfully participated in DCE’s “Bank-Futures-Insurance” innovation project for soybean. On the basis of “Insurance + Futures”, the Company incorporated banks and acquired enterprises, achieving a new breakthrough in the model. The “Insurance + Futures” project for apple carried out in Fengxian, Xuzhou, is the first “Insurance + Futures” project supported by ZCE in Jiangsu Province.

Report of the Board

(11) Change of auditors

During the past 3 years including the Reporting Period, there has been no other change of auditors of the Company.

(12) Amendments to the Articles of Association

As at 30 December 2024, in view of the latest provisions of the Company Law, the Securities Law and other laws, regulations and regulatory documents, and taking into account the actual situation of the Company, the Board proposed to make corresponding amendment to the Articles of Association. Amendment to the Articles of Association has been adopted by Shareholders at the first extraordinary general meeting of 2025 held on 18 February 2025. For details, please refer to the announcement of the Company dated 30 December 2024, the circular of the Company dated 24 January 2025 and the overseas regulatory announcement of the Company dated 30 December 2024.

On 29 September 2025, in accordance with the latest provisions of relevant laws, regulations and normative documents such as the Company Law and the Guidelines on Articles of Association of Listed Companies, the Board proposed to amend the Articles of Association and related rules of procedures. The amendments to the Articles of Association were considered and approved at the second extraordinary general meeting of 2025 held on 28 October 2025. The Company has abolished the supervisory committee in accordance with the latest articles of association, the relevant functions and powers of which shall be exercised by the Audit Committee. For details, please refer to the announcement of the Company dated 29 September 2025; the circular dated 9 October 2025; and the overseas regulatory announcement of the Company dated 29 September 2025.

(13) Charges on the Group's assets

Charges and other restrictions on the use of the Group's assets at the end of 2025 are set out in Note V. 57 to the financial statements of this annual report.

By order of the Board

Mr. Chu Kairong

Chairman

Nanjing, the PRC, 31 March 2026



03

Corporate
Governance

Material Matters

I. Administrative Regulatory Measures Imposed on the Company During the Reporting Period

On 24 January 2025, the Jiangsu Securities Bureau issued a Decision Letter on Administrative Supervisory Measures of Decision of Jiangsu Securities Bureau on the Imposition of Correcting Administrative Regulatory Measures on Holly Futures Co., Ltd. ([2025] No. 26). The Company will continue to refine and improve its internal control system to ensure that compliance is prioritized in business expansion. The Company will effectively strengthen the job responsibilities of all departments to regulate the management of departments, their responsible persons and employees, and strengthen compliance training to enhance risk management and control capabilities.

On 10 October 2025, the Chongqing Securities Bureau issued a Decision Letter on Administrative Supervisory Measures of Decision on the Imposition of Regulatory Measures of Issuing a Warning Letter to the Chongqing Business Department of Soho Holly Corporation. In response to such administrative supervisory measures, the Chongqing Business Department has conducted a comprehensive review of its existing clients and implemented rectification measures in several aspects, such as improving the management of clients' de facto control relationships, optimising the collection of client trading terminal information, and strengthening the review of external software access. These measures are aimed at continuously enhancing the department's capability for compliant operations.

II. Material litigations and arbitrations

(I) Material Litigations and Arbitrations Occurring During the Reporting Period

Nil.

(II) Material Litigations and Arbitrations Concluded in the Reporting Period

Nil.

(III) Outstanding material legal litigations during the Reporting Period

Nil.

(IV) New material legal litigations after the Reporting Period

Nil.

III. Material contracts and fulfillment

During the Reporting Period, the Company had no material contractual projects.

IV. Connected parties and connected transactions

Connected Transactions

During the Reporting Period, the Group conducted its connected transactions in strict compliance with the Listing Rules and the Administrative Measures on Connected Transactions. The connected transactions of the Group were mainly entered into with the controlling shareholder of the Company, SOHO Holdings, and Soho Real Estate. See Note XII to the financial statements of this annual report for information about other related party transactions and continuing connected transactions. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of its connected transactions or continuing connected transactions.

(I) *Connected Persons*

During the Reporting Period, the Company has entered into certain transactions in the ordinary and usual course of business with the following connected persons:

SOHO Holdings

SOHO Holdings, a state-owned enterprise owned as to wholly-owned by Jiangsu SASAC, was established as a limited liability company under the laws of the PRC in April 1994 and is one of the promoters of the Company. As at the end of the Reporting Period, SOHO Holdings holds approximately 50.00% of equity interest in the Company, and hence is a Controlling Shareholder of the Company. Accordingly, SOHO Holdings is a connected person of the Company under Chapter 14A of the Listing Rules.

SOHO Holdings is an investment holding company principally engaged in (i) financial and industrial investment, authorized operation and management of state-owned assets; (ii) international trading; (iii) housing rental; and (iv) production, R&D and sales of mulberry silk, textiles and garments.

Material Matters

(III) *Continuing Connected Transactions*

Financial Services Framework Agreement, Financial Investment Framework Agreement and Trading Framework Agreement between the Group and SOHO Holdings

Pursuant to the following agreements entered into between the Company and SOHO Holdings on June 28, 2024 (after trading hours of the Hong Kong Stock Exchange)

- (1) Trading Framework Agreement, pursuant to which the Group would engage in commodity trading with SOHO Holdings Group whereby the Group would (a) purchase from and (b) sell to SOHO Holdings Group the Relevant Products during the period up to 31 December 2026. Relevant Products refer to paper pulp, rubber, polypropylene, nickel iron, cotton, corn or any other products depending on the demands in the market. The parties shall, based on the terms of the Trading Framework Agreement, enter into separate trading agreements in respect of each transaction under the Trading Framework Agreement. The entering into each of separate trading agreements shall be subject to the relevant requirements of the Listing Rules and relevant rules of the Shenzhen Stock Exchange (if applicable). The annual cap for 2025 are RMB700 million (purchase from SOHO Holdings Group) and RMB100 million (sell to SOHO Holdings Group).

Reasons for and benefits of the transactions

SOHO Holdings Group, with its state-owned background, possesses solid expertise in the supply and demand chains of commodities, engages in stable volume of domestic and international commodity trading, and has access to valuable resource and opportunities of commodity trading.

As part of commodity trading and risk management business, the Group conducts spot transactions of commodities with clients and makes use of the hedging functions and trading opportunities of the futures markets to manage the price risks of commodities and realise gains. With the movement of the price differences, together with the trend of market change of the commodities, the Group seeks for trading opportunities for the purpose of transaction, and design trading strategy and steps. Trading activities conducted by the Group on the spot and futures market are an integral part of basis trading (基差交易) and intended to manage commodity price risk while capturing gains in the market.

Subject to the market conditions and demands of relevant commodities, the Group may purchase Relevant Products in the market. When the commodity price fluctuates and trading opportunities in the market arise for the purchase of Relevant Products, and if the prices offered by SOHO Holdings Group are no less favourable than that of similar products sold by independent third parties, the Group will sign separate purchase contracts with the companies in SOHO Holdings Group to purchase the Relevant Products.

Upon taking into account the gains earned or offsetting the losses in both the futures market and spot market, the Group may sell Relevant Products in the market. When trading opportunities in the market arise for the sale of Relevant Products, and if the prices offered by SOHO Holdings Group are no less favourable than that of similar products sold to independent third parties, the Group will sign separate sales contracts with subsidiaries of SOHO Holdings Group to sell the Relevant Products.

- (2) Financial Investment Framework Agreement, pursuant to which the Group would subscribe for wealth management products, including funds, trusts and asset management products from SOHO Holdings Group during the period up to 31 December 2026. The parties shall, based on the terms of the Financial Investment Framework Agreement, enter into separate investment agreements in respect of each transaction under the Financial Investment Framework Agreement. The entering into each of separate investment agreements shall be subject to the relevant requirements of the Listing Rules and relevant rules of the Shenzhen Stock Exchange (if applicable). The annual cap for 2025 is RMB50 million.

Reasons for and benefits of the transactions

With an aim of optimising its capital operation, the Group invested in a variety of financial assets so as to make effective capital allocation, facilitate the development of principal business and improve profitability while putting risks under control. Leveraging on SOHO Holdings Group's well-established relationship with the Group, such transactions can facilitate the use of advantageous resources between the parties and create synergies, thus, it is expected to reduce the overall financing costs, optimise the asset structure, and enhance operational capabilities of the Group. The cooperation with SOHO Holdings Group will have a synergistic effect, which enables the Group to diversify its financing sources to support its business and is beneficial to the long-term development of the Group.

- (3) Financial Services Framework Agreement, pursuant to which the Group provides various financial services to SOHO Holdings and its subsidiaries, including futures brokerage services, asset management services, etc during the period up to 31 December 2026. The parties shall, based on the terms of the Financial Services Framework Agreement, enter into separate service agreements in respect of each transaction under the Financial Services Framework Agreement. The entering into each of separate service agreements shall be subject to the relevant requirements of the Listing Rules and relevant rules of the Shenzhen Stock Exchange (if applicable). The annual cap for 2025 is RMB2.6 million.

Material Matters

Reasons for and benefits of the transactions

The entering into of the Financial Services Framework Agreement can diversify the Company's revenue streams and facilitate the long-term development of the business operation of the Company. The Group, as an intra-group financial services provider, generally has better and more efficient communication with SOHO Holdings Group and better understanding of their needs as compared to third parties. As such, SOHO Holdings Group tends to choose the Group as the services provider in the event that they require futures-related financial services. In addition, the long-term cooperation relationship between the Group and SOHO Holdings Group in turn provides the Group with business and operational convenience.

For details, please refer to the Company's announcement and circular dated 28 May 2024.

The following table sets out the annual caps for continuing connected transactions of the Group in 2025 and the actual transaction amounts for connected transactions of the Group in 2025. For the period ended 31 December 2025, the continuing connected transactions of the Group were as follows:

	2025	
	Actual Amount (RMB'000)	Annual Cap (RMB'000)
1 Trading Framework Agreement	0	700,000 (purchase from SOHO Holdings Group)
	0	100,000 (sell to SOHO Holdings Group)
2 Financial Investment Framework Agreement	0	50,000
3 Financial Services Framework Agreement	33	2,600

The Directors (including the independent non-executive Directors of the Company) have reviewed the above mentioned continuing connected transactions and confirmed that, the transactions were entered into according to the following conditions:

- (1) such transactions were entered into in the ordinary course of business of the Group;
- (2) such transactions were conducted on normal or better commercial terms; and
- (3) such transactions were conducted in accordance with the terms of relevant agreements, and such terms were fair and reasonable and in the interest of the shareholders of the Company as a whole.

Material Matters

The auditors of the Company have reviewed the abovementioned continuing connected transactions and confirmed to the Board that:

- (1) nothing has come to its attention that may cause it to believe that these transactions have not been approved by the Board;
- (2) for the transactions involved the provision of goods or services by the Group, nothing has come to its attention that may cause it to believe that these transactions were not, in all material respects, in accordance with the pricing policy of the Group;
- (3) nothing has come to its attention that may cause it to believe that these transactions were not entered into, in all material respects, in accordance with the relevant agreements governing these transactions; and
- (4) nothing has come to its attention that may cause it to believe that these transactions have exceeded their respective annual caps for such transactions. The Company had complied with the disclosure requirements under Chapter 14A of the Listing Rules throughout the Reporting Period.

V. Acquisition, merger and separation during the Reporting Period

Nil.

VI. Attained qualifications for single business during the Reporting Period

Nil.

VII. Major off-balance sheet items

There are no major off-balance sheet items such as guarantee that may affect the financial conditions and operating results of the Company and its subsidiaries during the Reporting Period.

Material Matters

VIII. Engagement of accounting firm

Details of the engagement of accounting firms by the Company and change of accounting firms in the past are as follow:

Pursuant to the Administrative Measures for the Appointment of Accounting Firms by State-owned Financial Enterprises (《國有金融企業選聘會計師事務所管理辦法》) (Cai [2020] No. 6) issued by the Ministry of Finance of the People's Republic of China, the term of consecutive engagement of the same accounting firm by a financial enterprise shall in principle not exceed five years and the consecutive engagement shall not exceed eight years. As approved by the 2020 annual general meeting of the Company held on 14 May 2021, the Company appointed ShineWing Certified Public Accountants LLP as its external audit firm to provide related audit and review services based on the China Accounting Standards for Business Enterprises with a term ending at the date of the conclusion of the 2021 annual general meeting of the Company. As considered and approved at the 2024 annual general meeting of the Company held on 26 June 2025, ShineWing Certified Public Accountants LLP were re-appointed as auditors of the Company, with the term of office until the conclusion of the next annual general meeting.

Remunerations for accounting firm: Pursuant to the related authorization at the general meeting, the external auditing fees of the Company for 2025 was RMB1.15 million, including the fees for annual audit of H Share and annual statutory audit in the country and internal control audit fee in the amount of RMB1.00 million, interim audit fee in the amount of RMB150,000 and no non-audit service fee was paid.

IX. Other important particulars and subsequent events

1. Change of Directors, Supervisors and Senior Management of the Subsidiaries

1. *Holly International Financial*

On 25 March 2025, Ms. Gong Qi took up the position of Chief Financial Officer of Holly International Financial;

On 1 August 2025, Mr. Huang Haiqing ceased to be a Chairman of Holly International Financial;

On 27 August 2025, Mr. Xiang Xi took up the position of Chairman of Holly International Financial;

On 21 November 2025, Ms. Chen Ling ceased to serve as a Director of Holly International Financial.

2. *Holly International Asset Management*

Nil.

3. *Holly Capital*

On 21 May 2025, Mr. Huang Haiqing ceased to serve as a director of Holly Capital, Ms. Chen Ling ceased to serve as a director of Holly Capital, Mr. Jia Fuhua was appointed as a director of Holly Capital, and Ms. Yao Aili was appointed as a director of Holly Capital.

On 7 November 2025, All of the Supervisors of Holly Capital were abolished.

2. Annual Profit Distribution Plan of the Company

The profit distribution plan for 2025 is set out in Section II – “Report of the Board” – “V. Profit distribution and profit distribution plan” of this Report.

3. Profit Distribution of Subsidiaries

During the Reporting Period, the subsidiaries of the Company did not have any profit distribution.

4. Major Investment and Financing

- *Major investment and financing of the Company*

Major investment and financing of the Company is set out in Section II Operating Conditions “Management Discussion and Analysis” – “V. Major investment and financing of the Company and subsidiaries” of this Report.

- *Major investment and financing of subsidiaries*

Major investment and financing of the subsidiaries is set out in Section II Operating Conditions “Management Discussion and Analysis” – “V. Major investment and financing of the Company and subsidiaries” of this Report.

5. Future Plans for Major Investments or Capital Assets

As at the date of this Report, the Group does not have any future plans for major investments or capital assets.

6. Major Legal Proceedings and Arbitration

Details of major legal proceedings and arbitration are set out in Section III Corporate Governance “Material Matters” – “II. Material Litigations and Arbitrations” of this Report.

7. Merger or Disposal of Subsidiaries

During the Reporting Period, the Group did not have any merger or disposal of subsidiaries.

Material Matters

8. Other Events to Cause Material Impact on Financial Positions, Business Performance and Cash Flow

During the Reporting Period, the Group did not have any other events to cause material impact on financial positions, business performance and cash flow.

9. Amendments to the Articles of Association

On 30 December 2024, in light of the latest provisions of laws and regulations and regulatory documents such as the Company Law and the Securities Law, and having considered the actual situation of the Company, the Board proposed to make corresponding amendment to the Articles of Association. Amendment to the Articles of Association has been adopted by the Shareholders at the first extraordinary general meeting of 2025 held on 18 February 2025. For details, please refer to the announcement of the Company dated 30 December 2024; the circular of the Company dated 24 January 2025; and the overseas regulatory announcement of the Company dated 30 December 2024.

On 29 September 2025, in accordance with the latest provisions of relevant laws, regulations and normative documents such as the Company Law and the Guidelines on the Articles of Association of Listed Companies, the Board of Directors proposed to make corresponding amendments to the Articles of Association and relevant procedural rules. The amendments to the Articles of Association were considered and approved at the second extraordinary general meeting of the Company in 2025 held on 28 October 2025. The Company has abolished the Supervisory Committee in accordance with the latest Articles of Association, with the Audit Committee exercising the relevant functions and powers of the Supervisory Committee. Please refer to the Company's announcement dated 29 September 2025; the circular dated 9 October 2025; and the Company's overseas regulatory announcements dated 29 September 2025.

Changes in Share and Substantial Shareholders

I. Shareholding structure

The shareholding structure of the Company as of 31 December 2025 is as follows:

Shareholdings of the Shareholders holding more than 5% of the shares or the top ten Shareholders						
Name of shareholder	Nature of shareholder	Proportion	Number of shares held as at the end of the Reporting Period	Changes during the Reporting Period	Number of shares subject to selling restriction	Number of shares not subject to selling restriction
Jiangsu SOHO Holdings Group Co., Ltd.	State-owned legal person	27.33%	275,456,777	0	0	275,456,777
HKSCC NOMINEES LIMITED	Foreign legal person	24.78%	249,681,239	-10,000	0	249,681,239
Soho Holly Corporation	State-owned legal person	14.68%	147,900,000	0	0	147,900,000
Jiangsu High Hope International Group Corporation	State-owned legal person	5.75%	57,984,334	-5,945,800	0	57,984,334
Zhou Yuguang	Domestic natural person	0.74%	7,416,679	7,416,679		7,416,679
Nie Pengju	Domestic natural person	0.63%	6,300,000	6,300,000		6,300,000
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.50%	5,000,096	-610,838	0	5,000,096
Jiangsu Holly International Logistics Corporation	State-owned legal person	0.41%	4,153,498	-4,131,847	0	4,153,498
Goldman Sachs International – own funds	Foreign legal person	0.32%	3,239,832	1,054,872	0	3,239,832
MORGAN STANLEY & CO. INTERNATIONAL PLC.	Foreign legal person	0.29%	2,957,395	1,412,360	0	2,957,395

Changes in Share and Substantial Shareholders

Shareholding of Top Ten Shareholders Not Subject to Selling Restriction			
Name of shareholder	Number of shares not subject to selling restriction as at the end of the Reporting Period	Type of shares	
		Type	Number of shares
Jiangsu SOHO Holdings Group Co., Ltd.	275,456,777	RMB ordinary shares	275,456,777
HKSCC NOMINEES LIMITED	249,681,239	Foreign shares listed overseas	249,681,239
Soho Holly Corporation	147,900,000	RMB ordinary shares	147,900,000
Jiangsu High Hope International Group Corporation	57,984,334	RMB ordinary shares	57,984,334
Zhou Yuguang	7,416,679	RMB ordinary shares	7,416,679
Nie Pengju	6,300,000	RMB ordinary shares	6,300,000
Hong Kong Securities Clearing Company Limited	5,000,096	RMB ordinary shares	5,000,096
Jiangsu Holly International Logistics Corporation	4,153,498	RMB ordinary shares	4,153,498
Goldman Sachs International – own funds	3,239,832	RMB ordinary shares	3,239,832
MORGAN STANLEY & CO. INTERNATIONAL PLC.	2,957,395	RMB ordinary shares	2,957,395

Notes:

1. The calculation is based on a total of 1,007,777,778 issued Shares of the Company as at 31 December 2025.
2. The type of shareholders of ordinary shares in RMB (A Shares) represents the type of accounts held by shareholders registered with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch.
3. Among shareholders of overseas listed foreign shares (H Shares) of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited on their behalf.
4. Hong Kong Securities Clearing Company Limited is a nominal holder of A Shares of the Company held by the investors in Northbound Trading under Shenzhen-Hong Kong Stock Connect.

II. Changes in Shares

Nil.

Changes in Share and Substantial Shareholders

III. Interests and short positions of substantial shareholders in Shares and underlying Shares of the Company

As at 31 December 2025, to the knowledge of the Directors and the chief executives of the Company, the interests or short positions of substantial shareholders (except the Directors and chief executives of the Company) in Share or underlying shares of the Company which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which are required to be entered into the register of the Company pursuant to section 336 of the SFO are as follows:

Name of shareholders	Class of Shares	Capacity	Number of shares held	Approximate percentage to total issued Shares ⁽¹⁾	Approximate percentage to relevant Share class ⁽²⁾
SOHO Holdings ⁽³⁾	A Shares and H shares	Beneficial owner and interest in controlled corporation	503,888,889 (485,494,609 A Shares and 18,394,280 H Shares) (long position)	50.00%	A Shares 64.04% H Shares 7.37%
Zhong Shan Company (鍾山公司)	H Shares	Beneficial owner	18,394,280 (long position)	1.83%	7.37%
SOHO Holly	A Shares	Beneficial owner	147,900,000 (long position)	14.68%	19.51%
High Hope Corporation	A Shares	Beneficial owner	57,984,334 (long position)	5.75%	7.65%

Changes in Share and Substantial Shareholders

Notes:

- (1) The calculation is based on the total number of 1,007,777,778 Shares in issue of the Company as at 31 December 2025.
- (2) The calculation is based on the 758,077,778 A Shares in issue and 249,700,000 H Shares in issue of the Company as at 31 December 2025.
- (3) On 31 December 2025, SOHO Holdings (i) directly held 275,456,777 A Shares; (ii) was the beneficial owner of 25.96% equity interest in SOHO Holly (directly holding 147,900,000 A Shares of the Company); (iii) was the beneficial owner of 67.41% equity interest in High Hope Corporation (directly holding 57,984,334 A Shares of the Company); (iv) was the beneficial owner of the entire equity interests of SOHO Culture Group (deemed to be interested in the 4,153,498 A Shares directly held by Holly Logistics); and (v) was the beneficial owner of 100% equity interest in Zhong Shan Company (directly holding 18,394,280 H Shares of the Company). As disclosed in the 2025 annual report of SOHO Holly, according to relevant PRC laws, SOHO Holdings is deemed to be the controlling shareholder of SOHO Holly. Accordingly, SOHO Holdings is deemed to be interested in the 147,900,000 A Shares of the Company directly held by SOHO Holly, 57,984,334 A Shares of the Company directly held by High Hope Corporation, 4,153,498 A Shares of the Company directly held by SOHO Culture Group and 18,394,280 H Shares of the Company directly held by Zhong Shan Company, and hence was directly and indirectly interested in 503,888,889 Shares.

Save as disclosed above, the Directors and chief executives of the Company are not aware that, as at 31 December 2025, any other person (other than the Directors or chief executives of the Company) had an interest or short position in the Shares or underlying shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are required to be entered into the register of the Company pursuant to Section 336 of the SFO.

As at the end of the Reporting Period, SOHO Holdings, the Controlling Shareholder of the Company, held approximately 50.00% of the total issued Shares of the Company. SOHO Holdings was established in April 1994 with a registered capital of RMB2,000 million. It is a state-owned enterprise wholly-owned by the State-owned Assets Supervision and Administration Commission of Jiangsu. SOHO Holdings is an investment holding company and its business scope includes finance, industrial investment, operation and management of state-owned assets as authorised, international trading, rental housing, and manufacturing, R&D and sales of mulberry silk, textile and clothing.

Directors, Supervisors, Senior Management and Staff

I. Basic Information about current and resigned Directors, Supervisors and Senior Management during the Reporting Period

(1) Directors

Name	Age	Gender	Position(s)	Date of appointment	Time of joining the group company	Remunerations received during the Reporting Period (RMB'0,000)	Relationship with other Directors, Supervisors or members of senior management	Remarks
Chu Kairong	51	Male	Chairman, executive Director	22 November 2022	September 2004	76.40	N/A	
Zhao Weixiong	50	Male	General manager, executive Director	6 September 2024	July 2024	57.81	N/A	
Xue Binghai	55	Male	Non-executive Director	30 June 2012	June 2012		N/A	
Jiang Lin	60	Male	Non-executive Director	15 November 2019	November 2019		N/A	Resigned on 18 February 2025
Jiang Haiying	43	Female	Non-executive Director	18 February 2025	February 2025		N/A	
Huang Dechun	60	Male	Independent non-executive Director	15 November 2019	November 2019	13.06	N/A	Resigned on 3 March 2026
Lo Wah Wai	62	Male	Independent non-executive Director	23 December 2021	23 December 2021	13.18	N/A	
Zhang Hongfa	61	Male	Independent non-executive Director	21 July 2023	21 July 2023	13.06	N/A	
Wang Yuwei	48	Male	Independent non-executive Director	3 March 2026	3 March 2026			
Chen Ke	32	Male	Employee Representative Director	12 December 2025	July 2016	1.62		

Note: The term of office of the fourth session of the Board has expired within the Reporting Period. At the first extraordinary general meeting in 2025, Mr. Chu Kairong, Mr. Zhao Weixiong, Mr. Xue Binghai, Mr. Huang Dechun, Mr. Lo Wah Wai and Mr. Zhang Hongfa have been re-elected as Directors of the fifth session of the Board, and Ms. Jiang Haiying has been appointed as a Director of the fifth session of the Board.

Directors, Supervisors, Senior Management and Staff

(2) Supervisors

Name	Age	Gender	Position(s)	Date of appointment	Time of joining the group company	Remunerations received during the Reporting Period (RMB'0,000)	Relationship with other Directors, Supervisors or members of senior management	Remarks
Huang Dongyan	54	Male	Chairman of the Supervisory Committee	6 September 2024	June 2022	33.13	N/A	
Chen Liang	45	Male	Supervisor	23 December 2021	23 December 2021		N/A	
Gong Qi	39	Female	Supervisor	18 February 2025	September 2009	14.31	N/A	Appointed on 18 February 2025
Zhang Lei	48	Female	Supervisor	20 March 2023	August 2018	3.8	N/A	Resigned on 18 February 2025

Note: Pursuant to the latest provisions of the Company Law, the Guidelines for the Articles of Association of Listed Companies, and other relevant laws, regulations, and normative documents, the Supervisory Committee has been dissolved following the review and approval at the second extraordinary general meeting of shareholders of 2025 held on 28 October 2025.

Directors, Supervisors, Senior Management and Staff

(3) Senior Management

Name	Age	Gender	Position(s)	Date of appointment	Relationship with other Directors, Supervisors or members of senior management	Remarks
Zhao Weixiong	50	Male	General manager	September 2024		
Zhao Dong	56	Male	Deputy general manager	March 2014	N/A	Retired on 27 May 2025
Huang Haiqing	43	Male	Deputy general manager	Deputy general manager since	N/A	
			Board secretary and joint company secretary	October 2020 Board secretary and joint company secretary since December 2020		
Wu Jiufeng	44	Male	Deputy general manager	October 2020	N/A	
Jia Fuhua	41	Male	Supervisor of finance	9 May 2024	N/A	
Zhan Jieying	44	Female	Chief risk officer	5 July 2023	N/A	

Note: The above ages are based on the date of this annual report (i.e., 31 March 2026).

Directors, Supervisors, Senior Management and Staff

II. Directors, Supervisors and Senior Management in Companies of Shareholders and Position(s) at Other Companies at Current and during the Reporting Period

(1) Directors

Name	Position(s) at the Company	Employment in other companies	Position(s) at other companies
Chu Kairong	Chairman, executive Director	Holly Capital	Chairman, general manager
Zhao Weixiong	General manager, executive Director	–	–
Xue Binghai	Non-executive Director	SOHO Holdings	Assistant to CEO, general manager of the financial division
		Jiangsu Jin Su Zheng Investment Development Co., Ltd. (江蘇金蘇證投資發展有限公司)	Chairman
		Jiangsu SOHO Jisheng Investment Management Co., Ltd. (江蘇蘇豪基盛投資管理有限公司)	Chairman
Jiang Haiying	Non-executive Director	SOHO Holly (蘇豪弘業)	General manager, Director
Huang Dechun	Independent non-executive Director	Business School of Hohai University (河海大學商學院)	Professor
		Suzhou Sushi Test Group Co., Ltd. (蘇州蘇試試驗集團股份有限公司)	Independent director
Lo Wah Wai	Independent non-executive Director	BMI Consultants Limited (邦盟匯駿顧問有限公司)	Chairman, executive director
		Tenfu (Cayman) Holdings Company Limited (天福(開曼)控股有限公司)	Independent non-executive Director
Zhang Hongfa	Independent non-executive Director	Jiangsu Guoxin Corp., Ltd.	Independent director
		Suzhou Convert Semiconductor Co., Ltd. (蘇州鋸威特半導體股份有限公司)	Independent director

Directors, Supervisors, Senior Management and Staff

(2) Supervisors

Name	Position(s) at the Company	Employment in other companies	Position(s) at other companies
Huang Dongyan	Chairman of the Supervisory Committee		
Chen Liang	Shareholder representative Supervisor	SOHO Holdings Financial Business Division	Deputy general manager
Gong Qi	Employee representative Supervisor	–	–

(3) Senior Management

Name	Position(s) at the Company	Employment in other companies	Position(s) at other companies
Zhao Weixiong	General manager, Executive Director	–	–
Jia Fuhua	Supervisor of finance	Hong Rui New Era Hong Rui Growth Holly Capital	Director Director Director
Huang Haiqing	Deputy general manager, Board secretary and joint company secretary	Holly International Financial	Director
Wu Jiufeng	Deputy general manager	Holly Capital Holly International Financial	Director Director
Zhan Jieying	Chief Risk Officer	Holly Capital	Director

Directors, Supervisors, Senior Management and Staff

III. Biographies of Directors and Senior Management

Particulars in relation to the positions held by Directors and Senior Management at other companies are set out in Section III “II. Directors and Senior Management in Companies of Shareholders and Position(s) at Other Companies at Current and During the Reporting Period” of this report.

(1) Directors

Executive directors

Mr. Chu Kairong (儲開榮), with Chinese nationality, without permanent residency abroad, was born in July 1974, and holds a bachelor's degree. He is currently an executive Director, the chairman of the Board, the chairman of the strategic and ESG committee of the Board, a member of the remuneration committee and nomination committee of the Board, legal representative of the Company and the authorised representative of the Company under Rule 3.05 of the Listing Rules.

From October 1996 to October 2003, Mr. Chu Kairong served as an account manager, senior account manager, marketing supervisor, and head of the sales and marketing service department of Xichang Town in China Life Insurance Co., Ltd. Haian Branch (中國人壽保險股份有限公司海安支公司). From October 2003 to September 2004, he served as a cooperative intermediary (合作居間人) of Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司). From September 2004 to January 2009, Mr. Chu served as institutional investment headquarters employee, deputy manager and manager of Jiangsu Holly Futures Brokerage Company Limited. From January 2009 to April 2016, he worked at Holly Futures Brokerage Co., Ltd. (弘業期貨經紀有限公司) as an assistant to the general manager. From April 2016 to January 2022, he served as the deputy general manager of the Company. From January 2022 to October 2022, he served as a member of the Party committee and executive deputy general manager of the Company. Since October 2022, he has been serving as the vice secretary of the Party committee, general manager and executive Director of the Company. From January 2024 to July 2024, he has been the acting chairman of the Board. Since July 2024, he has been serving as secretary of the Party committee and chairman of the Board. Mr. Chu Kairong is also the chairman of the board of directors and general manager of Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a wholly-owned subsidiary of the Company.

Directors, Supervisors, Senior Management and Staff

Mr. Zhao Weixiong (趙偉雄), with Chinese nationality, without permanent residency abroad, was born in January 1976, graduated from Southeast University (東南大學) in November 2011 with a doctor degree in management science and engineering and is currently a senior economist (高級經濟師) as credentialed by the Department of Human Resources and Social Securities of Jiangsu Province. Mr. Zhao is currently the vice secretary of the Party Committee of the Company, an executive Director, the general manager of the Company, the chairman of the risk management committee of the Board, and a member of the strategic and ESG committee of the Board.

Mr. Zhao served various positions at Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司), the predecessor of the Company, and the Company during the periods from July 1999 to October 2016, including, among others, as manager of futures branch, office head, chief operation officer and deputy general manager, with his last positions as executive deputy general manager, vice secretary of the party committee, board secretary and joint company secretary. Mr. Zhao served as a director and the chairman of the board of directors of Holly Capital from June 2013 to October 2016 and from June 2013 to April 2015, respectively. Mr. Zhao served as the assistant of the general manager and the deputy general manager of Jiangsu Holly International Group Investment Management Company Limited (江蘇弘業國際集團投資管理有限公司, currently known as SOHO Investment Group Co., Ltd. (蘇豪投資集團有限公司) from July 2006 to September 2010. He served various positions at Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司) including, among others, as general manager, with his last position as an executive director from July 2016 to April 2020. He served as an executive deputy general manager and member of the party branch (黨總支委員) of Jiangsu SOHO Investment from April 2020 to September 2024. He served as the chairman of the board and legal representative of Jiangsu Soho Finance Leasing Co., Ltd. (江蘇蘇豪融資租賃有限公司) from September 2022 to July 2024 and September 2022 to August 2024, respectively.

Non-executive Directors

Mr. Xue Binghai (薛炳海), with Chinese nationality, without permanent residency abroad, was born in September 1970, holds a master's degree and is a senior accountant.

Mr. Xue Binghai served as the deputy general manager of the asset and finance department of Jiangsu SOHO International Group Co., Ltd. (江蘇蘇豪國際集團股份有限公司), the general manager of the asset and finance department of SOHO Holdings, the chief financial officer of Jiangsu SOHO International Group Co., Ltd., general manager and chairman of the board of Jiaingsu SOHO Investment, director and general manager of Jiangsu Zhonghe Venture Investment Co., Ltd. (江蘇眾合創業投資有限公司) and a director of Jiangsu Zijin Rural Commercial Bank Co., Ltd. (江蘇紫金農村商業銀行股份有限公司). He is currently the assistant to the president and general manager of the financial division in SOHO Holdings Group. Mr. Xue Binghai also serves as the chairman of Jiangsu Jin Su Zheng Investment Development Co., Ltd. (江蘇金蘇證投資發展有限公司), and the chairman of Jiangsu SOHO Jisheng Investment Management Co., Ltd. (江蘇蘇豪基盛投資管理有限公司). Mr. Xue has been serving as a non-executive Director of the Company since 10 July 2015, he is also a member of the audit committee, the risk management committee and the strategic and ESG committee of the Board.

Directors, Supervisors, Senior Management and Staff

Ms. Jiang Haiying (蔣海英), with Chinese nationality, without permanent residency abroad, was born in April 1982, graduated from East China University of Political Science and Law (華東政法大學) with a master's degree of Laws and obtained the legal professional qualification certificates in the PRC.

Ms. Jiang Haiying is currently a vice secretary of the Party Committee (黨委副書記) (since August 2022), the general manager (since September 2022) and a director (since November 2022) of Soho Holly. From July 2019 to August 2022, Ms. Jiang Haiying served as a supervisor of Soho Holly. Ms. Jiang Haiying has also served various positions in SOHO Holdings, including, among others, as the vice manager, manager, deputy general manager of the risk management and legal department (風控法律部), with her last position as general manager of the risk management and legal department from May 2020 to August 2022. Prior to joining SOHO Holdings, Ms. Jiang Haiying has practiced as a lawyer in Jiangsu Hongyuan Law Firm (江蘇泓遠律師事務所) and has served as a judge at Qinhuai District People's Court of Nanjing Municipality (南京市秦淮區人民法院). She is also currently a member of the nomination committee, the risk management committee and the strategic and ESG committee of the Board.

Independent non-executive Directors

Mr. Lo Wah Wai (盧華威), with Chinese (Hong Kong) nationality and permanent residency in the United Kingdom, was born in September 1963, and holds a master's degree.

Mr. Lo Wah Wai graduated with a bachelor's degree in business administration from The Chinese University of Hong Kong in 1986 and a master's degree in management science from New Jersey Institute of Technology in the United States in 1992. Mr. Lo is a practicing member of the Hong Kong Institute of Certified Public Accountants and is a member of the American Institute of Certified Public Accountants. Mr. Lo has more than 20 years' service experience in auditing and business consulting services. Mr. Lo previously served as an independent non-executive director of Shangdong Xinhua Pharmaceutical Company Limited (山東新華製藥股份有限公司) and Chongqing Machinery & Electric Co., Ltd. (重慶機電股份有限公司), and currently is also the chairman and an executive director of BMI Consultants Limited (邦盟匯駿顧問有限公司) and an independent non-executive director of Tenfu (Cayman) Holdings Company Limited (天福開曼控股有限公司). Mr. Lo has been serving as an independent non-executive Director of the Company since 23 December 2021. He is also currently the chairman of the audit committee of the Board, and a member of the remuneration committee, the nomination committee, the risk management committee and the strategic and ESG committee of the Board.

Directors, Supervisors, Senior Management and Staff

Mr. Zhang Hongfa (張洪發), with Chinese nationality, without permanent residency abroad, was born in September 1964, and holds a bachelor's degree.

Mr. Zhang Hongfa graduated from Soochow University in July 1986 with a bachelor degree in economics, is a professorate senior accountant as credentialed by the Department of Human Resources and Social Security of Jiangsu Province (江蘇省人力資源和社會保障廳) and a Certified Public Accountant as credentialed by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). Mr. Zhang has worked in Jiangsu Radio and Television University (江蘇廣播電視大學, now known as Jiangsu Open University (江蘇開放大學), Jiangsu Provincial Firm of Accountants (江蘇省會計師事務所) and Jiangsu Institute of Certified Public Accountants (江蘇省註冊會計師協會). He has been the deputy secretary general, secretary-general and vice-chairman of Jiangsu Province Appraisal Society (江蘇省資產評估協會) from August 2014 to November in 2024. Mr. Zhang is also an independent director of Jiangsu Guoxin Corporation Limited and Suzhou Convert Semiconductor Co., Ltd. (蘇州鍺威特半導體股份有限公司). Mr. Zhang previously served as an independent non-executive Director of the Company from 8 July 2013 to 15 November 2019. Mr. Zhang has been an independent non-executive Director of the Company since 21 July 2023, and he is also the chairman of the nomination committee, and a member of the remuneration committee, the risk management committee and the strategic and ESG committee of the Board.

Mr. Wang Yuwei (王宇偉), with Chinese nationality, without permanent residency abroad, was born in May 1977, and holds a doctor's degree.

Mr. Wang Yuwei graduated from Nanjing University Business School (南京大學商學院) in July 1999, obtaining a bachelor's degree in economics. He obtained a master's degree in economics and a doctor's degree in economics from Nanjing University Business School in July 2004 and December 2008 respectively. Mr. Wang has over 25 years of experience in the field of education. Since July 1999, he has successively held positions as a teacher, lecturer, associate professor and professor at Nanjing University Business School. He is currently concurrently serving as the deputy secretary-general of Jiangsu Market Economy Research Association (江蘇省市場經濟研究會), a standing director of Finance Society of Jiangsu Province (江蘇省金融學會), an independent director of Tebon Fund Management Co., Ltd (德邦基金管理有限公司) and an independent director of Jiangsu Rudong Rural Commercial Bank Co., Ltd. (江蘇如東農村商業銀行股份有限公司). Mr. Wang has been serving as an independent non-executive Director of the Company since 3 March 2026. He is also the chairman of the remuneration committee of the Board, and a member of the audit committee, the nomination committee and the strategic and ESG committee.

Directors, Supervisors, Senior Management and Staff

Mr. Chen Ke (陳克), with Chinese nationality, without permanent residency abroad, was born in October 1993, and holds a bachelor's degree.

Mr. Chen Ke graduated from Nanjing University of Finance & Economics (南京財經大學) in June 2016 with a bachelor's degree in management and obtained the qualification of economist certified by the Ministry of Human Resources and Social Security of the People's Republic of China. Mr. Chen joined the Company in 2016 and served as an employee of the Clearing Department, the supervisor of the Clearing Department, the supervisor of the Human Resources Department, the manager assistant of the Human Resources Department, and the manager assistant of the Administration Office of the Party (Office of the Board, Tendering and Procurement Management Office). He is currently the deputy director of the Administration Office of the Party (Office of the Board, Tendering and Procurement Management Office), the secretary of the Youth League Committee and the secretary of the first party branch of the Company. Mr. Chen has been serving as an employee Director of the Company since 19 December 2025. He is also a member of the remuneration committee and the strategic and ESG committee of the Board.

(2) Senior Management

Mr. Zhao Weixiong (趙偉雄), for details of Mr. Zhao Weixiong, please see the sub-section headed "Directors – Executive Directors" above.

Mr. Huang Haiqing (黃海清), with Chinese nationality, without permanent residency abroad, was born in March 1983, and holds a master's degree and is a certified economist accredited by the Ministry of Human Resources and Social Security.

Mr. Huang Haiqing was an employee of Jiangsu Holly International Group Garment Trading Co., Ltd. (江蘇弘業國際集團服務貿易有限公司) from June 2009 to October 2009. From November 2009 to August 2020, he successively served as an employee in the Market Headquarters, Head of the Internet Business Department, General Manager of the Internet Business Department, and Head of the Financial Industry Headquarters of the Company. Since October 2020, he has been serving as the deputy general manager of the Company. He has been serving as Secretary of the Board of the Company since December 2020, a member of the Party committee of the Company since January 2022. Mr Huang Haiqing also served as a director of Holly International Financial.

Mr. Wu Jiufeng (吳久鋒), with Chinese nationality, without permanent residency abroad, was born in February 1982, and holds a bachelor's degree.

From October 2007 to March 2008, Mr. Wu Jiufeng served as an employee in the Financial Futures Division I of Jiangsu Holly Group Garment Trading Limited (江蘇弘業集團服裝貿易有限公司). From April 2008 to August 2020, he successively served as client manager, senior client manager of the Financial Futures Division I, assistant manager, deputy manager, and manager of the Financial Futures Headquarters, and assistant to the general manager of the Company. Since October 2020, he has served as deputy general manager of the Company. Since January 2022, he has served as a member of the Party Committee of the Company, and a director of Holly Capital and Holly International Financial.

Directors, Supervisors, Senior Management and Staff

Mr. Jia Fuhua (賈富華), with Chinese nationality, without permanent residency abroad, was born in October 1984 and holds a master's degree. He is currently recognized as a Senior Accountant (Professor Level) by the Jiangsu Provincial Department of Human Resources and Social Security.

From July 2006 to December 2010, Mr. Jia Fuhua successively served as an Accountant, Capital Management Officer of the Asset and Finance Department of Jiangsu SOHO International Group Corporation, Financial Director, Asset Management Officer and General Ledger of the Asset and Finance Department of Suzhou Soho Biomaterials Technology Co., Ltd. (a subsidiary). From January 2011 to February 2013, he was the Head of the Capital Center in the Asset and Finance Department of Jiangsu Silk Group Co., Ltd. From February 2013 to June 2015, he served as Deputy Head of the Financial Management Division in the Asset and Finance Department of SOHO Holdings Group. From June 2015 to January 2019, he was the Financial Director of Tianhong Automobile Group. Additionally, from January 2018 to March 2019, he served as a Director of Tianhong Automobile Group. From January 2019 to December 2021, he was appointed by SOHO Holdings Group as the Financial Director and General Manager of the Finance Department of SOHO Investment Group (from January 2019 to April 2020, he concurrently served as Interim Financial Director of Jiangsu Financial Holding Co., Ltd., appointed by SOHO Holdings Group). From December 2021 to June 2023, he was a Member of the Party Committee of Holly Corporation and the Financial Director of Holly Corporation appointed by SOHO Holdings Group (from December 2021 to September 2022, he concurrently served as Interim Financial Director of SOHO E-Commerce). From June 2023 to April 2024, he was a Member of the Party Committee and Financial Director of SOHO Holly. Since May 2024, he has been serving as a Member of the Party Committee, Financial Director, and General Manager of the Finance Department of the Company. Additionally, Mr. Jia Fuhua serves as a Director of Holly Capital, Hong Rui Growth, and Hong Rui New Era.

Ms. Zhan Jieying (占潔瑩), with Chinese nationality, without permanent residency abroad, was born in September 1981, and holds a master's degree.

From August 2004 to April 2013, Ms. Zhan Jieying worked at Changzhou Xinbei District Foreign Trade and Economic Cooperation Bureau (常州市新北區對外貿易經濟合作局). From May 2013 to November 2021, she successively served as Deputy Manager of the International Business Department, Deputy Manager of the Audit and Legal Department, Deputy Manager (Acting Head) of the Legal Affairs Department, Manager of the Legal Affairs Department, and Manager of the Audit and Legal Department of the Company. From November 2021 to July 2023, she was the Manager of the Compliance and Risk Control Department of the Company. From July 2023 to February 2025, she served as the Chief Risk Officer and Manager of the Compliance and Risk Control Department of Company; since February 2025, she has been serving as the Chief Risk Officer and Manager of the Compliance and Legal Department of Company. From October 2024, she will also assume the role of General Counsel. Ms. Zhan Jieying also serves as a director of Holly Capital.

Directors, Supervisors, Senior Management and Staff

IV. Change of Directors, Supervisors and Senior Management

(1) Changes of Directors and Board Committees Members

On 18 February 2025, Ms. Jiang Haiying was appointed as a non-executive Director, a member of the risk management committee and the strategic and ESG committee, and Mr. Jiang Lin ceased to be a non-executive Director, a member of the risk management committee and the strategic and ESG committee of the Company.

On 19 December 2025, Mr. Chen Ke was appointed as an employee representative Director of the Company.

On 3 March 2026, Mr. Wang Yuwei was appointed as an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee, the nomination committee and the strategic and ESG committee of the Company, and Mr. Huang Dechun ceased to be an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee, the nomination committee and the strategic and ESG committee of the Company. Mr. Lo Wah Wai and Mr. Chen Ke were appointed as members of the remuneration committee. Mr. Chen Ke was appointed as a member of the strategic and ESG committee.

(2) Changes of Supervisors

On 18 February 2025, Ms. Zhang Lei ceased to serve as an employee representative Supervisor, and Ms. Gong Qi was appointed as an employee representative Supervisor.

On 28 October 2025, the Company abolished its Board of Supervisors.

(3) Changes of Senior Management

On 27 May 2025, Mr. Zhao Dong ceased to be the deputy general manager of the Company.

Directors, Supervisors, Senior Management and Staff

V. Remuneration Management of Directors, Supervisors and Senior Management

• Remuneration System and Decision-making Procedures of Directors, Supervisors and Senior Management

The remunerations and evaluations of the Directors shall be proposed by the Board and considered and approved by the general meeting; the remunerations of Supervisors shall be considered and determined by the general meeting; and the remunerations and evaluations of the senior management shall be proposed by the Remuneration Committee of the Board and determined by the Board.

• Basis of Remunerations of Directors, Supervisors and Senior Management

The remunerations of internal Directors and Supervisors shall be determined according to the general meeting resolutions on the remunerations of Directors and Supervisors and factors such as the operating results of the Company, job responsibilities, performance and market environment. The remunerations of independent non-executive Directors shall be proposed by the Remuneration Committee of the Board according to the industry and market conditions, and be implemented upon approval by the general meeting. The remunerations, rewards and punishments of the senior management of the Company shall be determined according to Board resolutions and taking into account the evaluation, incentive and restriction mechanism of the Company.

• Non-cash Remuneration

The Company has not yet set up any equity incentive scheme, hence there is no non-cash remuneration.

• Payment of Remuneration to Directors, Supervisors and Senior Management

In 2025, the total remunerations of Directors, Supervisors and senior management of the Company amounted to RMB4,297.72 thousands. For details of payment of remuneration to Directors, Supervisors, please see “I. Basic Information about Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period” in this section.

For the year ended 31 December 2025, the remuneration of the Directors and Supervisors fell within the following bands:

Bands (RMB)	Number of Directors and Supervisors
Nil to 500,000	7
500,001–1,000,000	2

Directors, Supervisors, Senior Management and Staff

For the year ended 31 December 2025, the remuneration of senior management of the Company fell within the following bands:

Bands (RMB)	Number of senior management
Nil to 500,000	2
500,001–1,000,000	3
Above 1,000,000	0

VI. Employees and remuneration

(1) Headcount and Composition

As at the end of the Reporting Period, the Company has a total of 494 full-time and part-time employees while its subsidiaries have a total of 74 full-time and part-time employees, the composition of which is as follows:

Workforce Statistics of Holly Futures Co., Ltd. and Its Subsidiaries				
Headcount (staff member)		568		
Type of employment		Full-time and part-time		
Category	Sub-category	Number	Percentage	
Academic background	Ph.D.	3	0.53%	
	Master	138	24.30%	
	Undergraduate	374	65.85%	
	Diploma and below	53	9.33%	
Position	Futures brokerage	337	59.33%	
	Asset management	8	1.41%	
	Commodity trading and risk management	52	9.15%	
	Stock option business	3	0.53%	
	Overseas business	20	3.52%	
	Research	17	3.00%	
	Audit and legal department and risk management	17	3.00%	
	IT	26	4.58%	
	Accounting and Finance	15	2.64%	
	Administration	73	12.85%	
Age	35 and below	230	40.49%	
	36 to 40	164	28.87%	
	41 to 50	141	24.82%	
	51 and above	33	5.81%	

Directors, Supervisors, Senior Management and Staff

(2) Remuneration of Employees

The remuneration of the Company's employees is composed of basic salaries, allowances, performance bonuses and welfare. Basic salaries are a relatively fixed part of the remuneration and are the basic income of employees. As a supplement to basic salaries, allowances include those for special posts and professionals. Performance bonuses are distributed according to the results of performance evaluation in favor of the frontline employees with outstanding performance. For the year ended 31 December 2025, the total remuneration of employees, including remuneration of Directors, amounted to approximately RMB168 million. Details of which are set out in Note V. 27 to the financial statements of this report.

The Company provided employees with statutory welfare such as social insurance and housing provident fund according to relevant national provisions. Moreover, it offered employees enterprise annuity, supplementary medical insurance and other benefits to enhance their welfare.

(3) Retirement Benefits

The Group has provided a pension plan for full-time employees in Mainland China as required by the government. Namely, the Group pays endowment insurance premiums to the social insurance institution designated by the government on a monthly basis, which account for a certain percentage of the total salaries of the staff. After the retirement of the employees, the government is obliged to pay the pensions to them. According to the aforesaid Defined Contribution Plan (DCP), the Group shall not be liable for the postretirement benefits beyond the above contributions. Contributions to the Plan will be included in the cost at the time of occurrence. The sources of funds for the Contribution Plan mainly come from the daily working capital of the Group. The corresponding expenditures are recognized in profit or loss or the relevant asset cost on the day when they occur. The pension is calculated with reference to the average monthly salary of the previous year, and the amount of pension contributed by the Company is 16% of that amount.

(4) Training Schemes

The Company improved its existing training system through the construction of institutions, faculties and curricula. The Company created a tiered and systematic talent cultivation program for five types of talents (fresh graduates, young employees, key/back-up personnel, middle-level personnel, and middle-to-senior-level personnel), adopting a model of "self-study + program + training", striving to complete a systematic and purposeful training for each level in 2026. The Company planned special learning programs for middle and back-office departments to cultivate a team of experts in these areas, incorporate them into departmental performance evaluations, and develop a driving force. In response to business needs and professional deficiencies, the Company planned 1–2 sessions of external special exchange and learning programs to comprehensively enhance employees' professional capabilities. We aim to create a multi-dimensional training platform that is hierarchical, promotes development and strengthens professionalism.

Directors, Supervisors, Senior Management and Staff

(5) The Five Highest Paid Individuals

Of the five individuals with the highest emoluments in the year, none is Director (last year: one). Emoluments in respect of the five (last year: four) individuals are as follows:

(Unit: RMB'000)

	2025	2024
Salaries, allowances and benefits	1,041.27	1,090.66
Discretionary bonuses	3,862.43	2,251.90
Pension scheme contributions	237.72	205.27
Total	5,141.42	3,547.83

The number of these individuals whose remuneration fell within the following bands is set out below:

	2025 Number of Individuals	2024 Number of Individuals
Nil to HKD1,000,000	2	3
HKD1,000,001 to HKD1,500,000	3	1
HKD1,500,001 to HKD2,000,000	0	0
HKD2,000,001 to HKD2,500,000	0	0

None of directors waived or agreed to waive any remuneration during the Reporting Period. No emoluments are paid to any directors, supervisors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office during the Reporting Period.

Corporate Governance Report

I. Overview of corporate governance

As a public company listed both domestically and overseas, the Company has been operating business in a standard manner and in strict compliance with the requirements outlined in the laws, regulations and regulatory documents of the PRC and the overseas jurisdiction where the shares of the Company are listed, and has made continuous efforts to maintain and enhance the good image of the Company in the market. During the Reporting Period, the Company keeps improving its corporate governance structure, compliance risk control and internal control system according to the requirements under the Company Law, the Securities Law, the Futures and Derivatives Law, the Measures for the Supervision and Administration of Futures Companies, the Rules for Corporate Governance of Listed Companies, the Corporate Governance Code as set out in Appendix C1 to the Listing Rules of Hong Kong Stock Exchange and other relevant laws and regulations as well as the Articles of Association, in order to establish a modern corporate system, and shape a corporate governance structure where checks and balances among the general meeting, the Board, and the operation management are maintained, ensuring that each level being separated from the other and performing its own functions and responsibilities corresponding to its position within the specified terms of reference, thereby safeguarding all the operational activities of the Company are carried out smoothly and in accordance with relevant laws and regulations. The convening and voting procedures for general meetings and meetings of the Board are legal and valid; the information disclosed by the Company is true, accurate and complete and is disclosed in time; management of investor relations is efficient and practical; and corporate governance is based on scientific, rigorous and normative procedures.

During the Reporting Period, the Company has complied with the code provisions set out in Part 2 of Appendix C1 to the Listing Rules save for the deviation from code provision C.1.7 as disclosed below.

II. Linkage between corporate governance and environment, social and governance

Corporate governance can be considered as the framework within which the Board forms their decisions and build their business. The entire Board should be focusing on creating long-term sustainable growth for Shareholders and delivering long-term values to all stakeholders. An effective corporate governance structure allows the Company to have a better understanding of, evaluate and manage, risks and opportunities (including environmental and social risks and opportunities). The Board is responsible for setting strategic objectives for risk management, implementing risk management values, evaluating and approving risk management policies, ensuring effective implementation of the risk management system and providing feedback on the effectiveness of the risk management system. For the principal risks faced by the Group's business, please refer to "VIII. Risk factors and uncertainties faced by the Company and its risk strategy" set out in Section II Operating Conditions "Management Discussion and Analysis" of this report. For details of environmental, social and governance matters for the year ended 31 December 2025, please refer to the separate ESG Report of the Company.

Corporate Governance Report

III. Corporate strategy, business models and culture

1. Development strategy: striving to become an integrated derivatives service provider and trader with “more improved mixed ownership system, more flexible organizations and mechanisms and more effective risk management and control and more prominent advantages as a listed platform”.
2. Development goal: with a focus on enhancing core competitiveness and strengthening core functions, and taking “Serving National Strategies, Local Economies and Group Development” as the main line of work, striving to build three “service ecosystems”, namely “industrial clients, institutional clients and small and medium investors”. Contributing to the maintenance of supply and the stabilization of price in the market, and serving the real economy to reduce costs and increase efficiency.
3. Corporate culture: heritage, openness, integrity, excellence.
4. Mission and social responsibility: creating development opportunities for employees, providing quality services to customers, contributing more wealth to the society and writing a bright future for the futures industry in China.

IV. Shareholders and General Meetings

• Rights of General Meetings

The general meeting is the authority of the Company and exercises its functions and powers according to laws, Articles of Association and Rules of Procedures of the General Meetings.

The shareholders' general meeting shall exercise the following functions and powers:

- (1) to elect and remove Directors not being staff representatives and to determine matters relating to the Directors' remunerations;
- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the Company's profit distribution plan and plan for making up losses;
- (4) to resolve on an increase or a reduction in the Company's registered capital and acquisition of the Company's shares;
- (5) to resolve on merger, demerger, dissolution, liquidation, application for bankruptcy or change of corporate form of the Company;
- (6) to resolve on the issue of debentures by the Company;
- (7) to resolve on the appointment, dismissal or non-appointment of the accounting firms engaged to conduct the Company's audit business;
- (8) to amend the Articles of Association;

- (9) to consider proposals put forward by any shareholder representing 1% or more of the Company's shares with voting rights;
- (10) to consider and approve the guarantee as stipulated in Article 50 of the Articles of Association;
- (11) to consider the purchases or sales of any material assets of the Company within a year in excess of 30% of the Company's total audited assets in the latest period;
- (12) to consider and approve long-term material investment, acquisition or disposal of asset, asset replacement, related transactions or pledged loans of the Company to be approved by shareholders' general meeting;
- (13) to consider related transactions, financial assistance, major transactions, futures and derivatives trading, etc. to be resolved by shareholders' general meeting as required by listing rules of the place where the Company's shares are listed;
- (14) to consider and approve matters relating to change of the use of raised funds;
- (15) to consider share incentive plans and employee share scheme;
- (16) to consider any other matters to be resolved by shareholders' general meeting as required by the laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed and the Articles of Association.

The general meeting may authorize the Board to resolve on the issuance of bonds by the Company.

• Procedures for General Meetings

With the consent of more than half of all independent Directors, independent Director shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the independent Directors, the Board shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within 10 (ten) days after receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within 5 (five) days after the resolution is made by the Board. If the Board refuses to convene an extraordinary general meeting, an explanation and relevant announcement shall be made.

The Audit Committee shall have the right to propose to the Board of Directors in writing to call an extraordinary general meeting. The Board shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within 10 (ten) days after receiving the proposal.

Corporate Governance Report

If the Board agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within 5 (five) days after the resolution is made by the Board. The consent of the Audit Committee shall be secured if any change is to be made to the original motion in the notice.

If the Board of Directors does not agree to call such meeting, or fails to give a response within 10 (ten) days after receipt of the proposal, it shall be deemed to be unable to or have failed to perform its duty of convening the Shareholders' General Meeting, and the Audit Committee may itself convene and preside over such meeting.

The following procedures shall be followed by Shareholders when requesting for convening of extraordinary general meetings:

Any shareholder individually or jointly holding over 10% of the Company's shares shall propose to the Board for convening an extraordinary general meeting, and such proposal shall be made in writing.

The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such a meeting within 10 days after receipt of the request. The shareholding referred to above shall be calculated as of the date on which the written request is made by Shareholder(s).

If the Board of Directors agrees to call an extraordinary general meeting, it shall issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant Shareholder(s) shall be secured if any change is to be made in the notice to the original request. If the Board of Directors does not agree to call an extraordinary general meeting, or fails to give a response within 10 days after receipt of the request, any shareholder individually or jointly holding over 10% of the Company's shares shall propose to the Audit Committee for convening an extraordinary general meeting, and such proposal shall be made in writing to the Audit Committee.

If the Audit Committee agrees to call an extraordinary general meeting, it shall issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant Shareholder(s) shall be secured if any change is to be made in the notice to the original request.

If the Audit Committee fails to issue a notice calling the shareholders' general meeting by the prescribed deadline, it shall be deemed to have failed to convene and preside over such meeting, and a Shareholder who alone has held or Shareholders who together have held at least 10 percent of the shares of the Company for at least 90 days in succession may himself/themselves convene and preside over such meeting.

Corporate Governance Report

Where the Company convenes a general meeting, the Board, the Audit Committee and shareholder(s) severally or jointly holding 1% or more of the Company's shares are entitled to submit proposals to the Company.

Shareholder(s) severally or jointly holding more than 1% shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting to other Shareholders within two days after receipt of a proposal and announce the contents of provisional proposals. The foregoing shall not apply if the provisional proposal violates the provisions of laws, administrative regulations or the Articles of Association, or falls outside the scope of powers and functions of the general meeting.

Except as provided in the preceding paragraph, the convener may not make any changes to the proposals set forth in the notice of the shareholders' general meeting or add any new proposals once the notice of the shareholders' general meeting has been issued.

The convener shall notify all shareholders by way of announcement at least 20 days prior to the convening of the annual general meeting, and shall notify all shareholders by way of announcement at least 15 days prior to the convening of the extraordinary general meeting. Any Shareholder who intends to attend the meeting shall deliver to the Company a written reply stating his or her intention to attend within the period stipulated in the meeting notice.

The date of the meeting shall not be included in the calculation of the commencement period.

Resolutions of shareholders' general meetings shall be classified as ordinary resolutions and special resolutions.

To adopt an ordinary resolution, a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution. To adopt a special resolution, not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

Corporate Governance Report

The following matters shall be resolved by ordinary resolution at a shareholders' general meeting:

- (1) work reports of the Board;
- (2) plans for profit distribution and for making up losses prepared by the Board;
- (3) removal of directors not being staff representatives, and their remuneration and payment method thereof;
- (4) the Company's annual report;
- (5) matters other than those required by the laws, administrative regulations, the listing rules of the places where the shares of the Company are listed or the Articles of Association to be approved by special resolution.

The following matters shall be resolved by special resolution at a shareholders' general meeting:

- (1) increase or reduction of the registered capital of the Company;
- (2) issue of debentures of the Company;
- (3) demerger, split, merger, dissolution, liquidation and change of corporate form of the Company;
- (4) amendments to the Articles of Association;
- (5) purchases or sales of material assets or the provision of guarantees to others by the Company in excess of 30 percent of the total audited assets of the Company within a year;
- (6) share incentive plans;
- (7) listing of a subsidiary through a spin-off;
- (8) share repurchase for the purpose of reducing the registered capital;
- (9) major asset restructuring;
- (10) any other matters stipulated by the laws, administrative regulations, the listing rules of the places where the shares of the Company are listed or the Articles of Association or determined by an ordinary resolution at a shareholders' general meeting as having a material impact on the Company and requiring to be resolved by special resolution.

Corporate Governance Report

• General Meetings

During the Reporting Period, the Company convened 3 general meetings in total, information and resolutions of which are set out as follows:

Session	Convening date	Meeting contents	Adoption
The first extraordinary general meeting in 2025	18 February 2025	1. to consider and approve the resolutions in relation to the re-election and appointment of executive and non-executive directors of the fifth session of the Board of the Company: 1.1 the re-appointment of Mr. Chu Kairong as an executive Director of the Company; 1.2 the re-appointment of Mr. Zhao Weixiong as an executive Director of the Company; 1.3 the re-appointment of Mr. Xue Binghai as a non-executive Director of the Company; 1.4 the appointment of Ms. Jiang Haiying as a non-executive Director of the Company; 2. to consider and approve the resolutions in relation to the re-appointment of independent non-executive Directors of the fifth session of the Board of the Company: 2.1 the re-appointment of Mr. Huang Dechun as an independent non-executive Director of the Company; 2.2 the re-appointment of Mr. Lo Wah Wai as an independent non-executive Director of the Company; 2.3 the re-appointment of Mr. Zhang Hongfa as an independent non-executive Director of the Company; 3. to consider and approve the resolutions in relation to the re-appointment of shareholder representative supervisors of the fifth session of the Supervisory Committee of the Company: 3.1 the re-appointment of Mr. Huang Dongyan as shareholder representative supervisor of the Company; 3.2 the re-appointment of Mr. Chen Liang as shareholder representative supervisor of the Company.	Considered and approved

Corporate Governance Report

Session	Convening date	Meeting contents	Adoption
2024 annual general meeting	26 June 2025	4. To consider and approve the resolutions on the proposed amendments to the existing Articles of Association and Relevant Rules of Procedures of the Company:	Considered and approved
		4.1 To consider and approve the proposed amendments to the existing Articles of Association of the Company;	
		4.2 To consider and approve the proposed amendments to the existing Rules of Procedures of the General Meeting of the Company;	
		4.3 To consider and approve the proposed amendments to the existing Rules of Procedures of the Board of Directors of the Company;	
		4.4 To consider and approve the proposed amendments to the existing Rules of Procedures of the Supervisory Committee of the Company.	
		1. To consider and approve the A Shares annual report of the Company for the year ended 31 December 2024 and its summary report;	
		2. To consider and approve the H Shares (i) annual report; and (ii) annual results announcement of the Company for the year ended 31 December 2024;	
		3. To consider and approve the report of the board of directors of the Company for the year ended 31 December 2024;	
		4. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2024;	
		5. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2024;	
		6. To authorise the Board to fix the remuneration package of Directors for the year ended 31 December 2024;	
		7. To authorise the Supervisory Committee to fix the remuneration package of Supervisors of the Company for the year ended 31 December 2024;	
		8. To consider and approve the resolution on the estimation of daily related party transactions for the year 2025;	
		9. To consider and approve the resolution on re-appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company, to hold office until the conclusion of the next annual general meeting of the Company, and to authorise the management of the Company to fix their remuneration;	
		10. To consider and approve the resolution on termination of the change of stock short name.	

Corporate Governance Report

Session	Convening date	Meeting contents	Adoption
The second extraordinary general meeting in 2025	28 October 2025	1. To consider and approve the resolutions on the proposed amendments to the Articles of Association and the Relevant Rules of Procedures of the Company: 1.1 To consider and approve the proposed amendments to the Articles of Association; 1.2 To consider and approve the proposed amendments to the Rules of Procedures of the General Meetings; 1.3 To consider and approve the proposed amendments to the Rules of Procedures of the Board of Directors; 2. To consider and approve the resolutions on the proposed amendments to Other Governance Policies of the Company: 2.1 To consider and approve the proposed amendments to the Administrative Policies for Connected Transactions; 2.2 To consider and approve the proposed amendments to the Administrative Policies for Raised Funds; 2.3 To consider and approve the proposed amendments to the Working Policies for Independent Directors.	Considered and approved

Corporate Governance Report

V. Performance of duties of Board

• Respective Duties of the Board and the Management

Powers and duties of the Board and the management have been specified in the Articles of Association to ensure adequate check and balance for sound corporate governance and internal control. The Board is responsible for: convening the general meeting and presenting the work report at the meeting; implementing the resolutions of the general meeting; formulating the Company's strategic plans, and resolving on the Company's business plans and investment plans; formulating the Company's profit distribution proposal and loss recovery proposal; formulating proposals for the increase or reduction of the Company's registered capital, and for the issuance of the Company's debentures or other securities and listing proposals; drawing up plans for any substantial acquisition, purchase of the Company's shares, or the merger, division, dissolution, application for bankruptcy and transformation of the Company; deciding upon external investment (including entrustment of financing, equity investment, financial asset investment, fixed asset investment, etc.), purchase and sale of assets, assets mortgage, assets write-off, external guarantees, provision of financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.), connected transactions, external donations and other matters within the scope set forth by the general meeting; deciding on the setup of the Company's internal management bodies; deciding on the appointment or removal of the general manager, Chief Risk Officer, the Board secretary and other senior management personnel of the Company, and determining their remunerations and disciplinary matters; deciding on the appointment or removal of the deputy general manager, chief financial officer and other senior management personnel of the Company according to the nomination by the Chairman or the general manager, and determining their remunerations and disciplinary matters; drafting the basic management system of the Company, including the trading margin management system and risk control system; formulating the proposals for any amendment to the Articles of Association; managing the disclosure of the Company's information; proposing the appointment or replacement of an accounting firm that performs audits for the Company at the general meeting; listening to the work report of the Chief Risk Officer and the general manager of the Company and examining on their work; approving the setting up of branches that is subject to the approval of the Board in accordance with the requirements of the regulatory authorities; reviewing any major transactions, very substantial disposals, very substantial acquisitions and reverse takeovers of the Company under the Hong Kong Listing Rules, and submitting them to shareholders' approval; reviewing any transactions that shall be disclosed under the Hong Kong Listing Rules except the Company's any major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers; approving the connected transactions that are not required to be approved by the general meeting or announced under the Hong Kong Listing Rules; reviewing the connected transactions that shall be approved by the general meeting under the Hong Kong Listing Rules; deciding on the Company's major accounting policy adjustments, changes in accounting estimates and corrections of material accounting errors; considering and approving the Company's periodic reports, internal control evaluation reports, compliance management reports, ESG (sustainable development) reports, etc.; formulating the Company's major income distribution plans, including the Company's total wage budget and settlement plans; considering and approving the annual audit plans and important audit reports; and performing other functions as granted by laws, administrative regulations, departmental rules, the Articles of Association or the general meeting.

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The management shall perform the following major duties: communicating the key instructions, decisions and work plans of supervisory bodies including the regulatory authorities (the CSRC, Jiangsu Securities Bureau, China Futures Association and Jiangsu Futures Association); implementing the decisions, resolutions and work plans of the Board of the Company; preparing draft of the strategic planning of the Company and making recommendation to the Board on strategic planning; preparing annual operational plan of the Company and submitting it to the Board for approval, and formulating the work plan for its implementation; preparing the annual investment plan of the Company and reviewing the annual investment plans of the subsidiaries, and submitting the plans to the Board for approval; formulating implementation plans in accordance with the investment plans approved by the Board. The management shall also formulate annual final account, financial budget plan and plan for recovering losses and submit them for the Board's approval; formulate proposals for the restructuring, bankruptcy, merger and reorganization, assets adjustment, property transfer, pledge, disposal, write-off and auction of assets of the Company, which will be submitted to the Board for approval and the controlling groups. The management will study and review the proposals of the restructuring, bankruptcy, merger and reorganization, assets adjustment, property transfer, pledge, disposal, write-off and auction of assets of the subsidiaries to the extent as authorized, and shall submit the plans to the Board for approval and to the supervisory bodies according to the relevant regulations. The management shall be responsible for the preparation of plans in relation to external borrowings, financing and guarantees, which will be submitted to the Board for approval. It is also responsible for reviewing and approving the borrowings, financing and guarantees plans of the subsidiaries and approving those matters not stipulated in the plans. The management team will formulate the organizational structure adjustment and setup of the management functions and staff of the Company and the basic management system for approval of the Board, and explore and formulate detailed operational and management rules. With reference to the respective management authority of the Company, subsidiaries and branches, the management will serve as the management headquarter of the Company and supervise the subsidiaries and branches of the Company in accordance with laws.

Corporate Governance Report

- **Composition of the Board**

The Board kept improving its Rules of Procedures for Meeting of the Board, gave full play to the strengths of its special committees and further improved its efficiency and quality of decision-making. Independent non-executive Directors fulfilled their duties honestly and focused on protecting the interests of the Company as a whole, especially the interests of minority Shareholders, which ensured the independent and scientific decision-making of the Board.

At present, the Board comprised of eight Directors, of which two are executive Directors (Mr. Chu Kairong (Chairman), Mr. Zhao Weixiong, two are non-executive Directors (Mr. Xue Binghai and Ms. Jiang Haiying) and three are independent non-executive Directors (Mr. Lo Wah Wai, Mr. Zhang Hongfa and Mr. Wang Yuwei) and one Employee Director (Mr. Chen Ke). Ms. Jiang Haiying, Mr. Chen Ke and Mr. Wang Yuwei obtained the legal advice as set out in Rule 3.09D of the Listing Rules on 3 January 2025, 19 December 2025 and 3 March 2026 respectively and have confirmed their understanding of their obligations as a Director of the listed issuer. Currently, the number of independent non-executive Directors meets the relevant requirements under the Listing Rules and the Articles of Association.

Directors shall be elected at general meetings. A Director (including independent non-executive Director) shall serve a term of three years, and may seek re-election upon expiry of the said term. For the year ended 31 December 2025, the Company confirmed that it had received annual confirmations issued by each independent non-executive Director in respect of their independence according to Rule 3.13 of the Listing Rules. The Company further confirmed the independent non-executive Directors' respective independence from the Company.

None of the members of the Board has any relationship (including financial, business, family or other material/relevant relationship(s)) between each other.

The biographical details of each Director are set out in Section III Corporate Governance Subsection III "Biography of Directors, Supervisors and Senior Management".

• Insurance arrangements for Directors

According to code provision C.1.7 of part 2 of the Corporate Governance Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Board believes that with the current risk management and internal control systems and the close supervision of the management, the Directors' risk of being sued or getting involved in litigation in their capacity as Directors is relatively low. Benefits to be derived from taking out insurance may not outweigh the cost. As such, the Company currently does not have insurance cover for legal action against its Directors.

• Board meetings

During the Reporting Period, the Board convened a total of 9 meetings as follows:

Session	Convening date	Meeting contents	Adoption
1st meeting of the fifth session of the Board	18 February 2025	1. The resolution on the election of Chairman of the fifth session of the Board of the Company;	Considered and approved
		2. The resolution on the election and appointment of members of the fifth session of the management of the Company;	
		3. The resolution on the renaming of the Strategy Committee of the Board and corresponding amendments to its terms of reference;	
		4. The resolution on the composition of Specialized Committees of the fifth session of the Board of the Company;	
		5. The resolution on the disposal of IT assets at Holly Tower;	
		6. The resolution on the 2024 internal audit work report and the 2025 internal audit work plan of the Company;	
		7. The resolution on the 2024 working report of the chief risk officer;	
		8. The resolution on the 2024 anti-money laundering work report;	
		9. The resolution on the dissolution of the Nanjing Sub-branch and the establishment of the industrial-financial development headquarters;	
		10. The resolution on the dissolution of the Beijing Sub-branch;	
		11. The resolution on the renaming of the Finance Department;	
		12. The resolution on the removal of the Legal Affairs Department and the renaming of the Compliance and Risk Control Department.	
2nd meeting of the fifth session of the Board	28 March 2025	1. The resolution on the Annual Report (A-shares) for 2024 and its summary of the Company;	Considered and approved
		2. The resolution on the Annual Results Announcement and Annual Report (H-shares) for 2024 of the Company;	
		3. The resolution on the 2024 working report of the Board;	

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Session	Convening date	Meeting contents	Adoption
		- The resolution on the confirmation of related party transactions (including daily related party transactions) for the year 2024; - The resolution on the profit distribution plan of the Company for 2024; - The resolution on the self-assessment report of internal control for 2024; - The resolution on the self-assessment report of money laundering and terrorist financing risks; - The resolution on the special report of risk regulatory indicators for 2024; - The resolution on the remuneration package of the Directors of the Company for 2024; - The resolution on the remuneration package of the senior management of the Company for 2024; - The resolution on the adjustment of the salary distribution coefficient for the chief financial officer of the Company in 2023; - The resolution on the 2024 sustainability report; - The resolution on date selection for convening the 2024 annual general meeting.	
3rd meeting of the fifth session of the Board	25 April 2025	- The resolution on the first quarterly report for 2025 of the Company; - The resolution on the investment plans for 2025; - The resolution on estimation of daily related party transactions for the year 2025.	Considered and approved
4th meeting of the fifth session of the Board	16 May 2025	- The resolution on the re-appointment of certified public accountants; - The resolution on the settlement of evaluation results of the contractual reform of managerial staff under tenure system for 2023 and 2021–2023 term; - The resolution on the termination of changes to the securities abbreviation.	Considered and approved
5th meeting of the fifth session of the Board	28 August 2025	- The resolution on the change of accounting policies of the Company; - The resolution on the Interim Report (A-shares) for 2025 and its summary of the Company; - The resolution on the Interim Results Announcement and the Interim Report (H Shares) for 2025 of the Company;	Considered and approved

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Session	Convening date	Meeting contents	Adoption
		4. The resolution on the special report of risk regulatory indicators for the first half of 2025 of the Company;	
		5. The resolution on the internal review reporting for the first half and the internal review plan for the second half of 2025;	
		6. The resolution on the establishment of a list of the Board's authorizations to managerial staff;	
		7. The resolution on the retirement and disposal of certain IT assets in the custodial server room;	
6th meeting of the fifth session of the Board	29 September 2025	8. The resolution on the adjustment on the composition of members of Nomination Committee of the fifth session of the Board of Directors of the Company.	
		1. The resolution on the amendments to the Articles of Association of the Company and its appendices;	
		2. The resolution on the cancellation of Hefei Branch;	
		3. The resolution on the revision of certain corporate governance systems;	
7th meeting of the fifth session of the Board	28 October 2025	4. The resolution on date selection for convening the 2025 second extraordinary general meeting.	
		1. The resolution on the third quarterly report for 2025 of the Company;	
		2. The resolution on the completion status of the investment plans for the first half of 2025 and adjustments to the investment plans for 2025;	
		3. The resolution on the amendments to the rules of procedures for meetings of the General Manager's Office of the Company;	
8th meeting of the fifth session of the Board	24 December 2025	4. The resolution on the amendment of the management system for assets management business of the Company;	
		5. The resolution on the amendments to certain management systems of the Company.	
		1. The resolution on the establishment of a market value management system for the Company;	
		2. The resolution on the implementation plan for the reform of the contractual reform of managerial staff under tenure system;	
9th meeting of the fifth session of the Board	31 December 2025	3. The resolution on the settlement of evaluation results of the contractual reform of managerial staff under tenure system for 2024;	
		4. The resolution on determining the annual salary distribution coefficient of the deputy directors of the Holly Futures' leadership team (including deputy secretary of the Party Committee, secretary of the Disciplinary Committee and chief financial officer) in 2024.	

Corporate Governance Report

- Objections from Independent Non-executive Directors to Relevant Issues of the Company**

Nil.

- Attendances of Directors at Board meetings and general meetings**

- Attendances and voting of Directors at Board meetings***

During the Reporting Period, the attendances and voting of Directors at Board meetings are as follows:

Name	Number of Board meetings to be attended	Number of Board meetings attended in person	Number of Board meetings attended by proxy	Number of absences	Number of proposals to be voted on	Number of proposals voted on	Remarks
Chu Kairong	9	9	0	0	50	50	Abstained from voting on some resolutions
Zhao Weixiong	9	9	0	0	48	48	Abstained from voting on some resolutions
Xue Binghai	9	9	0	0	50	50	Abstained from voting on some resolutions
Jiang Lin	0	0	0	0	0	0	Resigned on 18 February 2025
Jiang Haiying	9	9	0	0	50	50	Appointed on 18 February 2025, abstained from voting on some resolutions
Huang Dechun	9	9	0	0	51	51	Abstained from voting on some resolutions
Lo Wah Wai	9	9	0	0	51	51	Abstained from voting on some resolutions
Zhang Hongfa	9	9	0	0	51	51	Abstained from voting on some resolutions
Chen Ke	2	2	0	0	4	4	Appointed on 19 December 2025

Corporate Governance Report

2. Attendances of Directors at general meetings

During the Reporting Period, the attendances of Directors at general meetings are as follows:

Name	Number of general meetings to be attended	Number of general meetings attended in person	Number of absences	Remarks
Chu Kairong	3	3	0	
Zhao Weixiong	3	3	0	
Xue Binghai	3	3	0	
Jiang Lin	1	1	0	Resigned on 18 February 2025
Jiang Haiying	2	2	0	Appointed on 18 February 2025
Huang Dechun	3	3	0	
Lo Wah Wai	3	3	0	
Zhang Hongfa	3	3	0	
Chen Ke	0	0	0	Appointed on 19 December 2025

• Training for Directors

All Directors have provided training attendance records. The Company has arranged or provided the relevant trainings in accordance with the requirements of code provision C.1.1 of the Corporate Governance Code.

For the year ended 31 December 2025, Mr. Chu Kairong, Mr. Zhao Weixiong, Mr. Xue Binghai, Ms. Jiang Haiying, Mr. Huang Dechun, Mr. Lo Wah Wai and Mr. Zhang Hongfa participated in the training on the responsibilities of listed companies on the main board of the Hong Kong Stock Exchange conducted by Grandall Zimmern Law Firm, and learned about recent law enforcement cases, updates to Listing Rules and other materials. As of the date of this Report, Ms. Jiang Haiying, Mr. Chen Ke and Mr. Wang Yuwei all received training on the new directors from Grandall Zimmern Law Firm in accordance with the rules.

Corporate Governance Report

VI. Special committees of the Board and duty performance

The Company has established under the Board five special committees, namely the audit committee, nomination committee, remuneration committee, risk management committee and strategic and ESG committee of the Board.

As of the end of the Reporting Period and as of the date of this Report, the composition of such committees is as follows:

Name of Committee	Members (as of the end of the Reporting Period)	Members (as of the date of this Report)
Audit Committee	Lo Wah Wai (chairman) Xue Binghai Huang Dechun	Lo Wah Wai (chairman) Xue Binghai Wang Yuwei
Remuneration Committee	Huang Dechun (chairman) Chu Kairong Zhang Hongfa	Wang Yuwei (chairman) Chu Kairong Zhang Hongfa Lo Wah Wai Chen ke
Nomination Committee	Zhang Hongfa (chairman) Chu Kairong Jiang Haiying Huang Dechun Lo Wah Wai	Zhang Hongfa (chairman) Chu Kairong Jiang Haiying Lo Wah Wai Wang Yuwei
Risk Management Committee	Zhao Weixiong (chairman) Xue Binghai Jiang Haiying Lo Wah Wai Zhang Hongfa	Zhao Weixiong (chairman) Xue Binghai Jiang Haiying Lo Wah Wai Zhang Hongfa
Strategic and ESG Committee	Chu Kairong (chairman) Zhao Weixiong Xue Binghai Jiang Haiying Huang Dechun Lo Wah Wai Zhang Hongfa	Chu Kairong (chairman) Zhao Weixiong Xue Binghai Jiang Haiying Wang Yuwei Lo Wah Wai Zhang Hongfa Chen Ke

(1) Audit Committee

Pursuant to the Board resolution passed on 19 May 2015, the Company has established the Audit Committee (the “**Audit Committee**”, formerly known as the Audit Committee, was renamed following the shareholders’ general meeting on 28 October 2025) in accordance with Rules 3.21 and 3.22 of the Listing Rules, with written terms of reference. The written terms of reference of the Audit Committee were adopted in compliance with code provision D.3.3 and code provision D.3.7 of the Corporate Governance Code and are available on the websites of the Company and the Hong Kong Stock Exchange. Following approval at the extraordinary general meeting held on 28 October 2025, the Company has dissolved the Supervisory Committee, with its functions being assumed by the Audit Committee. The rules of procedures of the Audit Committee have been amended and approved on the same date.

The main duties of the Audit Committee include:

- (1) providing suggestions to the Board of Directors concerning the appointment, re-appointment and change of external auditors, approving the remuneration and terms of engagement of external auditors and handling issues relating to the resignation or dismissal of such external auditors;
- (2) evaluating the work of external auditors, conducting annual review of the performance of the external auditors and supervising the independence of external auditors, and the procedures, quality and results of their work;
- (3) supervising the internal audit system and its implementation;
- (4) supervising and evaluating whether the work of the external auditors is independent and objective, and whether the procedures of audit is effective; the Committee shall have discussions with the external auditors on the nature and scope of audit and the relating reporting obligation prior to the commencement of the audit, and providing non-audit service, formulating and implementing policies in respect of the external audit;
- (5) coordinating the communication between the internal and external auditors and ensuring the internal audit function is provided with adequate resources for operation and has appropriate standing in the Company; and reviewing and monitoring its effectiveness;

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- (6) supervising annual audits, reviewing the financial statements, annual reports and accounts, interim reports and (if intend to issue) quarterly reports, and reviewing significant judgements relating to the financial reporting contained therein, and other information and the related disclosures in respect of management activities of operation. Prior to the submission of such financial statements and reports to the Board of Directors, the Committee shall conduct a review with particular focus on the following issues:

1. any changes in the accounting policies and practices;
2. areas which involve significant judgements;
3. significant adjustments according to the results of audit;
4. assumptions on the ongoing operations of the Company and any qualified opinions;
5. compliance with accounting standards;
6. compliance with the Hong Kong Listing Rules and other requirements in relation to financial reporting.

Members of the Committee shall communicate with the Board of Directors and the senior management personnel. The Committee shall meet at least twice a year with the auditors of the Company. The Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and shall give due consideration to any matters that have been raised by the accounting and financial reporting staff, compliance officers or auditors of the Company;

- (7) reviewing and supervising the financial control, internal control and risk management system of the Company;
- (8) discussing the risk management and internal control system with the management about the adequacy of resources, qualifications and experience of staff, training programmes and budget of the accounting and financial reporting function of the Company so as to ensure the management has performed its duty to establish an effective system;
- (9) reviewing major findings of investigation on internal control matters and the findings of investigation in respect of the responses of management on its own initiative or as delegated by the Board of Directors;
- (10) inspecting and ensuring the timely response of any proposal from the Board of Directors (or equivalent documents) issued to the senior management by the external auditors, and reviewing any significant queries raised by the external auditor to the senior management regarding the minutes, financial accounts or supervision systems and responses of the senior management, as well as reporting to the Board of Directors in respect of the aforementioned issues;

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- (11) acting as the key representative for coordinating internal and external audits and overseeing the relationship between the Company and the external auditors;
- (12) reviewing the financial and accounting policies and practices of the Company;
- (13) reporting to the Board on the aforementioned matters and other matters set out in the Code Provision D.3.3 of Part II of Appendix C1 to the Hong Kong Listing Rules (and any amendments thereto from time to time);
- (14) evaluating the mechanism of report by staff, internal control of and other misconducts in the Company and the independent and fair investigations carried out by the Company on the reported issues, and taking appropriate actions;
- (15) exercising the relevant powers of the Supervisory Committee as stipulated by the Company Law and the powers of the Audit Committee as stipulated by the Articles of Association;
- (16) other duties as assigned by laws and regulations, the Company's Articles of Association and the Board of Directors.

As of 31 December 2025, the Audit Committee comprises three members, including two independent non-executive Directors, namely Mr. Lo Wah Wai (chairman) and Mr. Huang Dechun, as well as a non-executive Director Mr. Xue Binghai.

The Audit Committee held six meetings during the Reporting Period. In reviewing quarterly, interim and annual results, the Audit Committee leverages professional financial expertise to verify the accuracy of data, examine the application of accounting policies, and conduct in-depth investigations into abnormal fluctuations to ensure the reliability of financial reporting. In addition, it rigorously oversees corporate compliance, scrutinises connected transactions, and ensures operations comply with relevant regulatory requirements. The committee timely reports its findings and recommendations to the Board. For the year ended 31 December 2025, the Board has no disagreement with the Audit Committee on the selection, appointment, designation or removal of the external auditor.

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During the Reporting Period, the Audit Committee of the Board convened 6 meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Adoption
1st meeting of the fifth session of the Audit Committee	18 February 2025	The resolution on the report of 2024 internal review and 2025 internal review plan of the Company	Considered and approved
2nd meeting of the fifth session of the Audit Committee	27 March 2025	The resolution on the Annual Report (A Shares) for 2024 and its summary of the Company The resolution on the Annual Results Announcement and the Annual Report (H Shares) for 2024 of the Company The resolution on the profit distribution plan of the Company for 2024 The resolution on the assessment report of internal control for 2024 The resolution on the evaluation report on the performance of the accounting firm for 2024 and the report on the supervision duties performed by the Audit Committee	Considered and approved
3rd meeting of the fifth session of the Audit Committee	25 April 2025	The resolution on the first quarterly report for 2025 of the Company The resolution on the first quarterly internal review reporting for 2025	Considered and approved
4th meeting of the fifth session of the Audit Committee	16 May 2025	The resolution on the reappointment of the accounting firm	Considered and approved
5th meeting of the fifth session of the Audit Committee	27 August 2025	The resolution on the change of the Company's accounting policies The resolution on the Interim Report (A Shares) for 2025 and its summary of the Company The resolution on the Interim Results Announcement and the Interim Report (H Shares) for 2025 of the Company The resolution on the special report of risk regulatory indicators for the first half of 2025 of the Company The resolution on the internal review reporting for the first half and the internal review plan for the second half of 2025 The resolution on the establishment of a list of the Board's authorizations to managers	Considered and approved
6th meeting of the fifth session of the Audit Committee	28 October 2025	The resolution on the third quarterly report for 2025 of the Company The resolution on the internal review reporting for the third quarter and the internal review plan for the fourth quarter of 2025 of the Company	Considered and approved

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Attendance of the members of the Audit Committee of the Board at the meetings held during the Reporting Period:

Name	Position	Attendance in person/Number of meetings requiring attendance
Lo Wah Wai (chairman)	Independent non-executive Director	6/6
Xue Binghai	Non-executive Director	6/6
Huang Dechun	Independent non-executive Director	6/6

(2) Remuneration Committee

Pursuant to the Board resolution passed on 19 May 2015, the Company has established the Remuneration Committee (the “**Remuneration Committee**”) in accordance with Rules 3.25 and 3.26 of the Listing Rules, and adopted the written terms of reference. The written terms of reference of the Remuneration Committee were adopted in compliance with code provision E.1.2 of the Corporate Governance Code and are available on the websites of the Company and the Hong Kong Stock Exchange. The rules of procedures of the Remuneration Committee have been amended and approved on 28 October 2025.

The main duties of the Remuneration Committee include: (1) conducting research on the appraisal criteria of directors and senior management, performing appraisal and making recommendations to the Board of Directors; (2) conducting research on and reviewing remuneration policies, structure and plans of directors and senior management; and making recommendations to the Board of Directors on the establishment of a formal and transparent procedure to formulate remuneration policies; (3) reviewing and approving the proposals of remuneration of the directors and the management with reference to the corporate goals and objectives set by the Board of Directors; (4) providing the Board of Directors with suggestions on the remuneration of individual executive directors and senior management staff, including non-monetary benefits, pension and compensation (including compensation for the loss or termination of office or appointment); (5) providing the Board of Directors with suggestions regarding the remuneration of non-executive directors; (6) considering factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in its group; (7) reviewing and approving compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (8) reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; (9) ensuring that no director or any of his/her associates is involved in deciding his/her own remuneration; (10) considering policies on human resources and remuneration and principle management system produced by senior management for determination by the Board of Directors and supervising the implementation of the relevant policies and the principle management system; (11) reviewing the performance of duties of directors and senior management and making recommendations to the Board of Directors for evaluation and assessment; (12) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and (13) those provided in laws, regulations, rules, regulatory documents and the Articles of Association and other powers granted by the Board of Directors.

As of 31 December 2025, the Remuneration Committee comprised three members, including one executive Director and two independent non-executive Directors, namely Mr. Huang Dechun (chairman), Mr. Chu Kairong and Mr. Zhang Hongfa.

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Details of the Directors' remuneration are set out in Note XII. (IV) to the financial statement of this Annual Report. The Remuneration Committee held three meetings during the Reporting Period.

The Remuneration Committee has adopted the model where it reviewed the proposals made by the management on the remuneration of executive Directors and senior management, and made recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

During the Reporting Period, the Remuneration Committee of the Board convened 3 meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Adoption
1st meeting of the fifth session of the Remuneration Committee	27 March 2025	The resolution on the remuneration package of the Directors of the Company for 2024 The resolution on the remuneration package of the senior management of the Company for 2024 The resolution on adjustment of the salary distribution coefficient of the chief financial officer of the Company in 2023	Considered and approved
2nd meeting of the fifth session of the Remuneration Committee	16 May 2025	The resolution on the 2023 evaluation of the contractual reform of managerial staff of the Company under tenure system and settlement rules of the 2021–2023 term evaluation results	Considered and approved
3rd meeting of the fifth session of the Remuneration Committee	31 December 2025	The resolution on the implementation plan for the contractual reform of managerial staff of the Company under tenure system The resolution on settlement rules of the 2024 evaluation results of the contractual reform of managerial staff of the Company under tenure system The resolution on determining the salary distribution coefficient of the deputy directors of Holly Futures' leadership team (including deputy secretary of the Party Committee, secretary of the Disciplinary Committee and chief financial officer) in 2024	Considered and approved

Attendance of the members of the Remuneration Committee of the Board at the meetings held during the Reporting Period:

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Huang Dechun (chairman)	Independent non-executive Director	3/3	
Chu Kairong	Executive Director	3/3	
Zhang Hongfa	Independent non-executive Director	3/3	

(3) Nomination Committee

The Company has established the Nomination Committee (the “**Nomination Committee**”) on 19 May 2015 with written terms of reference in accordance with code provision B.3.1 of the Corporate Governance Code. Its terms of reference are available on the websites of the Company and the Hong Kong Stock Exchange.

The main duties of the Nomination Committee include: reviewing the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and making recommendations to the Board regarding the Company’s business activities, corporate strategy, asset size and shareholding structure in light of the operating activities of the Company, identifying, selecting or making recommendations to the Board on the selection of individuals to be nominated for directorships, assessing the independence of the independent non-executive Directors, making recommendations to the Board on relevant matters relating to the appointment and re-appointment of the Directors, succession planning for Directors, and other duties conferred by the Board. As of 31 December 2025, the Nomination Committee comprised five members, including one executive Director (i.e. Mr. Chu Kairong), one non-executive Director (i.e. Ms. Jiang Haiying) and three independent non-executive Directors (i.e. Mr. Huang Dechun, Mr. Lo Wah Wai and Mr. Zhang Hongfa (chairman of the nomination committee)). The nomination committee has already included one Director of different gender, which is compliant with the amendments to the Listing Rules and the Corporate Governance Code set out in Appendix C1 of the Listing Rules which came into effect on 1 July 2025.

The Nomination Committee held three meetings during the Reporting Period.

During the Reporting Period, in identifying suitable candidates to become Board members, the Nomination Committee will take into account the skills, experience, education background, professional knowledge, integrity and time commitment of the candidates, as well as the Company’s needs and other requirements under laws and regulations in relation to the position. All candidates must fulfil the criteria set under Rules 3.08 and 3.09 of the Listing Rules. Candidates to be appointed as independent non-executive Directors must also fulfil the independence requirements under Rule 3.13 of the Listing Rules. The Nomination Committee will recommend the qualified candidates to the Board for approval, and be proposed for consideration and approval by the general meeting.

According to articles 107 and 109 of Articles of Association, Directors of the Company shall meet the following conditions:

- (1) have engaged in futures, securities and other financial business, or in legal, accounting operations for more than 3 years, or in economic management field for more than 5 years;
- (2) have the educational background of graduate of junior college or above.

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Director shall be elected or replaced at general meetings, and may be removed by the general meeting before expiry of the current term of office. A director shall serve a term of three years, and may seek reelection upon expiry of the said term.

The term of office of a director shall commence from his accession till the expiry of the term of the current session of the Board. Where election of directors fails to be timely conducted upon expiry of the term of office of the former directors, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, regulations of regulatory authorities and provisions of these Articles of Association.

Directors can be concurrently served by senior managers. However, the total number of directors who concurrently hold the positions of senior management personnel and directors held by employee representatives shall not exceed 1/2 of the total number of directors of the Company.

According to the terms of reference of Nomination Committee, the Nomination Committee studies the selection criteria, procedures and methods of proposed directors and senior management of the Company and makes recommendations to the Board. The Nomination Committee also searches for qualified candidates to be nominated as directors and senior management and conduct preliminary review on candidates of directors and senior management and make recommendations to the Board.

During the Reporting Period, the Nomination Committee of the Board convened three meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Adoption
1st meeting of the fifth session of the Nomination Committee	18 February 2025	The resolution on the election of chairman for the fifth session of the Board of the Company The resolution on the appointment of members of the Company's fifth session of management	Considered and approved
2nd meeting of the fifth session of the Nomination Committee	27 August 2025	The resolution on the adjustments to the composition of the nomination committee under the fifth session of the Board	Considered and approved
3rd meeting of the fifth session of the Nomination Committee	31 December 2025	The resolution on the election of candidates for independent non-executive Directors of the fifth session of the Board of the Company	Considered and approved

Corporate Governance Report

Attendance of the members of the Nomination Committee of the Board at the meetings held during the Reporting Period:

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Zhang Hongfa (chairman)	Independent non-executive Director	3/3	
Chu Kairong	Executive Director	3/3	
Huang Dechun	Independent non-executive Director	3/3	
Jiang Haiying	Non-executive Director	1/1	Appointed on 28 August 2025
Lo Wah Wai	Independent non-executive Director	1/1	Appointed on 28 August 2025

(4) Risk Management Committee

Pursuant to the Board resolution passed on 19 May 2015, the Company has established the Risk Management Committee (the “**Risk Management Committee**”) with written terms of reference.

The main duties of the Risk Management Committee include: reviewing the development plan for the comprehensive risk management and internal control system; reviewing regulatory system, work flows and major control objectives for the risk management and internal control; reviewing the organizational structure and their terms of reference of risk management and internal control management; reviewing the annual work plans and annual reports of comprehensive risk management and submitting the same to the Board; supervising the soundness, reasonableness and effectiveness of the execution of the risk management and internal control system, and instructing the comprehensive risk management and internal control of the Company; conducting research on the management of risks arising from major investing and financing activities and other major operational and managerial matters, and providing recommendations to the Board; reviewing risk management strategies and significant risk management solutions; reviewing assessment plans drafted by the internal control assessment department; handling other affairs as authorized by the Board concerning comprehensive risk management and internal control management.

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As of 31 December 2025, the Risk Management Committee comprised five Directors, including one executive Director Mr. Zhao Weixiong (chairman), two non-executive Directors Mr. Xue Binghai and Ms Jiang Haiying and two independent non-executive Directors Mr. Lo Wah Wai and Mr. Zhang Hongfa.

During the Reporting Period, through comprehensive risk assessments, the Risk Management Committee identifies strategic, market, operational and other risks, and formulates mitigation strategies. It reviews the risk management framework to ensure compliance and effectiveness, monitors internal audits, and tracks the rectification of audit findings. The committee facilitates cross-departmental risk communication and collaboration, providing regular updates to the management to support the organisation's sustainable development.

During the Reporting Period, the Risk Management Committee of the Board convened two meeting, the details of which were as follows:

Session	Convening date	Meeting contents	Adoption
1st meeting of the fifth session of the Risk Management Committee	18 February 2025	The resolution on the report of the work of the chief risk officer for 2024	Considered and approved
2nd meeting of the fifth session of the Risk Management Committee	27 March 2025	The resolution on the special report of risk regulatory indicators for 2024 The resolution on work report on the self-assessment of money laundering and terrorist financing risks	Considered and approved

Corporate Governance Report

Attendance of the members of the Risk Management Committee of the Board at the meetings held during the Reporting Period:

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Zhao Weixiong (chairman)	Executive Director	2/2	
Xue Binghai	Non-executive Director	2/2	
Jiang Haiying	Non-executive Director	2/2	
Lo Wah Wai	Independent Non-executive Director	2/2	
Zhang Hongfa	Independent Non-executive Director	2/2	

(5) Strategic and ESG Committee

Pursuant to the Board resolution passed on 27 October 2022, the Company has established the Strategic Committee (the “**Strategic Committee**”) with written terms of reference. The Strategic Committee was renamed the Strategic and ESG Committee (the “**Strategic and ESG Committee**”) on 18 February 2025 and the rules of procedure, as revised, were approved on 28 October 2025.

The main duties of the Strategic and ESG Committee include: understanding the domestic and international economic development, industry trends and national and industry policy directions; studying the Company’s long-term development strategy plans and development directions and proposing suggestions; evaluating the strategic planning, development objectives, business plans and implementation processes developed by the Company; evaluating the Company’s ESG and climate change vision, strategic planning, development objectives, operating plans, implementation processes and organizational structure of the Company; focusing on the development trends, risks and opportunities in the field of ESG and climate change, and studying and making suggestions on the Company’s ESG and climate change policies; being responsible for the consideration of the Company’s ESG and climate change related reports, ensuring that the Company’s reports issued to the public are in line with the disclosure requirements, and reporting to the Board of Directors; studying major investment financing programs which are required to be approved by the Board as stated in the Articles of Association and proposing suggestion; studying material capital operation and assets operation projects which are required to be approved by the Board as stated in the Articles of Association and proposing suggestion; studying other important matters affecting the Company’s development and making a recommendation; inspecting the implementation of the above; and performing other duties authorized by the Board.

As of December 31, 2025, the Strategic and ESG Committee comprised seven directors: Mr. Chu Kairong, Mr. Zhao Weixiong, Mr. Xue Binghai, Ms. Jiang Haiying, Mr. Huang Dechun, Mr. Lo Wah Wai, and Mr. Zhang Hongfa.

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During the Reporting Period, the Strategic and ESG Committee of the Board convened three meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Adoption
1st meeting of the fifth session of the Strategy Committee	27 March 2025	The resolution on the 2024 sustainable development report	Considered and approved
2nd meeting of the fifth session of the Strategy Committee	25 April 2025	The resolution on the 2025 investment plan	Considered and approved
3rd meeting of the fifth session of the Strategy Committee	28 October 2025	The resolution on the implementation status of the 2025 first-half investment plan and the adjustment to the 2025 investment plan	Considered and approved

Attendance of the members of the Strategic and ESG Committee of the Board at the meetings held during the Reporting Period:

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Chu Kairong (chairman)	Chairman, Executive Director	3/3	
Zhao Weixiong	Executive Director	3/3	
Xue Binghai	Non-executive Director	3/3	
Jiang Haiying	Non-executive Director	3/3	
Huang Dechun	Independent non-executive Director	3/3	
Lo Wah Wai	Independent non-executive Director	3/3	
Zhang Hongfa	Independent non-executive Director	3/3	

VII. Chairman and General Manager

The positions of the Chairman and general manager of the Company are taken by different persons, so as to guarantee the independence of their duties and balance of authorization. Mr. Chu Kairong served as the Chairman of the Board and Mr. Zhao Weixiong served as the general manager. Their duties and authorities are clearly divided and specified in the Articles of Association. The Chairman is responsible for leading the Board in determining the Company's development strategy to guarantee the effective operation and duties fulfilment of the Board, and fully discusses the issues within the scope of the Board's duties, so as to ensure that the Directors can acquire true, accurate and complete information for making decisions in time, the Company can comply with well-established corporate governance procedures and the decisions of the Board are in the best interest of the Company and its Shareholders as a whole. Mr. Chu Kairong, the Chairman, also acts as the legal representative of the Company.

VIII. Non-executive Directors and independent non-executive Directors

As of the end of the Reporting Period, the Company had two non-executive Directors and three independent non-executive Directors. During the Reporting Period, the Company has been in compliance with the requirement of Rule 3.10 and Rule 3.10A of the Listing Rules in relation to appointment of at least three independent non-executive directors, and one of them is an independent non-executive Director who has appropriate professional qualifications or with appropriate accounting or related financial management expertise. The Company has signed a letter of appointment with each non-executive Director, specifying a term of three years. Their positions are specified in Section X "I. Basic Information about Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period" of this Report.

During the Reporting Period, the Company optimized the performance of independent Directors and strengthened the management of independent Directors' tenure in accordance with the new working system for independent Directors, so as to promote the independent Directors to effectively play their roles in decision-making and supervision.

During the Reporting Period, the independent non-executive Directors of the Company held 1 meeting with the Chairman of the Board to discuss the operation and development of the Company.

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IX. Supervisory Committee and duty performance

(1) Duties of the Supervisory Committee

The Supervisory Committee shall be accountable to the general meetings. Its main duties and authorities include: to monitor the financial activities of the Company; to supervise the performance of duties of Directors, general manager and other members of senior management of the Company; to propose the removal of Directors and senior management who have acted in breach of the laws, administrative regulations, the Articles of Association or the resolutions passed at the general meeting; to request the Directors, general manager and other members of senior management to conduct rectification for their actions that caused damage to the interests of the Company; to review financial information including the financial reports, business reports and profit distribution proposals to be submitted by the Board to the general meeting, and to engage, in the name of the Company, certified public accountants and practicing auditors to assist in the review of such information should any doubts arise; to propose extraordinary general meetings be convened, and to convene and preside over a general meeting in the event that the Board fails to perform the duties of convening and presiding over a general meeting; to negotiate with Directors and senior management and file lawsuit against Directors and senior management on behalf of the Company; to make proposals to the general meeting; and to propose extraordinary meetings of the Board be convened. In accordance with the latest provisions of the Company Law, the Guidelines for the Articles of Association of Listed Companies, and other relevant laws, regulations and normative documents, the Supervisory Committee has been dissolved following the review and approval at the second extraordinary general meeting of 2025 held on 28 October 2025. Its functions have been assumed by the Audit Committee.

(2) Meetings of the Supervisory Committee and attendance of Supervisors

The Supervisory Committee performs its relevant duties according to relevant laws and regulations and the Articles of Association. During the Reporting Period (and before the dissolution of the Supervisory Committee), the Supervisory Committee convened seven meetings.

X. Other related matters

(1) Shareholders' right

The Company convened and held general meetings according to the Articles of Association and Rules of Procedures for General Meetings to guarantee the equal status and full exercise of rights for all Shareholders, especially the small and medium Shareholders. All of the Company's Directors, Supervisors and senior management attended the general meetings and answered the Shareholders' questions in accordance with Articles of Association.

(2) Compliance with Model Code

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules concerning the securities transactions by Directors. The Company has made specific inquiries to all the Directors and persons who served as supervisors during the Reporting Period for the compliance with Model Code. All Directors and Supervisors confirmed that they completely observed the Model Code during the Reporting Period.

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The Company has adopted the Model Code for supervising the unpublished price-sensitive information of the Company or its securities that is likely possessed by its employees. During the Reporting Period, the Company did not find any employee's violation of the Model Code.

The Board will check the Company's corporate governance and its implementation from time to time to meet the requirements of the Listing Rules and protect the interest of the Shareholders.

(3) Responsibilities of Directors concerning financial statements

The declarations of the responsibilities of Directors concerning financial statements set out hereinafter and the responsibilities of Certified Public Accountants 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. During the Reporting Period, 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.

(4) Appointment and remuneration of auditors

In 2025, the Company appointed ShineWing Certified Public Accountants LLP as its external audit firm for 2025 to provide related audit and review services based on the China Accounting Standards for Business Enterprises. The expenses related to the audit service are set out in Section III Corporate Governance "Material Matters" – "VIII. Engagement of accounting firm" of this Report.

(5) Review of the Audit Committee

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the financial statement of the Company for the year ended 31 December 2025.

(6) Joint Company Secretaries

Mr. Huang Haiqing, the Board secretary and one of the joint company secretaries, is responsible for making proposals to the Board on corporate governance and ensuring the policies and procedures of the Board, applicable laws, rules and regulations are observed. In order to maintain sound corporate governance and comply with the Listing Rules and applicable Hong Kong laws, the Company appointed Ms. Chan Yin Wah, an associate director of SWCS Corporate Services Group (Hong Kong) Limited, as the other joint company secretary of the Company to assist Mr. Huang Haiqing in fulfilling his duties as the Board secretary and a joint company secretary of the Company. Ms. Chan Yin Wah's main contact person in the Company is Mr. Huang Haiqing, the Board secretary and joint company secretary of the Company. For the year ended 31 December 2025, Mr. Huang Haiqing and Ms. Chan Yin Wah took no less than 15 hours of professional trainings in accordance with Rule 3.29 of the Listing Rules.

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(7) 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 formulated corresponding systems to ensure the compliance of the convening and holding of the general meetings. The Company explicitly specified Shareholders' rights in the Articles of Association, to ensure the Shareholders' right to know, especially the minority Shareholders. The Company treated all Shareholders impartially.

The Board of the Company maintains continuous communication with Shareholders and information is communicated to Shareholders through the Company's financial reports, annual general meetings and other extraordinary general meetings, and disclosures filed with the Hong Kong Stock Exchange. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings. For the procedures by which enquiries may be put to the board by shareholders and for them to putting forward proposals at general meetings, the procedures by which enquiries may be put to the Board by shareholders are as follows: shareholders may put their enquiries to the Board through the investor contact information set out in the section headed "Company Profile" of this Annual Report.

There are persons specially designated for contacting with Shareholders. The Company attaches great importance to opinions and suggestions of shareholders and tries to meet their reasonable requests in time.

The Company's shareholder communications policy is designed to:

- (I) promote a positive relationship between the Company and investors and enhance investors' further understanding and familiarity with the Company;
- (II) build a stable and high-quality investor base and gain long-term support from the market;
- (III) cultivate a corporate culture that serves investors, respects investors and holds investors;
- (IV) practice the investment philosophy of maximizing the overall interests of the Company while growing the wealth of shareholders; and
- (V) increase transparency in information disclosure of the Company and improve corporate governance.

Through the following initiatives, the Company confirms that it is now effectively implementing the Company's shareholder communications policy: the channels through which the Company communicates with its investors include, but are not limited to: the Company's official website of the Company, the Shenzhen Stock Exchange website and the investor relations interactive platform launched by Shenzhen Stock Exchange (hereinafter referred to as the EasyIR Platform), new media platforms, telephone, fax, e-mail, etc. Forms of communication may also encompass general meetings, performance briefings, roadshows, investor research activities, and securities analyst research activities.

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The Company attaches great importance to the views and suggestions of its Shareholders, actively, proactively and regularly conducts various investor relations activities to maintain communication with its shareholders and meet their reasonable needs in a timely manner. The Company has been actively making use of the Investor Service Hotline and has set up the Investor Relations section on the Company's website www.ftol.com.cn, and all press releases, results announcements and other information relating to the Company are available on the Company's website. At the same time, the Company has formed good interaction and communication with its Shareholders by receiving investors for on-site investigation and research, etc. During the Reporting Period, the Company maintained the "Investor Relations" section of the Company's website and made its effort in answering questions from investors on the EasyIR Platform of the Shenzhen Stock Exchange. The Company also did a good job in the day-to-day investor consultation process, answering questions from investors in detail.

The Company welcomed all Shareholders attending general meetings and facilitated their attendance in a permitted range. The Company's Directors, Supervisors and senior management will attend general meetings and the Board shall answer questions at the meeting. The management of the Company shall ensure that the external auditors can attend the annual general meeting and answer relevant questions put forward by Shareholders.

(8) Investor Relation Activities

The Company has always given priority to continuous enhancement of Shareholder value, paid high attention to investor relations management, gradually established clear two-way communication channels with investors and kept improving the corporate governance structure. During the Reporting Period, the Company communicated with investors through ways like, making phone calls, sending emails and receiving visitors, and treated all investors equally to ensure that all Shareholders can fully exercise their rights. During the Reporting Period, the Company disclosed information in a truthful, accurate, complete and timely manner in strict accordance with laws, regulations and regulatory provisions, to ensure that investors are informed of the Company's material matters in time and thereby protecting their interests to the greatest extent.

On 18 June 2025, the Company held its 2024 annual performance briefing meeting, for details, please refer to the Investor Relations Activities Record Sheet published by the Company on 19 June 2025.

On 28 November 2025, the Company held the collective investor exchange for listed companies controlled by Jiangsu SOHO Holdings Group Co., Ltd. and the 2025 third quarterly results briefing of Holly Futures. For details, please refer to the Investor Relations Activities Record Sheet published by the Company on 28 November 2025.

On 31 December 2025, the Company received the investigation and research by Sinolink Securities. For details, please refer to the Investor Relations Activities Record Sheet published by the Company on 31 December 2025.

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(9) Board Diversity Policy

The Company has adopted the board diversity policy (the “**Diversity Policy**”) according to the Corporate Governance Code, which aims to set out the Company’s approach to achieving diversity on the Board.

Diversity policy can be summed up as follows: the Company understands and believes that board diversity is beneficial to the Company, and views it as an important element in maintaining its competitive edge. In designing the Board’s composition, the Company takes into account multiple aspects of board diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service, etc. All Board appointments will be based on meritocracy, and candidates will be considered with due regard of 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 Nomination Committee under the Board of the Company will review and assess the composition of the Board, and provide suggestions to the Board on the appointment of new Directors. The Nomination Committee under the Board of the Company will discuss annually all the measurable objectives for implementing the board diversity, and provide relevant suggestions on the objectives to the Board.

For the purpose of implementation of the diversity policy, the following measurable objectives were adopted:

1. at least one-third of the members of the Board are independent non-executive Directors;
2. all Directors have college degree or above, many of whom have master’s and doctoral degrees;
3. at least one member of the Board has obtained accounting or other professional qualifications; and
4. at least one member is female.

As at the date of this Annual Report, the Board comprises eight Directors, including three independent non-executive Directors and one employee director.

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The Board has also adopted the nomination policy (the “**Nomination Policy**”), which aims to set out the criteria and procedures to be followed in considering director candidates and re-appointing existing Directors of the Company. In the case of selection of director candidates, the Nomination Committee shall consider the candidates confirmed or selected in accordance with the nomination criteria through a meeting and, if appropriate, make recommendations to the Board. The Board shall consider and determine such appointments on the recommendation of the Nomination Committee. In the case of re-appointing existing Directors, the Nomination Committee shall review the overall contribution and services of the retiring Director to the Company and determine whether the retiring Director continues to meet the criteria set out in the Nomination Policy and, if appropriate, recommend the retiring Director to the Board for consideration and to shareholders for re-election at a general meeting. The following factors will be considered in assessing the appointment of the director candidates as and the re-appointment of existing Directors:

- contribution to the Board;
- reputation;
- The ability to commit sufficient time to perform the duties of a member of the Board;
- Whether there is a potential conflict of interest for the Company; and
- whether the independence requirements of the Listing Rules are met in respect of the candidates who are independent non-executive directors.

During the Reporting Period, the Nomination Committee also reviewed the implementation and effectiveness of mechanisms to ensure that independent views and opinions are available to the Board. Having considered the following means, the Nomination Committee considers that the Company has maintained an effective mechanism to ensure that there is a strong and sufficient element of independence on the Board:

- there are three independent non-executive Directors on the Board (representing more than one-third of the Board), all of whom have been diligent in performing their duties in accordance with the “Working System for Independent Directors” of the Company to ensure that they have enough time and energy to effectively fulfill their duties as independent Directors and work on-site in the Company for no less than fifteen days per year;
- site visits have been arranged from time to time for the independent non-executive Directors to enhance their understanding of the old and new projects of the Company;
- has continued to strengthen the independent Directors’ understanding of securities laws, regulations and rules to continuously improve their ability to fulfill their duties;

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- the Chairman/Chairlady has conducted annual meeting with all independent non-executive Directors without the presence of other Directors to provide an effective platform for the Chairman/Chairlady to receive independent advice on various issues of the Group; and
- independent professional advice is provided to the independent non-executive Directors at their reasonable request to assist them in discharging their duties to the Company.

The Nomination Committee held three meetings during the year, among others, to review the Board Diversity Policy and Nomination Policy and concluded that the said policies were still valid and appropriate for the Company.

(10) Gender Diversity

In the course of introducing and cultivating staff, the Company adheres to the principle of equal employment, fair promotion to resist discrimination, harassment and defamation due to age, sex, marital status, disability, family status, race, skin colour, descent, nationality, ethnicity, or religion. As of 31 December 2025, the total number of employees of the Company was 568, of which 254 or approximately 44.72% were female employees. The proportion of female among the Company's Directors, Supervisors and senior management is shown in the table below. The Company's ratio of male to female employees is basically balanced. The Company will continue to maintain a basically balanced ratio of male to female employees in order to achieve the gender diversity in its workforce. A separate ESG Report provides details of the Company's gender diversity principles, governance approach and initiatives.

Proportion of female among Directors, Supervisors and senior management			
	Director	Supervisor	Senior management
Proportion of female	12.5%	33.3%	20%

(11) Articles of Association

On 30 December 2024, in view of the latest provisions of laws, regulations and regulatory documents such as the Company Law and the Securities Law, and taking into account the actual situation of the Company, the Board of Directors proposed to make corresponding amendments to the Articles of Association. The amendments to the Articles of Association were approved by the shareholders at the first extraordinary general meeting of the Company in 2025 held on 18 February 2025. For details, please refer to the Company's announcement dated 30 December 2024; the circular dated 24 January 2025; and the Company's overseas regulatory announcement dated 30 December 2024.

On 29 September 2025, in accordance with the latest provisions of the Company Law, the Guidelines on the Articles of Association of Listed Companies, and other relevant laws, regulations and regulatory documents, the Board of Directors proposed to make amendments to the Articles of Association and related Rules of Procedures. The amendments to the Articles of Association were approved at the Second extraordinary general meeting of the Company in 2025 held on 28 October 2025. Pursuant to the latest Articles of Association, the Company has dissolved the Supervisory Committee, with the Audit Committee assuming the relevant duties and powers of the Supervisory Committee. For details, please refer to the Company's announcement dated 29 September 2025; the circular dated 9 October 2025; and the Company's overseas regulatory announcement dated 29 September 2025.

(12) Dividend Policy

In accordance with the Articles of Association, the basic principles of the profit distribution of the Company are as follows:

1. the Company shall maintain consistent and stable profit distribution policies as practicable and shall take full consideration of the return to investors while considering the overall interest of its shareholders and the sustainable development of the Company, and distribute dividends to the shareholders on a yearly basis in a fixed proportion out of the profit realized for the year concerned distributable to the parent company;
2. the Company shall fully take into account the opinions of public investors in making decision on and justifying the profit distribution policy;
3. the Company shall distribute its profit by way of cash dividend as priority.

Profit distribution policies of the Company are specified as follows:

1. form of profit distribution: the Company may distribute dividends in cash, in shares or in a combination of both cash and shares, and prioritizes cash dividend distribution. Interim profit distribution may be made by the Company's Board based on the Company's profitability and capital needs.

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2. specific conditions and ratios for the Company's cash dividends: if the Company's profit for the year and its accumulated undistributed profit are positive, and has no major investment plans or significant cash expenditure items, the Company may distribute dividend in cash and the profit to be distributed in cash per annum will not be less than 10% of the distributable profit of the Company realized for that year. In any three consecutive years, the Company's accumulative profit distributed in cash shall not be less than 30% of the average distributable profits achieved during the last three years. The major investment plans or significant cash expenditure items referred to in the preceding paragraph shall mean any of the following circumstances: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amounting to or exceeding 50% of the latest audited net assets of the Company; the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amounting to or exceeding 30% of the latest audited total assets of the Company.
3. where the Company's business is in a sound condition, and the Board considers that the share price of the Company does not reflect its share capital size and that distributing dividend in shares will be favorable to the shareholders of the Company as a whole, the Company may propose dividend distribution in shares, provided that the above conditions of dividend distribution in cash are fully satisfied.

The Company's payment of dividends is also subject to applicable laws and regulations. The Board does not guarantee the payment of any specific amount of dividends in any given period. Dividends declared during the Reporting Period were in compliance with the Company's dividend policy.

(13) Risk Management and Internal Control

1. *Building of internal control system*

Since its establishment, the Company has always focused on the building of internal rules and regulations and management system. The continuous formation, effective implementation and improvement of various internal systems have laid a solid foundation for the regulated development of the Company.

The Company has always attached great importance to compliance and risk management and has set up a sound internal control system in strict accordance with the requirements of the regulatory authorities and the relevant laws and regulations, including the Futures and Derivatives Law, the Rules for Administration of Futures Trading and the Measures for Administration of the Supervision of Futures Companies. By reinforcing the daily check and supervision of chief risk officer and compliance department, the Company has improved the implementation of the internal control system so as to ensure the compliant and steady development of the Company and has supported the building of internal control as central to its business development.

As of the end of the Reporting Period, the Company has built an internal control system suitable for its business nature, scale and complexity, guaranteed the legitimacy and compliance of operation management, the safety of assets and authenticity and integrity of financial reporting and relevant information, and improved operating efficiency and performance.

During the Reporting Period, the Company has built an internal control system for material information, procedures for handling and publishing price-sensitive information and internal control measures.

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The Company has, according to the regulatory requirements, established and improved systems concerning Chinese Wall and insider registration management, which prevented the misuse and spread of sensitive information. Meanwhile, the Company has disclosed information in a truthful, accurate, complete and timely manner according to laws, regulations, the Listing Rules, the Articles of Association and administrative measures for the disclosure of information, so that all shareholders have equal and timely access to relevant information of the Company.

Based on the principles of comprehensiveness, sustainability, independence and effectiveness, the organization structure of risk management and internal control developed by the Company has included four management levels, namely, the Board, the Risk Management Committee, the Chief Risk Officer and the officers responsible for risk management of each business department. For details of construction of the risk management system, please refer to Section II Operating Conditions – “Management Discussion and Analysis” – “IX. Constructing the Risk Management System of the Company” of this Report.

The Board acknowledges its responsibility for risk management and internal control systems and reviewing their effectiveness. The Board identifies and manages the major risks which may affect the performance of the Group as appropriate, and reviews and updates the system annually.

Meanwhile, the Company has established the audit department internally to conduct independent supervision on the sufficiency and efficiency of the internal control and risk management system of the Company. The audit department formulates the internal audit plan on an annual basis and conducts internal audits in accordance with the requirements of the Company's relevant systems. By providing independent and objective supervision, evaluation and recommendations on the internal control, risk management, financial income and expenditure and related economic activities of the audited entity, the Company promotes the improvement of governance and the achievement of objectives. Any proposed changes regarding the internal review plan will be reported according to the requirements of relevant systems of the Company.

The audit department of the Company conducts ongoing oversight of internal controls through audits such as departure audits and tenure-based economic responsibility audits. Where material internal control deficiencies are identified, the department promptly reports to the management of the Company with recommendations, ensuring responsible parties implement corrective actions within stipulated timelines. Audit results and rectification progress are subsequently reported to the Board and the Audit Committee.

The Company handles and releases inside information in strict compliance with the relevant regulations of the Listing Rules. Firstly, the management of the Company conducts special discussions on the relevant information, at the same time, relevant departments would evaluate the point-in-time and the information to be disclosed and conduct timely communications and discussions on the disclosure with the lawyers of the Company. Lastly, the Company would send the relevant inside information to all Directors for review and confirmation during the process of preparing the same. By adopting these procedures, sensitive information about share prices can be protected effectively while the information required to be disclosed can be released in a timely, accurate fashion.

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As of the date of this Report, the Risk Management Committee under the Board has conducted a review on the 2025 working report of the Chief Risk Officer, and reviewed the legal compliance and risk management of the Company's operation and management of the same are sufficient and effective. The Board was of the view that the said systems were designed to manage, instead of eliminating, the risk of failing to meet the business goals, and therefore can only offer a reasonable, but not absolute, guarantee on the absence of significant false statements or significant loss.

2. Report of Other Matters

(1) Building of compliance system

During the Reporting Period, the Company strictly adhered to the relevant laws, regulations and standards and earnestly organized and implemented various regulatory and disciplinary requirements under the continuous regulation and proper direction of the regulatory authorities. It has implemented various compliance work thoroughly and continued to optimize the compliance management system with an emphasis on enhancing the level of compliance risk control of the Company.

A sound organization structure of compliance management has been developed. The Company has constructed a multi-level compliance management and organization system consisting of the Board, Risk Management Committee under the Board, chief risk officer, compliance and legal department, audit department and various subsidiaries. Audit work was implemented under the direction of the Chief Risk Officer. The Company has timely allocated compliance personnel when establishing new subsidiaries. Compliance management work was conducted under the direction of compliance and legal department and the work process was reported to it. Duties of each level were clear with open communication.

To achieve compliance management objectives, the Company has formulated comprehensive, standard and practicable system, regulations and procedures for compliance management including the Administrative Measures for Compliance, to build a more scientific compliance management system. Compliance management covers all businesses, departments and staff members of the Company throughout various segments such as decision-making, execution, supervision and provision of feedback. In the process of business development, standardizing implementation system and achieving the effective identification, evaluation and management of compliance risks has provided effective support and supervision to the compliance business operations of the Company, which allowed the business operations of the Company to be complied with laws, regulations and standards and fostered and formed a corporate culture based on the culture of compliance.

(2) Continues to optimize compliance management system of the Company

The Company attaches great importance to supervision and inspection of establishment and implementation of internal control. In 2025, through continuous supervision and inspection of internal audit, the Audit Department conducted regular evaluation of internal control to achieve the supervision and evaluation of the continuous and effective operation of internal control and continuously improve the defects of internal control.

(I) *Continuously strengthening the role of internal audit supervision*

1. Establishing a sound and efficient internal audit system. The Company established an independent internal audit institution – the audit department, equipped with internal auditors, and formulated a set of sound system of rules and regulations on internal auditing. The Company set up an audit committee to employ reasonable and stable personnel who meet the needs of audit tasks to work independently and exercise their internal supervisory power. Under the supervision and guidance of the Audit Committee of the Company, the audit department conducts independent work and exercises the internal supervisory power in accordance with the regulations of the national and local governments and the rules and regulations of the Company. The Company regularly submits internal audit plans, work reports, etc. to the audit committee and the management at governance level for consideration. The Company has formulated the internal audit work plan, after which is reviewed in accordance with the requirements of relevant systems of the Company, it will carry out internal audit work and strengthen audit supervision.

The Company's audit department facilitates the Company to strengthen its internal control through standardized audit and supervision, enhance the supervision and evaluation of the internal control, risk management and financial management of subsidiaries and branches, and help the Company to achieve improvement of internal control management quality and efficiency. The internal audit work is made by the reporting system which is mainly based on the "Internal Audit Report" and other written documents, and submits the audit work to the Audit Committee of the Board in accordance with the system requirements.

2. Continuously strengthening the supervision and inspection of internal audit. The audit department of the Company is responsible for the specific implementation of the internal audit of the Company and formed the internal audit work mechanism that meets the construction of its own internal control system. It actively conducted regular audits and special audits, and strictly conducted the audit work in accordance with the Company's internal audit management methods and procedures. The scope of audit covered the performance of economic responsibility by internal management officers, internal control, risk management and financial management of the Company's business, subsidiaries and branches. It timely put forward the audit opinions and suggestions on the issues found during the audit, and ensure the effective implementation of the audit results by establishing rectifying tracking account, supervision of audit rectification and conducting follow-up audits.

In 2025, the internal audit department of the Company continued to deepen the construction of the internal audit management system and fully performed and implemented its audit supervision function. It adhered to the supervision and evaluation of risk management and the enhancement of internal control as its main tasks, strengthened the effort, frequency and depth of audit in actual audit work, depth, expanded the coverage and fineness of internal audit, innovated audit ideas, and improved audit methods. It intensified the implementation efforts in the follow-up rectification and continued to enhance the quality and effectiveness of audit work, which provided a safeguard for the healthy and sound operation of the Company.

Corporate Governance Report

(II) Continuously improving the internal control evaluation system

1. Continuously strengthening the evaluation of internal control. The Company established a more effective internal control evaluation system in accordance with the relevant rules and regulations, and determined the evaluation method and operation flow of internal control. In the meantime, the Company continued to carry out internal control self-evaluation and implemented rectification on it. The Company formulated the evaluation criteria for internal control defects and carried out the internal control evaluation annually within the Company. The evaluation scope covered the business operations of the Company's headquarters and all branches, as well as all business segments and key business management activities of the Company. In 2025, according to the requirements of the basic rules, evaluation guidelines and other relevant laws and regulations, the Company conducted a self-evaluation on the effectiveness of the Company's internal control design and operation as of 31 December 2025. It engaged ShineWing Certified Public Accountants LLP to review the Company's internal control related to the financial statements and rectify the existing issues, so that the effectiveness of internal control was further enhanced.
2. Further improving the internal control evaluation mechanism and broadening the evaluation coverage. In 2025, the Company continuously improved internal control evaluation mechanism, improved evaluation method, enhanced technical means and fully leveraged on internationally advanced methods to carry out evaluation. The Company also continued to improve its internal control management and continuously raised its management standard on various risks.

(III) Whistleblowing and anti-corruption policy

1. The Company has established a top-down mechanism for working with integrity to establish an anticorruption management system covering the Rules of Procedures for Meeting of the Board, the Rules of Procedures of the Supervisory Committee, the Financial Management System, the Regulations on Punishment for Non-Compliance by Employees of Holly Futures Co., Ltd. and the Practice Integrity Provisions Anti-fraud Management Rules of Holly Futures Co., Ltd.. To systematically eliminate the occurrence of corruption, misappropriation and embezzlement of the assets of the Company or its customers, it is stipulated in the Financial Management System that relevant certificates are audited and strictly examined by dedicated personnel to prevent misappropriation and embezzlement of funds and to eliminate illegal, corrupt and other criminal acts. The Company has entrusted the Human Resource Department, Discipline Inspection Department and the Audit Department with the corresponding departmental responsibilities, which is responsible for overseeing the implementation of various financial rules and systems by all departments and subordinate units, and investigating and dealing with acts of corruption and misappropriation of property, leakage of secrets and bribery, either alone or in conjunction with other relevant departments, so as to ensure the effective operation of the Company's integrity and employment work mechanism. If an employee has engaged in prohibited conduct, he/she is prohibited from acting as a Director, Supervisor and senior management of the Company. In addition to terminating the employment contract, the Company will also refer the problematic leads to the judicial authorities in accordance with the law.

Corporate Governance Report

2. Departments of the Company have established a parallel whistleblowing and complaint mechanism covering all business segments of the Company, realizing a dual-chain passage of internal control and external supervision and prevention. Complaints involving clients will be handled in accordance with the Rules for Handling Customer Complaints of the Company, clearing the customer complaint channel. After preliminary classification of the complaints, the complaints will be resolved through legal channels such as negotiation, mediation, arbitration and litigation in accordance with the handling process. For complaints reported within the Company, a distinction is made according to whether the subject of the report is a member of the Party, a cadre or a general employee. Depending on the nature of the identity of the subject of the report, the Company adopts a different mechanism for handling the report, with the disciplinary, compliance and legal departments taking the lead or forming a joint working group to investigate and handle the matter in accordance with the procedures stipulated in the system. Employees, clients and other relevant personnels can also directly file complaints and reports to the Company's Audit Committee. The Audit Committee will also evaluate the Company's mechanisms for employees to report, internal monitoring or other improper behaviors, as well as the mechanisms for the Company to conduct independent and fair investigations into reported matters and take appropriate actions.

On this basis, the Company has established a mechanism for the protection of whistleblowing and complaint work, prohibiting any discrimination or retaliation, and prohibiting any obstruction, interference or hostile measures against the personnel involved in the investigation. Any individual who discloses information about the whistleblowers or retaliates against them will face corresponding punishment based on the severity.



04

Financial
Information

Auditor's Report

To all shareholders of Soho Holly Futures Co., Ltd.,

I. AUDIT OPINION

We have audited the financial statements of Soho Holly Futures Co., Ltd. (hereinafter referred to as Holly Futures), which comprise the consolidated and parent company's balance sheets as at 31 December 2025, the consolidated and parent company's income statements, the consolidated and parent company's cash flow statements, the consolidated and parent company's statements of changes in shareholders' equity for the year then ended, and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of Holly Futures as at 31 December 2025, and the consolidated and parent company's financial performance and cash flows of Holly Futures for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for 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. We are independent of Holly Futures in accordance with the independence requirements applicable to the audit of financial statements of public interest entities under the China's CPA Independence Standard and China Code of Ethics for Certified Public Accountants, and we have fulfilled our other independent and ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Report

III. KEY AUDIT MATTER

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

1. Recognition of fee income	
Key Audit Matter	How the matter was addressed in our audit
As stated in Note III.25 and Note V.39 to the financial statements, Holly Futures recorded handling fees and net commission income of RMB169,756,600 in 2025. Handling fees and net commission income is one of the Company's key performance indicators. Holly Futures's handling fees and net commission income mainly consists of futures brokerage income, investment advisory income and asset management income. Revenue from futures brokerage business is recognized on the date of occurrence of agency transactions; revenue from investment advisory business and asset management business is recognized when the Group is entitled to receive the revenue under the agreement. As handling fees and net commission income is one of the Company's key performance indicators, and there is an inherent risk that the timing of revenue recognition may be manipulated to meet specific targets or expectations. The determination of the timing of the recognition of handling fees and net commission income involves management judgment and could have a material impact on the Company's net profit. Therefore, we identified the recognition of handling fees and net commission income as a critical audit issue.	The key audit procedures performed on handling fees and net commission income as a key audit matter included: (1) Understanding the key internal controls related to the recognition of handling fees and net commission income, evaluating the design of these controls, determining whether they are implemented, and testing the operating effectiveness of the related internal controls. (2) For the critical information technology system that processes transactions related to handling fees and net commission income, we evaluate and test the design and operational effectiveness of critical internal controls of the system over the application of the information system, using the work of the Firm's in-house information technology experts. (3) For revenue from futures brokerage business, checking retained handling fee details from the Company's trade settlement system against book data; obtaining national futures market transaction data and comparing the Company's futures transaction data and fee income trends with national market trends; and comparing book data with settlement data and conducts cut-off tests on futures brokerage fee income. (4) For the income from asset management business, taking samples and checking whether the rates of management fees and performance-based compensation were consistent with the contractual agreements, obtaining a list of all the Company's asset management plans, and calculate the related income according to different fee standards. (5) For the revenue from investment consulting business, taking samples of business items, checking the contracts signed between Holly Futures and the customers to verify whether the relevant revenue recognition was consistent with the terms of the contracts, and evaluating whether the relevant revenue recognition was in compliance with the Company's accounting policies on revenue recognition.

III. KEY AUDIT MATTER *(Continued)*

2. Assessing financial instruments measured at fair value	
Key Audit Matter	How the matter was addressed in our audit
As described in Note III.15, Notes V.5, 9, 10, 11 and 23 and Note XI to the financial statements, as at 31 December 2025, out of the financial instruments of Holly Futures, financial assets and financial liabilities measured at fair value amounted to RMB832,461,100 and RMB17,030,100, respectively. Since the valuation of the Company's financial instruments is based on a combination of market data and valuation models, a large number of variables are usually required to be entered. Of these inputs, the majority are derived from data available in liquid markets. Where observable market data is not available for Level 3 financial instruments, significant judgment and estimates are involved. We identified the valuation of financial instruments measured at fair value as a key audit matter due to the significant amounts involved and given the complexity involved in assessing the value of a particular financial instrument and the degree of reliance placed on management's judgment in determining the inputs to be used in the valuation methodology.	The key audit procedures performed on the valuation of financial instruments measured at fair value as a key audit matter included: (1) understanding the key internal controls relevant to the valuation of the fair value of financial instruments, evaluating the design of those controls, and determining whether they are being performed; (2) assessing the fair value of all financial instruments of Holly Futures traded in active markets by comparing the fair value applied by Holly Futures with publicly available market data; (3) For financial instruments whose fair value is within Level 2 and Level 3, selecting a sample through a reasonable audit sampling method, obtaining the underlying information of the sample relevant to the valuation and identifying the conditions relevant to the valuation of the financial instruments, and evaluating the appropriateness of the valuation methods, valuation models and inputs used by management. On this basis, an independent valuation is performed and our valuation results are compared with those of Holly Futures. Specific procedures include: evaluating the valuation methods and valuation models used by Holly Futures against those typically used in the market, testing the inputs used in the valuation process, and applying the valuation methods and valuation models to re-measure the fair value of financial instruments; (4) assessing whether the disclosures in the financial statements appropriately reflected Holly Futures' exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.

Auditor's Report

III. KEY AUDIT MATTER *(Continued)*

3. Consolidation of structured entities	
Key Audit Matter	How the matter was addressed in our audit
Please refer to the accounting estimates set out in Note "III.6 Accounting methods for business combination under common control and not under common control" and Note "III.32 Significant accounting estimates and judgments" to the financial statements and Note "VIII.(I) Interests in subsidiaries" and Note "VIII.(III) Interests in structured entities not included in the scope of consolidated financial statements" to the financial statements. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Holly Futures may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity through issuing or purchasing an asset management plan, a trust product or a wealth management product. In determining whether a structured entity is required to be consolidated by Holly Futures, management is required to consider the power Holly Futures is able to exercise over the activities of the entity, the exposure to variable returns and ability to influence its own returns from the entity. We identified the consolidation of structured entities of Holly Futures as a key audit matter because it involves significant management judgment in determining whether a structured entity is required to be consolidated by Holly Futures or not and because the impact of consolidating a structured entity on the consolidated balance sheet could be significant.	Our audit procedures to assess the consolidation of structured entities included the following: (1) understanding and assessing the design and operation of key internal controls over consolidation of structured entities; (2) performing the following procedures for all new structured entities; 1) inspecting the related contracts, internal documents and information disclosed to the investors to understand the purpose of the establishment of the structured entities and the involvement Holly Futures has with the structured entities and to assess management's judgment over whether Holly Futuresh as the ability to exercise power over the structured entities; 2) evaluating the risk and reward structure of the structured entity to assess management's judgment as to exposure, or rights, to variable returns from Holly Futures's involvement in such entity; 3) reviewing management's analyses of the structured entities including qualitative analyses and calculations of the magnitude and variability associated with Holly Futures' economic interests in the structured entities to assess management's judgment over Holly Futures' ability to influence its own returns from the structured entities; 4) assessing management's judgment over whether the structured entities should be consolidated or not; (3) making enquiries of management if there have been any changes to related contracts and internal documents for structured entities established in previous years and obtaining and reviewing these contracts and internal documents on a sample basis to determine if the existing accounting treatment of those structured entities brought forward is still relevant; (4) assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standard.

IV. OTHER INFORMATION

The management of Holly Futures (the "Management") is responsible for the other information. The other information consists of the information included in the 2025 Annual Report of Holly Futures, other than the financial statements and our auditor's report thereon.

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 and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable 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 Holly Futures' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate Holly Futures or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Holly Futures' financial reporting process.

Auditor's Report

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about 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 includes our opinion. Reasonable assurance is a high level of assurance, but 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 considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (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 Holly Futures' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Holly Futures to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(Continued)*

- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Holly Futures to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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 precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ShineWing Certified Public Accountants LLP

Certified Public Accountants registered in the People's Republic of China: Shi Zhu (the engaging partner)

Certified Public Accountants registered in the People's Republic of China: Liu Yaxuan

Beijing, China

31 March 2026

Consolidated Balance Sheet

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	Note	31-Dec-25	1-Jan-25
Assets:			
Monetary funds	V.1	7,990,458,034.88	7,208,804,109.21
Including: Futures margin deposits		7,480,683,642.32	6,778,156,567.10
Currency deposits receivable	V.2	3,187,227,426.50	2,848,560,087.28
Pledged deposits receivable	V.3	77,608,800.00	288,138,600.00
Advance to customers	V.4	2,640,072.17	3,537,846.38
Derivative financial assets	V.5	9,154,289.53	11,556,875.02
Notes receivable	V.6		
Settlement deposits receivable	V.7	20,000,000.00	20,000,000.00
Trade receivables			
Other receivables	V.8	15,585,757.45	12,644,472.25
Financial assets held under resale agreements	V.9	93,966,000.00	96,252,523.09
Financial investment:			
Financial assets held for trading	V.10	331,597,311.37	280,696,608.62
Other debt investments	V.11	—	8,824,536.85
Other equity instruments investment	V.12	27,809,985.27	29,736,228.88
Inventories		—	
Long-term equity investments	V.13	8,766,789.61	8,709,774.28
Investment properties	V.14	48,068,400.00	48,467,078.00
Fixed assets	V.15	287,729,667.48	305,242,162.41
Work in progress			
Right-of-use assets	V.16	11,116,509.34	15,330,375.66
Intangible assets	V.17	885,478.46	1,070,943.74
Goodwill			
Deferred income tax assets	V.18	17,393,665.78	18,349,584.85
Other assets	V.19	532,286,019.73	493,447,814.36
Total assets		12,662,294,207.57	11,699,369,620.88

Consolidated Balance Sheet

(All amounts in RMB unless otherwise stated)

Item	Note	31-Dec-25	1-Jan-25
Liabilities:			
Short-term borrowings	V.20	1,000,383.33	29,018,850.00
Currency deposits payable	V.21	9,725,943,497.66	8,812,672,179.43
Pledged deposits payable	V.22	1,346,400.00	26,216,168.00
Financial liabilities held for trading	V.23	7,030,984.02	7,912,762.09
Derivative financial liabilities	V.5	9,999,149.77	9,859,658.01
Financial assets sold under agreements to repurchase	V.24	—	4,298,255.52
Futures risk reserve	V.25	184,158,983.39	176,746,725.35
Futures investors protection funds payable	V.26	344,904.00	428,130.37
Employee benefits payable	V.27	3,361,824.50	6,830,112.98
Taxes payable	V.28	2,064,980.88	1,914,055.57
Trade payables			
Notes payable	V.29	542,583,467.06	237,954,486.22
Contract liabilities			
Other payables	V.30	294,367,868.19	489,672,703.56
Long-term borrowings		—	
Lease liabilities	V.31	11,196,190.50	15,674,410.80
Estimated liabilities		—	
Deferred income tax liabilities	V.18	2,449,248.50	3,392,469.65
Other liabilities	V.32	11,560,500.00	
Total liabilities		10,797,408,381.80	9,822,590,967.55
Shareholders' equity:			
Share capital	V.33	1,007,777,778.00	1,007,777,778.00
Other equity instruments			
Incl.: Preference shares			
Perpetual bond			
Capital reserve	V.34	598,402,999.72	598,402,999.72
Less: Treasury shares			
Other comprehensive income	V.35	4,329,217.47	10,136,961.54
Surplus reserve	V.36	76,364,979.96	73,898,392.18
General risk reserve	V.37	102,244,557.33	99,777,969.55
Retained earnings	V.38	75,766,293.29	86,784,552.34
Total equity attributable to owners of the parent company		1,864,885,825.77	1,876,778,653.33
Minority interests			
Total shareholders' equity		1,864,885,825.77	1,876,778,653.33
Total liabilities and shareholders' equity		12,662,294,207.57	11,699,369,620.88

Legal representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Parent Company's Balance Sheet

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	Note	31-Dec-25	1-Jan-25
Assets:			
Monetary funds		7,326,760,736.76	6,644,441,081.40
Including: Futures margin deposits		7,289,911,448.15	6,582,900,937.63
Currency deposits receivable		3,046,081,243.32	2,575,458,199.38
Pledged deposits receivable		77,608,800.00	288,138,600.00
Financing capital			
Derivative financial assets		—	
Settlement deposits receivable		20,000,000.00	20,000,000.00
Trade receivables			
Other receivables		5,480,805.57	4,004,599.23
Financial assets held under resale agreements		93,966,000.00	93,305,000.00
Financial investment:			
Financial assets held for trading		267,454,691.88	203,010,938.58
Other debt investments		—	8,824,536.85
Other equity instruments investment		27,358,375.27	29,273,208.88
Inventories		—	
Long-term equity investments	XVI.1	709,215,369.42	709,158,354.09
Investment properties		48,068,400.00	48,467,078.00
Fixed assets		241,668,433.17	257,480,253.23
Work in progress		—	
Right-of-use assets		8,763,557.32	13,972,589.65
Intangible assets		343,546.46	515,319.74
Goodwill		—	
Deferred income tax assets		—	
Other assets		14,121,574.98	22,540,621.40
Total assets		11,886,891,507.15	10,918,590,380.43

Parent Company's Balance Sheet

(All amounts in RMB unless otherwise stated)

Item	Note	31-Dec-25	1-Jan-25
Liabilities:			
Short-term borrowings		—	
Currency deposits payable		9,674,804,340.26	8,483,320,368.00
Pledged deposits payable		77,608,800.00	288,138,600.00
Financial liabilities held for trading		—	
Derivative financial liabilities		—	
Financial assets sold under agreements to repurchase		—	4,298,255.52
Futures risk reserve		184,158,983.39	176,746,725.35
Futures investors protection funds payable		344,904.00	428,130.37
Employee benefits payable		2,962,961.86	5,754,827.97
Taxes payable		2,064,537.06	1,912,609.70
Trade payables		—	
Contract liabilities			
Other payables		26,845,244.83	45,992,487.29
Long-term borrowings		—	
Lease liabilities		8,973,564.38	14,312,470.68
Estimated liabilities		—	
Deferred income tax liabilities		1,698,387.76	3,392,469.65
Other liabilities		—	
Total liabilities		9,979,461,723.54	9,024,296,944.53
Shareholders' equity:			
Share capital		1,007,777,778.00	1,007,777,778.00
Other equity instruments			
Incl.: Preference shares			
Perpetual bond			
Capital reserve		592,000,959.53	592,000,959.53
Less: Treasury shares			
Other comprehensive income		-1,648,830.74	-197,078.46
Surplus reserve		76,364,979.96	73,898,392.18
General risk reserve		102,244,557.33	99,777,969.55
Retained earnings		130,690,339.53	121,035,415.10
Total equity attributable to shareholders		1,907,429,783.61	1,894,293,435.90
Total liabilities and shareholders' equity		11,886,891,507.15	10,918,590,380.43

Legal representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Consolidated Income Statement

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2025	2024
I. Total income from operation		287,551,546.58	361,837,160.52
Net handling fee and commission income	V.39	169,756,637.09	179,321,093.55
Including: Net fee income from brokerage operations		166,729,450.57	173,319,200.42
Net fee income from asset management business		2,986,560.62	6,001,893.13
Net interest income	V.40	73,268,014.66	111,356,819.77
Including: interest income		73,281,971.24	111,892,514.16
Interest expense		13,956.58	535,694.39
Investment gain (loss denoted by "-")	V.41	-8,353,502.84	34,848,201.89
Including: investment gains of associates and joint ventures		57,015.33	457,216.24
Gain arising from derecognition of financial assets measured at amortized cost (loss denoted by "-")			
Other gains	V.42	397,701.48	1,111,197.90
Gains on change in fair value (loss denoted by "-")	V.43	47,835,386.27	27,391,872.29
Exchange gains (loss denoted by "-")	V.44	-105,539.92	-308,589.19
Income from other business activities	V.45	5,629,315.26	8,156,905.40
Asset disposal gain (loss denoted by "-")	V.46	-876,465.42	-40,341.09
II. Total operating expense		283,823,998.99	327,194,340.28
Futures risk reserve expenses	V.47	7,412,258.04	7,524,365.16
Taxes and surcharges	V.48	4,411,586.92	4,075,340.71
General and administrative expenses	V.49	269,212,441.90	309,985,842.24
Credit impairment loss	V.50	-607,226.77	-492,840.97
Other assets impairment loss			
Other operating cost	V.51	3,394,938.90	6,101,633.14
III. Profit from operations (loss denoted by "-")		3,727,547.59	34,642,820.24
Add: Non-operating income	V.52	737,568.37	4,819,988.70
Less: Non-operating expenses	V.53	122,773.65	1,173,856.66
IV. Total profit (loss denoted by "-")		4,342,342.31	38,288,952.28
Less: Income tax expense	V.54	349,648.02	8,462,754.78
V. Net profit (loss denoted by "-")		3,992,694.29	29,826,197.50
(I) Classification by continuity of operations			
1. Net profit of operation on a going concern basis (Net loss denoted by "-")		3,992,694.29	29,826,197.50
2. Net profit from discontinued operations (Net loss denoted by "-")			
(II) Classification by ownership			
1. Net income attributable to owners of the parent company (Net loss denoted by "-")		3,992,694.29	29,826,197.50
2. Minority profit or loss (Net loss denoted by "-")			

Consolidated Income Statement

(All amounts in RMB unless otherwise stated)

Item	Note	2025	2024
VI. Other comprehensive income, net of tax		-5,807,744.07	3,490,261.44
Net comprehensive income after tax attributable to owners of the parent company		-5,807,744.07	3,490,261.44
(I) Other comprehensive income that cannot be reclassified into profit or loss		-1,436,125.22	-212,705.52
1. Changes arising from re-measurement of defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profits/losses under the equity method			
3. Changes in fair value of other equity instruments investment		-1,436,125.22	-212,705.52
4. Change in fair value of the Enterprise's own credit risk			
5. Other			
(II) Other comprehensive income that will be reclassified into profit or loss		-4,371,618.85	3,702,966.96
1. Other comprehensive income that can be reclassified into profit or loss under the equity method			
2. Change in fair value of other debt investments		-15,627.06	15,627.06
3. Financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Reserve for cash flow hedging			
6. Translation difference of foreign currency financial statements		-4,355,991.79	3,687,339.90
7. Other			
Post-tax net amount of other comprehensive income attributable to minority shareholders			
VII. Total comprehensive income		-1,815,049.78	33,316,458.94
Total comprehensive income attributable to owners of the parent company		-1,815,049.78	33,316,458.94
Total comprehensive income attributable to minority shareholders			
VIII. Earnings per share:			
(1) Basic earnings per share		0.0040	0.0296
(2) Diluted earnings per share		0.0040	0.0296

Legal representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Parent Company's Income Statement

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2025	2024
I. Total income from operation		260,425,026.42	303,773,403.72
Net handling fee and commission income	XVI.2	153,632,258.37	159,726,012.00
Including: Net fee income from brokerage operations		148,271,177.58	150,484,221.72
Net fee income from asset management business		3,091,546.58	6,086,679.88
Net interest income	XVI.3	55,996,037.42	92,175,143.96
Including: interest income		56,009,994.00	92,710,838.35
Interest expense		13,956.58	535,694.39
Investment gain (loss denoted by "-")	XVI.4	33,271,014.76	30,926,143.13
Including: investment gains of associates and joint ventures		57,015.33	457,216.24
Gain arising from derecognition of financial assets measured at amortized cost (loss denoted by "-")			
Other gains		381,837.45	448,322.19
Gains on change in fair value (loss denoted by "-")	XVI.5	12,560,356.75	12,256,171.58
Exchange gains (loss denoted by "-")		-174,357.34	125,046.55
Income from other business activities		5,629,315.26	8,156,905.40
Asset disposal gain (loss denoted by "-")		-871,436.25	-40,341.09
II. Total operating expense		237,519,851.18	279,747,744.76
Futures risk reserve expenses		7,412,258.04	7,524,365.16
Taxes and surcharges		2,242,526.97	2,223,162.51
General and administrative expenses		224,439,831.30	264,132,861.93
Credit impairment loss		30,295.97	-234,277.98
Other assets impairment loss		-	
Other operating cost		3,394,938.90	6,101,633.14
III. Profit from operations (loss denoted by "-")		22,905,175.24	24,025,658.96
Add: Non-operating income		673,240.90	3,096,875.84
Less: Non-operating expenses		122,702.85	586,452.59
IV. Total profit (loss denoted by "-")		23,455,713.29	26,536,082.21
Less: Income tax expense		-1,210,164.48	1,806,532.06
V. Net profit (loss denoted by "-")		24,665,877.77	24,729,550.15
(I) Net profit of operation on a going concern basis (Net loss denoted by "-")		24,665,877.77	24,729,550.15
(II) Net profit from discontinued operations (Net loss denoted by "-")			

Parent Company's Income Statement

(All amounts in RMB unless otherwise stated)

Item	Note	2025	2024
VI. Other comprehensive income, net of tax		-1,451,752.28	-197,078.46
(I) Other comprehensive income that cannot be reclassified into profit or loss		-1,436,125.22	-212,705.52
1. Changes arising from re-measurement of defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profits/losses under the equity method			
3. Changes in fair value of other equity instruments investment		-1,436,125.22	-212,705.52
4. Change in fair value of the Enterprise's own credit risk			
5. Other			
(II) Other comprehensive income that will be reclassified into profit or loss		-15,627.06	15,627.06
1. Other comprehensive income that can be reclassified into profit or loss under the equity method			
2. Change in fair value of other debt investments		-15,627.06	15,627.06
3. Financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Reserve for cash flow hedging			
6. Translation difference of foreign currency financial statements			
7. Other			
VII. Total comprehensive income		23,214,125.49	24,532,471.69
VIII. Earnings per share			
(1) Basic earnings per share		0.0245	0.0245
(2) Diluted earnings per share		0.0245	0.0245

Legal representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2025	2024
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		—	
Cash received from interest, fees and commissions		252,426,522.84	327,190,966.61
Net decrease in currency deposits receivable and pledged deposits receivable			303,738,627.49
Net increase in currency deposits payable and pledged deposits payable		888,401,550.23	1,998,016,321.58
Net decrease from disposal of financial assets relating to risk management business		462,745,843.72	
Net decrease in restricted monetary funds			
Net decrease in term deposits with original maturity over three months			
Cash received from other operating activities	V.55	593,735,637.83	565,187,761.31
Subtotal of cash inflows from operating activities		2,197,309,554.62	3,194,133,676.99
Cash paid for goods and services		—	
Cash paid for interest, fee and commissions		7,278,516.93	3,332,805.90
Net increase in currency deposits receivable and pledged deposits receivable		134,872,240.02	
Net decrease in currency deposits payable and pledged deposits payable			
Net decrease from disposal of financial assets relating to risk management business			136,396,571.09
Net increase in restricted monetary funds		78,082,987.77	146,889,226.08
Cash paid to and for employees		169,686,946.24	184,529,238.44
Cash paid for general and administrative expenses		61,098,787.58	79,576,044.58
Payments of various taxes		17,553,808.63	35,367,637.43
Cash paid for other operating activities	V.55	956,425,707.85	259,960,983.88
Subtotal of cash outflows from operating activities		1,424,998,995.02	846,052,507.40
Net cash flow from operating activities		772,310,559.60	2,348,081,169.59

Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Item	Note	2025	2024
II. Cash flow from investing activities:			
Cash received from disposal of investments		21,980,603,194.44	18,529,300,435.34
Cash received from investment income		9,281,866.00	9,110,889.75
Cash received from disposal of associates		—	—
Cash received from dividend distribution from associates		—	—
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		967,344.69	54,204.81
Other cash received relating to investing activities		—	—
Subtotal of cash inflows from investing activities		21,990,852,405.13	18,538,465,529.90
Cash paid for investment		22,009,083,868.17	18,484,314,150.08
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		7,933,137.15	16,366,051.86
Cash paid for investment on associates		—	—
Other cash paid relating to investment activities		4,320,132,022.37	—
Subtotal of cash outflows from investing activities		26,337,149,027.69	18,500,680,201.94
Net cash flow from investing activities		-4,346,296,622.56	37,785,327.96
III. Cash flow from financing activities:			
Cash received from absorption of investments		—	—
Cash received from borrowings		234,151,821.00	66,060,000.00
Net cash received from sale and repurchase operations		—	—
Other cash received relating to financing activities		—	—
Subtotal of cash inflows from financing activities		234,151,821.00	66,060,000.00
Cash paid for repayment of debts		262,151,821.00	147,779,250.00
Cash paid for distribution of dividend and profit or repayment of interest		10,077,777.78	6,454,212.08
Cash paid for repayment of principal and interest of lease liabilities		11,654,857.63	16,043,796.07
Net cash paid for sale and repurchase operations		4,312,212.10	52,924,924.38
Other cash paid relating to financial activities	V.55	—	—
Subtotal of cash outflows from financing activities		288,196,668.51	223,202,182.53
Net cash flow from financing activities		-54,044,847.51	-157,142,182.53
IV. Effect of change in foreign exchange rate on cash and cash equivalents		4,049,787.58	-4,708,313.08
V. Net increase in cash and cash equivalents		-3,623,981,122.89	2,224,016,001.94
Add: Opening balance of cash and cash equivalents		7,036,460,835.63	4,812,444,833.69
VI. Closing balance of cash and cash equivalents	V.55	3,412,479,712.74	7,036,460,835.63

Legal representative:
Chu Kairong

Person in charge of accounting:
Jia Fuhua

Person in charge of the accounting firm:
Jia Fuhua

Parent Company's Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2025	2024
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services			
Cash received from interest, fees and commissions		221,462,501.50	290,388,195.52
Net decrease in currency deposits receivable and pledged deposits receivable			286,581,975.00
Net increase in currency deposits payable and pledged deposits payable		980,954,172.26	2,156,414,287.91
Net decrease in restricted monetary funds		16,450,109.29	
Net decrease in term deposits with original maturity over three months			
Cash received from other operating activities		223,890, 858.33	58,840,593.05
Subtotal of cash inflows from operating activities		1,442,757,641.38	2,792,225,051.48
Cash paid for goods and services			
Cash paid for interest, fee and commissions		46,462.39	979,109.11
Net increase in currency deposits receivable and pledged deposits receivable		260,093,243.94	
Net decrease in currency deposits payable and pledged deposits payable			
Net decrease from disposal of financial assets relating to risk management business			
Net increase in restricted monetary funds			13,691,577.92
Cash paid to and for employees		150,307,468.37	162,113,251.37
Cash paid for general and administrative expenses		45,481,279.14	63,468,614.49
Payments of various taxes		13,130,109.77	30,545,802.62
Cash paid for other operating activities		239,146,658.17	27,707,497.29
Subtotal of cash outflows from operating activities		708,205,221.78	298,505,852.80
Net cash flow from operating activities		734,552,419.60	2,493,719,198.68

Parent Company's Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Item	Note	2025	2024
II. Cash flow from investing activities:			
Cash received from disposal of investments		21,945,012,502.48	18,499,555,976.79
Cash received from investment income		34,538,390.57	30,839,969.78
Cash received from disposal of associates			
Cash received from dividend distribution from associates			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		82,831.16	13,059.09
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		21,979,633,724.21	18,530,409,005.66
Cash paid for investment		21,988,308,890.35	18,504,424,165.83
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		6,448,851.35	10,439,699.44
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities		4,320,132,022.37	
Subtotal of cash outflows from investing activities		26,314,889,764.07	18,514,863,865.27
Net cash flow from investing activities		-4,335,256,039.86	15,545,140.39
III. Cash flow from financing activities:			
Cash received from absorption of investments			
Cash received from borrowings			
Net cash received from sale and repurchase operations			
Other cash received relating to financing activities			
Subtotal of cash inflows from financing activities		-	-
Cash paid for repayment of debts		-	50,716,328.00
Cash paid for distribution of dividend and profit or repayment of interest		10,091,734.36	6,278,392.72
Cash paid for repayment of principal and interest of lease liabilities		10,151,301.84	14,434,015.94
Net cash paid for sale and repurchase operations		4,298,255.52	47,808,000.53
Other cash paid relating to financial activities			
Subtotal of cash outflows from financing activities		24,541,291.72	119,236,737.19
Net cash flow from financing activities		-24,541,291.72	-119,236,737.19
IV. Effect of change in foreign exchange rate on cash and cash equivalents		-174,357.34	125,046.55
V. Net increase in cash and cash equivalents		-3,625,419,269.32	2,390,152,648.43
Add: Opening balance of cash and cash equivalents		6,607,269,714.03	4,217,117,065.60
VI. Closing balance of cash and cash equivalents		2,981,850,444.71	6,607,269,714.03

Legal representative:
Chu Kairong

Person in charge of accounting:
Jia Fuhua

Person in charge of the accounting firm:
Jia Fuhua

Consolidated Statement of Changes in Owners' Equity

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	2025								
	Equity attributable to owners of the parent company								Total owners' equity
	Share capital	Capital reserve	Less: Treasury shares	Other Comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Minority interests	
I. Ending balance of last year	1,007,777,778.00	598,402,999.72	-	10,136,961.54	73,898,392.18	99,777,969.55	86,784,552.34		1,876,778,653.33
Add: Changes in accounting policies							-		-
Correction of previous error									-
Business combination under common control									
Other									
II. Opening balance of the current year	1,007,777,778.00	598,402,999.72	-	10,136,961.54	73,898,392.18	99,777,969.55	86,784,552.34		1,876,778,653.33
III. Increase/decrease of the current period (loss denoted by "-")	-	-	-	-5,807,744.07	2,466,587.78	2,466,587.78	-11,018,259.05		-11,892,827.56
(I) Total comprehensive income				-5,807,744.07			3,992,694.29		-1,815,049.78
(II) Owners' capital injected and reduced	-	-							-
1. Ordinary shares invested by owners									-
2. Capital invested by holders of other equity instruments									-
3. Amounts of share-based payments included in owners' equity		-							-
4. Other									-
(III) Profit distribution	-	-			2,466,587.78	2,466,587.78	-15,010,953.34		-10,077,777.78
1. Withdrawal of surplus reserve					2,466,587.78		-2,466,587.78		-
2. Withdrawal of general risk provisions						2,466,587.78	-2,466,587.78		-
3. Distribution to owners							-10,077,777.78		-10,077,777.78
4. Other									-
(IV) Internal carryover of owners' equity	-	-			-		-		-
1. Transfer of capital reserves into paid-in capital (or share capital)									-
2. Transfer of surplus reserves into paid-in capital (or share capital)									-
3. Surplus reserves for making up losses									-
4. Carry-Forward of Retained Earnings by Changes in Defined Benefit Plan									
5. Other comprehensive income transferred to retained earnings									
6. Other									-
(V) Others									-
IV. Ending balance of the current period	1,007,777,778.00	598,402,999.72	-	4,329,217.47	76,364,979.96	102,244,557.33	75,766,293.29		1,864,885,825.77

Legal representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Consolidated Statement of Changes in Owners' Equity

(All amounts in RMB unless otherwise stated)

Item	2024								
	Equity attributable to owners of the parent company								
	Share capital	Capital reserve	Less: Treasury shares	Other Comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Minority interests	Total owners' equity
I. Ending balance of last year	1,007,777,778.00	598,402,999.72	-	6,646,700.10	71,425,437.16	97,305,014.53	65,935,375.99		1,847,493,305.50
Add: Changes in accounting policies									-
Correction of previous error									-
Business combination under common control									-
Other									-
II. Opening balance of the current year	1,007,777,778.00	598,402,999.72	-	6,646,700.10	71,425,437.16	97,305,014.53	65,935,375.99		1,847,493,305.50
III. Increase/decrease of the current period (loss denoted by "-")									
(I) Total comprehensive income				3,490,261.44	2,472,955.02	2,472,955.02	20,849,176.35		29,285,347.83
(II) Owners' capital injected and reduced	-	-	-						-
1. Ordinary shares invested by owners									-
2. Capital invested by holders of other equity instruments									-
3. Amounts of share-based payments included in owners' equity		-							-
4. Other									-
(III) Profit distribution	-	-			2,472,955.02	2,472,955.02	-8,977,021.15		-4,031,111.11
1. Withdrawal of surplus reserve					2,472,955.02		-2,472,955.02		-
2. Withdrawal of general risk provisions						2,472,955.02	-2,472,955.02		-
3. Distribution to owners							-4,031,111.11		-4,031,111.11
4. Other									-
(IV) Internal carryover of owners' equity	-	-			-		-		-
1. Transfer of capital reserves into paid-in capital (or share capital)									-
2. Transfer of surplus reserves into paid-in capital (or share capital)									-
3. Surplus reserves for making up losses									-
4. Carry-Forward of Retained Earnings by Changes in Defined Benefit Plan									-
5. Other comprehensive income transferred to retained earnings									-
6. Other									-
(V) Others									-
IV. Ending balance of the current period	1,007,777,778.00	598,402,999.72	-	10,136,961.54	73,898,392.18	99,777,969.55	86,784,552.34		1,876,778,653.33

Legal representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Statement of Changes in Owners' Equity of the Parent Company

(All amounts in RMB unless otherwise stated)

Prepared by: Soho Holly Futures Co., Ltd.

Unit: RMB

Item	2025							
	Share capital	Capital reserve	Less: Treasury shares	Other Comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Total owners' equity
I. Ending balance of last year	1,007,777,778.00	592,000,959.53	-	-197,078.46	73,898,392.18	99,777,969.55	121,035,415.10	1,894,293,435.90
Add: Changes in accounting policies							-	-
Correction of previous error								-
Other								
II. Opening balance of the current year	1,007,777,778.00	592,000,959.53	-	-197,078.46	73,898,392.18	99,777,969.55	121,035,415.10	1,894,293,435.90
III. Increase/decrease of the current period (loss denoted by "-")	-	-	-	-1,451,752.28	2,466,587.78	2,466,587.78	9,654,924.43	13,136,347.71
(I) Total comprehensive income				-1,451,752.28			24,665,877.77	23,214,125.49
(II) Owners' capital injected and reduced	-	-						-
1. Ordinary shares invested by owners								-
2. Capital invested by holders of other equity instruments								-
3. Amounts of share-based payments included in owners' equity		-						-
4. Other								-
(III) Profit distribution	-	-			2,466,587.78	2,466,587.78	-15,010,953.34	-10,077,777.78
1. Withdrawal of surplus reserve					2,466,587.78		-2,466,587.78	-
2. Withdrawal of general risk provisions						2,466,587.78	-2,466,587.78	-
3. Distribution to owners							-10,077,777.78	-10,077,777.78
4. Other	-							-
(IV) Internal carryover of owners' equity	-	-			-		-	-
1. Transfer of capital reserves into paid-in capital (or share capital)								-
2. Transfer of surplus reserves into paid-in capital (or share capital)								-
3. Surplus reserves for making up losses								-
4. Carry-Forward of Retained Earnings by Changes in Defined Benefit Plan								-
5. Other comprehensive income transferred to retained earnings								-
6. Other								-
(V) Others								-
IV. Ending balance of the current period	1,007,777,778.00	592,000,959.53	-	-1,648,830.74	76,364,979.96	102,244,557.33	130,690,339.53	1,907,429,783.61

Legal representative:
Chu Kairong

Person in charge of accounting:
Jia Fuhua

Person in charge of the accounting firm:
Jia Fuhua

Statement of Changes in Owners' Equity of the Parent Company

(All amounts in RMB unless otherwise stated)

Item	2024							
	Share capital	Capital reserve	Less: Treasury shares	Other Comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Total owners' equity
I. Ending balance of last year	1,007,777,778.00	592,000,959.53	-	-	71,425,437.16	97,305,014.53	105,282,886.10	1,873,792,075.32
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Correction of previous error	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. Opening balance of the current year	1,007,777,778.00	592,000,959.53	-	-	71,425,437.16	97,305,014.53	105,282,886.10	1,873,792,075.32
III. Increase/decrease of the current period (loss denoted by "-")	-	-	-	-197,078.46	2,472,955.02	2,472,955.02	15,752,529.00	20,501,360.58
(I) Total comprehensive income	-	-	-	-197,078.46	-	-	24,729,550.15	24,532,471.69
(II) Owners' capital injected and reduced	-	-	-	-	-	-	-	-
1. Ordinary shares invested by owners	-	-	-	-	-	-	-	-
2. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-
3. Amounts of share-based payments included in owners' equity	-	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	2,472,955.02	2,472,955.02	-8,977,021.15	-4,031,111.11
1. Withdrawal of surplus reserve	-	-	-	-	2,472,955.02	-	-2,472,955.02	-
2. Withdrawal of general risk provisions	-	-	-	-	-	2,472,955.02	-2,472,955.02	-
3. Distribution to owners	-	-	-	-	-	-	-4,031,111.11	-4,031,111.11
4. Other	-	-	-	-	-	-	-	-
(IV) Internal carryover of owners' equity	-	-	-	-	-	-	-	-
1. Transfer of capital reserves into paid-in capital (or share capital)	-	-	-	-	-	-	-	-
2. Transfer of surplus reserves into paid-in capital (or share capital)	-	-	-	-	-	-	-	-
3. Surplus reserves for making up losses	-	-	-	-	-	-	-	-
4. Carry-Forward of Retained Earnings by Changes in Defined Benefit Plan	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
(V) Others	-	-	-	-	-	-	-	-
IV. Ending balance of the current period	1,007,777,778.00	592,000,959.53	-	-197,078.46	73,898,392.18	99,777,969.55	121,035,415.10	1,894,293,435.90

Legal representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

I. General Information of the Company

Soho Holly Futures Co., Ltd. (the “Company”, together with its subsidiaries, the “Group”) is a joint stock company with limited liability with registered address at Building 3, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing City. The Company has a registered capital of RMB1,007,777,778 and legal representative of Chu Kairong. The Company’s unified social credit code is 91320000100022362N, and its futures business permit number is 30870000.

The Company’s predecessor was Jiangsu Jinling Futures Brokerage Company Limited (江蘇金陵期貨經紀有限公司), a company established in July 1995.

On 31 December 2015, the overseas issued shares of the Company became listed on the Main Board of the Hong Kong Stock Exchange. On 5 August 2022, the Company issued RMB ordinary A shares, which have been listed on the Shenzhen Stock Exchange.

On 12 May 2025, the Company completed its industrial and commercial registration procedures to change its name from “Holly Futures Co., Ltd.” to “Soho Holly Futures Co., Ltd”.

The Company is headquartered in Nanjing. As of 31 December 2025, the Company had a total of 3 sub-branches and 31 branches in the PRC.

The parent and ultimate holding company of the Company is Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司), a company registered in the PRC.

The Company operates in the futures industry and is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management and fund sales.

This financial report was approved by the Board of Directors of the Company on 31 March 2026. Pursuant to the Articles of Association of the Company, the financial statements will be submitted to the general meeting for consideration.

II. Basis for Preparation of the Financial Statements

1. Basis of preparation

The financial statements of the Group have been prepared on the transactions and events actually occurred in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and its application guidance, interpretations and other relevant provisions (collectively, the “Accounting Standards for Business Enterprises”), as well as the Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting (2023 Revision) issued by the China Securities Regulatory Commission (“CSRC”) and the relevant disclosures required by the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

II. Basis for Preparation of the Financial Statements *(Continued)*

2. Going concern

The Group has performed an assessment on the going concern ability within the 12 months since 31 December 2025 and has not identified any event and condition causing material doubt about the going concern ability. These financial statements have been prepared on a going concern basis.

III. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates indication: accounting policies and accounting estimates determined by the Group according to characteristics of actual operation including business combination (Notes III.6 and 7), financial instruments (Note III.15), investment properties (Note III.18), depreciation of fixed assets, amortization of intangible assets (Notes III.19 and 20), revenue recognition and measurement (Note III.25), fair value measurement (Note III.30), etc.

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

These financial statements comply with the Accounting Standards for Business Enterprises, which truly and completely reflect the financial position as at 31 December 2025, results of operation and cash flow for the year 2025 of the Company and the Group truly and completely.

2. Accounting year

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

3. Operation cycle

The Group adopts 12 months as an operating cycle, which commences on 1 January and ends on 31 December.

4. Functional currency

The Company's functional currency is Renminbi and the financial statements are presented in Renminbi. Functional currency is determined by the Company and the subsidiaries of the Group on the basis of the currency in which major income and costs are denominated and settled. Some of the Group's subsidiaries have functional currencies that are different from the Company's functional currency. In the preparation of these financial statements, their financial statements in foreign currency have been translated based on the accounting policy set out in Note III.10.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

5. The determination methods and selection basis of materiality standards

The Group adheres to the principle of materiality in the preparation and disclosure of its financial statements. The matters disclosed in the notes to these financial statements that involve the judgment of materiality standards and their determination methods and selection basis are as follows:

Matters disclosed that involve judgements of materiality standards	Location of the disclosure of such matter in the notes to these financial statements	Determination methods and selection basis of materiality standards
Significant receivables after a single bad debt provision	V.7, 8	Amount exceeding RMB10 million
Significant Investment Activities	V. 55	The Company determines cash flows from investing activities where the individual amount exceeds 5% of the total assets as material cash flows from investing activities
Material contingent matters/ subsequent matters/other material matters	XIII, XIV, XV	Amounts exceeding RMB10 million and accounting for more than 10% of the absolute value of the most recent audited net assets of the listed company

6. Accounting methods for business combination under common control and not under common control

(1) *Business combination under common control*

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The assets and liabilities acquired by the Group, as the combining party, from the business combination under common control should be measured based on the book value in the ultimate controller's consolidated statements of the combined party on the combination date. The difference between the book value of the net assets acquired and that of the paid combination consideration shall be used to adjust the capital surplus. Where the capital surplus is insufficient for offset, retained earnings shall be adjusted.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

6. Accounting methods for business combination under common control and not under common control (Continued)

(2) Business combination not under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination.

The identifiable assets, liabilities and contingent liabilities acquired by the Group as the purchaser from the acquiree in the business combination not under common control are measured at fair value on the acquisition date. Positive balance between the combination cost and the fair value of the identifiable net assets of the acquiree obtained by the Group on the acquisition date shall be recognized as goodwill; If the combination cost is less than the fair value of the identifiable net assets of the acquiree obtained, the fair value of various identifiable assets, liabilities and contingent liabilities obtained in the business combination and the combination cost shall be re-checked first. If the rechecked combination cost is still less than the fair value of identifiable net assets of the acquiree obtained, the balance shall be included in current non-operating revenue.

7. Judgment criteria for control and preparation method of the consolidated financial statements

The scope of the Group's consolidated financial statements is based on control and the consolidated financial statements cover the Company and all of its subsidiaries (including structured entities controlled by the business, etc.). The criterion for the Group to judge a control exists is that the Group has power over the investee; and has exposure or rights to variable returns from its involvement with the investee's activities and has the ability to affect those returns through its power over the investee.

When the accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's accounting policies in preparing the consolidated financial statements.

The impact of internal transactions between the Company and its subsidiaries and among the subsidiaries on the consolidated financial statements is eliminated on consolidation. The share of the owner's equity of subsidiaries not attributable to the parent company and the current net profit or loss, other comprehensive income and the share of the total comprehensive income attributable to the minority interests shall be listed as "minority interests", "profit and loss of minority shareholders", "other comprehensive income attributable to minority shareholders" and "total comprehensive income attributable to minority shareholders" in the consolidated financial statements, respectively.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

8. Classification of joint arrangements and accounting treatment method for joint operations

The Group's joint arrangements include joint operations and joint ventures. Joint operations refer to the arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint venture arrangement whereby the parties that have joint control have rights to the net assets of the joint arrangement.

For joint operations, the Group, as the joint operator of the joint operations, recognises assets and liabilities solely held and liabilities assumed by the Group, recognises assets and liabilities jointly owned proportionally, and recognises income and expenses solely or proportionally based on the related agreements. When the Company incurs asset transactions of purchase and sales not constituting to business transactions, the Company only recognises the portion of profit or loss generated due to the transaction attributable to other parties of the joint operations.

9. Cash and cash equivalents

Cash shown in the cash flow statement of the Group refers to both cash on hand and the deposit held in bank available for payment at any time. Cash equivalent in the cash flow statement are held less than 3 months, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of value change.

10. Foreign currency transactions and foreign currency translation

(1) Foreign currency transactions

Foreign currency transactions of the Group are initially recorded using the spot exchange rate on the transaction date to convert the foreign currency amount into the functional currency amount. Monetary items denominated in foreign currencies are translated into functional currencies at the rates of exchange prevailing at the balance sheet date. All differences are taken to profit or loss, except when they are attributable to the foreign currency borrowings that are specifically for the purpose of acquisition, construction or production of qualifying assets and are accordingly capitalized.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

10. Foreign currency transactions and foreign currency translation (Continued)

(2) Translation of financial statements denominated in foreign currency

Financial statements of foreign operations are translated into RMB for the preparation of consolidated financial statements. Assets and liabilities items in the balance sheet denominated in foreign currency are translated at the spot exchange rate prevailing at the balance sheet date. The owners' equity items, except for the "retained earnings", are translated at the spot exchange rate when business occurs. Income and expenses items in the income statement are translated at the spot exchange rates or an exchange rate that approximates the spot exchange rates on the transaction dates. The translation differences arising from the above translation in statements denominated in foreign currency are presented in other comprehensive income item. Cash flows dominated in foreign currency are translated using the weighted average exchange rate at the date when the cash flow occurs. Effects on cash arising from the change of exchange rate are presented separately in the cash flow statement.

11. Branch capital management and transaction clearing principles

The capital of branches of the Company is allocated by the headquarters, and the transactions with branch customers are settled at the headquarters. The branches shall carry out confirmation of settlement orders with customers as required.

12. Customer futures deposits

(1) Classification of customer futures deposits

The Company's customer futures deposits include currency deposits and pledged deposits. Currency deposits are the future deposits in the form of currency received by the Company for execution of transactions on behalf of customers. Pledged deposits are the negotiable securities received by the Company for execution of transactions on behalf of customers, which are used to offset the futures deposits.

(2) Customer futures deposits management

The Company's customer futures deposits are managed in a way that they are deposited in and transferred to designated accounts, operate independently, and are strictly separated from the own funds of the Company.

The Company establishes separate records for customer futures deposits and conducts daily settlement without liabilities. It settles the gains or losses on customers' futures transactions according to the daily mark-to-market system, and calculates transaction fees based on the fee rate agreed with customers and daily trading volume (or trading value) of customers.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

12. Customer futures deposits *(Continued)*

(3) Accounting for customer futures deposits

1) Customer currency deposits

When the Company accepts customer orders, receives and deposits currency deposits into designated bank accounts, the Company recognises them as Monetary funds and currency deposits payable. When the Company accepts customer orders and carries out futures transactions, the Company recognises currency deposits receivable determined by futures exchanges and reduces Monetary funds accordingly. In clearing with customers, if customers' futures contracts on that day are profitable, the Company increases currency deposits receivable and currency deposits payable after deducting the commissions to be charged to customers based on the amount of profit stated in the settlement documents issued by futures settlement institutions. If customers' futures contracts on that day are making loss, the Company reduces currency deposits receivable and currency deposits payable after adding the commissions to be charged to customers based on the amount of loss stated in the settlement documents issued by futures settlement institutions.

2) Pledged deposits of customers

When the Company submits negotiable securities on behalf of customers to futures exchanges as deposits, it recognises pledged deposits receivable and pledged deposits payable based on the amount of deposits confirmed by futures exchanges. When the Company carries out transactions on behalf of customers through futures exchanges, the accounting treatment is the same as that for customer currency deposits. In case of changes in the value of negotiable securities, futures exchanges will adjust the confirmed deposits amount, and the Company will increase or reduce pledged deposits receivable and pledged deposits payable accordingly. When futures exchanges return negotiable securities to customers, the Company reduces pledged deposits receivable and pledged deposits payable based on the deposits amount confirmed by the futures exchanges.

13. Collateral management

The Company accepts standard warehouse receipts registered with exchanges as collaterals. The Company timely completes pledge procedures for collaterals provided by customers in accordance with the requirements of futures exchanges. If a customer incurs loss and fails to meet margin call in a timely manner, the Company will compulsorily liquidate its position as agreed and dispose of the collateral in accordance with the law. The proceeds from collateral disposal will be utilised to compensate for the loss, and any remaining amount will be returned to customers.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

14. Accounting for physical settlement

Upon expiry of futures contracts, the Company carries out physical settlement in accordance with the rules and procedures set by each futures exchange and conducts accounting based on the incurred amount of purchase settlement and sale settlement.

15. Financial instruments

(1) *Recognition and derecognition of financial instruments*

The Group recognizes a financial asset or a financial liability when it becomes a party to a financial instrument contract.

A financial asset (or part of a financial asset, or part of a group of similar financial assets) is derecognized, that is to be written off from its accounts and balance sheet, when the following conditions are met: 1) the rights to receive the cash flows from the financial asset have expired; 2) the rights to receive the cash flows from the financial asset have been transferred or an obligation to pay the collected cash flows in full and on a timely basis to third parties has been assumed under a “pass-through agreement; and either substantially all of the risks and rewards of ownership of the financial asset have been transferred or, although neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset, control over the financial asset has been relinquished.

A financial liability is derecognized if the obligation under the financial liability has been fulfilled, cancelled or expired. If an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified in its entirety, such replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference being recognized in profit or loss.

Regular way purchases and sales of financial assets are recognized and derecognized using the trade date accounting. Trade date is the date on which the Group commits to purchase or sell a financial asset.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(2) Classification and measurement of financial assets

The Group's financial assets are classified at initial recognition as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income ("FVOCI") and financial assets at fair value through profit or loss ("FVTPL") based on the business model in which the financial assets are managed and their contractual cash flow characteristics. All affected financial assets are reclassified when, and only if, the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, except for accounts receivable or notes receivable arising from the sale of goods or provision of services, etc., which do not contain significant financing components or do not take into account financing components that have been in existence for not more than one year, which are initially measured at the transaction price.

For financial assets at fair value through profit or loss, any related directly attributable transaction costs are charged profit or loss; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs.

The subsequent measurement of financial assets is determined by their classification:

1) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are classified as financial assets at amortized cost: ① the purpose of the business model for managing the financial assets is to receive contractual cash flows; ② the contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding. Interest income is recognized using the effective interest method for such financial assets. The gain or loss arising from derecognition, modification or impairment is recognized in profit or loss for the current period. The Group's financial assets in this category mainly include: Monetary funds, currency deposits receivable, trade receivables and other receivables.

2) Investments in debt instruments at fair value through other comprehensive income

Financial assets that meet the following conditions are classified as financial assets at FVOCI: ① the purpose of the business model for managing the financial assets is to receive contractual cash flows and to sell the financial assets; ② the contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding. Interest income is recognized using the effective interest method for such financial assets. Except for interest income, impairment losses and exchange difference which are recognized in profit or loss for the current period, the remaining changes in fair value are included in other comprehensive income. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred out of other comprehensive income and recognized in profit or loss for the current period. The Group's financial assets in this category mainly include: trade receivables financing.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(2) *Classification and measurement of financial assets* (Continued)

3) *Investments in equity instruments at fair value through other comprehensive income*

The Group has irrevocably elected to designate certain investments in equity instruments not held for trading as financial assets at fair value through other comprehensive income, and the designation, once made, cannot be revoked. The Group recognizes only the related dividend income (except for dividend income that is explicitly recognized as part of the cost of the investment being recovered) in profit or loss for the current period. Subsequent changes in fair value are recognized in other comprehensive income and no provision for impairment is required. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred out of other comprehensive income and recognized in retained earnings. The Group's financial assets in this category mainly include: investment in other equity instruments.

4) *Financial assets at fair value through profit or loss*

Financial assets other than those classified as financial assets at amortized cost and those classified or designated as financial assets at fair value through other comprehensive income as described above are classified by the Group as financial assets at fair value through profit or loss. Financial assets in this category are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss for the current period. The Group's financial assets in this category mainly include: financial assets held for trading, derivative financial assets.

(3) *Classification, recognition basis and measurement of financial liabilities*

The Group's financial liabilities are classified at initial recognition as: financial liabilities at fair value through profit or loss and financial liabilities at amortized cost. For financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss, and for financial liabilities at amortized cost, any related directly attributable transaction costs are included in their initial costs.

The subsequent measurement of financial liabilities is determined by their classification:

1) *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(3) *Classification, recognition basis and measurement of financial liabilities* (Continued)

2) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss (including derivatives which fall under financial liabilities) include financial liabilities held for trading and those designated on initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivatives which fall under financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in profit or loss. Financial liabilities designated as at fair value through profit or loss are subsequently measured at fair value, with all changes in fair value recognized in profit or loss, except for changes in fair value attributable to changes in the Group's own credit risk, which are recognized in other comprehensive income; If recognition of changes in fair value attributable to changes in the Group's own credit risk in other comprehensive income would cause or enlarge an accounting mismatch in profit or loss, the Group recognizes all changes in fair value, including the amount of the effect of changes in its own credit risk, in profit or loss.

(4) *Impairment of financial instruments*

On the basis of expected credit losses, the Group performs the impairment treatment and recognizes the provision for impairment losses on financial assets.

Expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). The following elements are reflected in the Group's consideration of method of measuring expected credit loss: ① an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes; ② the time value of money; ③ reasonable and reliable information about past events, current conditions and projected future economic conditions that can be obtained at the balance sheet date without unnecessary additional costs.

The Group assesses the expected credit losses of financial instruments on an individual basis and a collective basis. When the assessment is performed on a collective basis, the Group categorizes financial instruments into different groups based on shared credit risk characteristics. The shared credit risk characteristics adopted by the Group include: type of financial instruments, credit risk ratings, past due status, ageing of receivables, etc.

The Group's assessment of the impairment of financial instruments using the expected credit loss model requires making significant judgments and estimates, 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 industry risk and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

1) Impairment of financial assets

The Group recognises provisions based on expected credit losses for financial assets measured at amortised cost and investments in debt instruments at fair value through other comprehensive income.

The Group recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under a contract and the cash flows expected to be received, taking into account reasonable and reliable information about past events, current conditions, projected future economic conditions and others, weighted by the risk of default.

At each balance sheet date, the Group measures expected credit losses separately for financial instruments in different stages. For financial instruments with no significant increase in credit risk since initial recognition, which are at stage 1, the Group measures the loss allowances on the basis of expected credit loss in the next 12 months; For financial instruments with a significant increase in credit risk since initial recognition, but not yet impaired, which are at stage 2, the Group measures the loss allowances on the basis of expected credit loss for lifetime of the instrument; For financial instruments that have been impaired since initial recognition, which are at stage 3, the Group measures the loss allowances on the basis of expected credit loss for lifetime of the instrument.

For financial instruments with lower credit risk at the balance sheet date, the Group measures the loss allowances on the basis of expected credit losses in the next 12 months, assuming that there has been no significant increase in credit risk since initial recognition.

The Group calculates interest income on financial instruments at stages 1 and stage 2 and with lower credit risk, based on their carrying amounts before provision for impairment and effective interest rates. For financial instruments at stage 3, interest income is calculated on the basis of the amortized cost with provision for impairment deducted from their carrying amount and effective interest rate.

Expected credit losses are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition, and the increase or reversal of the loss provision resulting therefrom is recognised as an impairment gain or loss in profit or loss.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

2) Impairment of accounts receivable

For account receivables from basis trading business, whether it contains significant financing components, the Group always adopts the simplified approach and measures its loss provisions in accordance with the amount of expected credit losses for the full lifetime period, and the increase or reversal of the loss provision resulting therefrom is recognised as an impairment gain or loss in profit or loss.

For expected credit losses measured on portfolio basis, the proportion of loss provision for the expected credit losses is estimated based on the portfolio of ageing credit risk characteristics.

The basis to determine the portfolio

The portfolio of risk	Grouped by ageing of accounts receivable of various natures as a credit risk

Accrual method for provision for bad debts by portfolio

The portfolio of risk	Taking into account various natures of amounts and with reference to historical credit loss experience, current situation and forecasts of future economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates, to calculate the expected credit loss.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

3) Grouping of other receivables and basis of determination

For other receivables, the Group is unable to obtain sufficient evidence of significant increase in credit risk at a reasonable cost at the level of individual instruments, and it is feasible to assess whether there is a significant increase in credit risk on a portfolio basis. Therefore, the Group groups other receivables according to the type of financial instruments, credit risk ratings, dates of initial recognition, and remaining contractual maturity as the shared risk characteristics and considers and assesses whether there is a significant increase in credit risk on a portfolio basis.

To measure expected credit losses on a portfolio basis, the Group estimates the provision ratio of credit losses in accordance with the corresponding ageing credit risk characteristics portfolio.

The basis to determine the portfolio

The portfolio of risk	Grouped by ageing of accounts receivable of various natures as a credit risk

Accrual method for provision for bad debts by portfolio

The portfolio of risk	Taking into account various natures of amounts and with reference to historical credit loss experience, current situation and forecasts of future economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates, to calculate the expected credit loss.

The Group groups other receivables categorized into risk portfolios based on similar credit risk characteristics (aging) and on all reasonable and reliable information, including forward-looking information.

Other receivables arising from non-operating, low-risk businesses are individually impaired based on the nature of the business.

For other receivables with collateralized pledges, the original value less the recoverable value of the collateral is used as a risk exposure to estimate credit losses.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(5) *Basis of Recognition and Measurement of Transfers of Financial Assets*

For a transaction involving the transfer of a financial asset, if substantially all of the risks and rewards of ownership of the financial asset has been transferred, the Group derecognizes the financial asset; if it has retained substantially all of the risks and rewards of ownership of the financial asset, the financial asset will not be derecognized; if it has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset, but control over the financial asset has been waived, the Group would derecognize the financial asset and recognize the resulting assets and liabilities; where control over the financial asset has not been waived, the Group would recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognize the related liability accordingly.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the carrying amount of the financial asset transferred at the date of derecognition and the sum of the consideration received from the transfer and, any cumulative changes of fair value that have been recognized directly in other comprehensive income for the part derecognized is recognized in profit or loss for the current period (the financial asset transferred meets the following conditions: ① the purpose of the Group's business model for managing the financial assets is to receive contractual cash flows and to sell the financial assets; ② the contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding, similarly hereinafter).

Where a partial transfer of a financial asset meets the criteria for derecognition, the overall carrying amount of the financial asset transferred is allocated between the derecognized portion and the non-derecognized portion in accordance with their respective relative fair values, and the difference between the sum of the consideration received from the transfer and any cumulative changes of fair value that have been recognized directly in other comprehensive income for the part derecognized which shall be allocated to the derecognized portion and the apportioned overall carrying amount of the aforementioned financial assets is recognized in profit or loss for the current period.

When a continuing involvement is recognized by means of a financial guarantee over the transferred financial assets, assets resulting from the continuing involvement are recognized at the lower of the carrying amount of the financial assets and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration received that will be required to be repaid.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(6) *Derivative financial instruments*

Derivative financial instruments are initially measured at fair value at the date the derivative contract is entered into and are subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset and those with a negative fair value are recognized as a liability.

Gains or losses arising from changes in the fair value of derivatives are recognized directly in profit or loss for the period.

(7) *Offsetting of financial assets and financial liabilities*

Financial assets and financial liabilities are presented separately by the Group in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset, and the net amount is presented in the balance sheet when both of the following conditions are satisfied: ① the Group currently has a legally enforceable right to set off the recognized amounts; ② the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

16. Inventory

Inventories are initially measured at cost. Cost of inventories comprises costs of purchase, processing cost and other costs. Inventories are maintained on a perpetual basis. The actual cost of inventories is determined using the first-in first-out method when the inventories are claimed or issued.

At the balance sheet date, inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes. The net realisable value of the inventory held to satisfy sales or service contracts is measured based on the contract price, and the excess portion of inventories is measured based on general selling prices, to the extent of the quantities specified in sales contracts. Any excess of the cost over the net realisable value of each item of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss for the current period.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

17. Long-term equity investments

The Group's long-term equity investments include investments in subsidiaries, investments in associates and equity investments in joint ventures.

(1) *Judgement on significant influence, common control*

The Group's judgment on common control is based on the fact that all participants or groups of participants collectively control the arrangement and the policies for the activities related to the arrangement must be 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, directly or indirectly through subsidiaries, more than 20% but less than 50% of the investee's voting rights. If the Group owns less than 20% of the investee's voting rights, the Group's significant influence over the investee should be determined by taking into account the facts and circumstances, such as representation on the investee's board of directors or similarly empowered body, participation in the investee's financial and operating policy making process, significant transactions with the investee, dispatch of management personnel to the investee, or provision of critical technical information to the investee.

(2) *Accounting method*

The Group initially measures long-term equity investments acquired at initial investment cost.

The initial investment cost of long-term equity investment acquired through business combination involving entities under common control is the share of the carrying amount of the net assets of the party to be combined at the combination date in the consolidated statements of the ultimate controlling party; where the carrying amount of the net assets of the party to be combined at the combination date is negative, the initial investment cost is determined as nil.

The initial investment cost of long-term equity investment acquired through business combination involving entities not under common control is the combination cost, which includes the sum of the fair value of assets paid, liabilities incurred or assumed, and equity securities issued by the purchaser.

The initial investment cost of long-term equity investments acquired other than through business combination is the purchase price actually paid and the fees, taxes and other necessary expenditures directly related to the acquisition of the long-term equity investments. For long-term equity investments acquired through issue of equity securities, the fair value of the equity securities issued is treated as their investment cost.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

17. Long-term equity investments (Continued)

(2) Accounting method (Continued)

The Company's investments in subsidiaries are accounted for under the cost method in the separate financial statements. Under the cost method, long-term equity investments are carried at initial investment cost. When additional investments are made, the carrying value of the cost of long-term equity investments is increased by the fair value of costs paid for the additional investment and related transaction costs incurred. Cash dividends or profits declared by the investee are recognized as investment income in the amount to which they are attributable.

The Group's investments in joint ventures and associates are accounted for using the equity method. Under the equity method, if the initial investment cost of a long-term equity investment is greater than the share of fair value of the investee's identifiable net assets at the time of investment, no adjustment is made to the carrying amount of the long-term equity investment; if the initial investment cost of a long-term equity investment is less than the share of fair value of the investee's identifiable net assets at the time of investment, the difference is adjusted to the carrying amount of the long-term equity investment and included in profit or loss for the period in which the investment is acquired.

For long-term equity investments accounted for using the equity method for subsequent measurement, the carrying amount of the long-term equity investment is increased or decreased in accordance with the owners' equity changes of the investee during the period in which the investment is held. In recognizing the share of net profit or loss of the investee, the fair value of each identifiable asset of the investee at the time of investment acquisition is used as the basis for calculating the portion attributable to the Group in proportion with unrealized internal transaction gains and losses arising from transactions with associates and joint ventures that do not constitute a business being offset, in accordance with the Group's accounting policies and accounting period (recognize in full if the internal transaction losses falls into impaired losses of assets), adjustment to net profit of the investee is made before recognition. The Group recognizes net losses incurred by the investee to the extent that the carrying amount of the long-term equity investment and other long-term interests that in substance form part of the Group's net investment in the investee are written down to zero, except to the extent that the Group has an obligation to assume additional losses.

The difference between the carrying value and the actual acquisition price of the long-term equity investments disposed of is recognized as investment income for the current period.

If a long-term equity investment accounted for by the equity method is included in the owners' equity due to changes in owners' equity of the investee other than net profit or loss, the portion of the investment that was previously included in owners' equity is transferred to the investment income or loss for the current period in proportion on disposal of the investment.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

17. Long-term equity investments (Continued)

(2) Accounting method (Continued)

If joint control or significant influence over the investee is lost due to the disposal of a portion of equity investment, the remaining equity after the disposal is accounted for in accordance with the relevant provisions of financial instrument recognition and measurement standards, with the difference between the fair value and the carrying amount of the remaining equity at the date of the loss of joint control or significant influence recognized in profit or loss for the current period. Other comprehensive income recognized originally as a result of the accounting of an equity investment using equity method is accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee when the accounting using equity method is discontinued.

If control over the investee is lost due to the disposal of a portion of long-term equity investment, and the remaining equity after the disposal can exercise joint control or significant influence over the investee, the investment shall be accounted for under equity method, with the difference between the carrying amount of the equity disposed of and the consideration for the disposal recognized in investment income, and the remaining equity shall be adjusted as if it were accounted for using equity-method since its acquisition; if the remaining equity after the disposal cannot exercise joint control or significant influence over the investee, it is accounted for in accordance with the relevant provisions of financial instrument recognition and measurement standards, with the difference between the carrying amount of the equity disposed of and the consideration for the disposal recognized in investment income, and the difference between the fair value and the carrying amount of the remaining equity at the date of the loss of control recognized in investment income or loss for the current period.

18. Investment properties

The Group's investment properties are properties held for earning rentals or for capital appreciation, or both, and are measured by fair value model.

There is an active real estate trading market for the Group's investment properties, and the Group is able to obtain market prices and related information for similar properties from the market and is able to make reasonable estimates of the fair value of investment properties on an ongoing basis; therefore, the Group has elected to subsequently measure investment properties at fair value.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

19. Fixed assets

Fixed assets represent the tangible assets held by the Group for use in production, provision of services, rental or for administrative purposes with a useful life of over one year and their unit value is over RMB2,000.

Fixed assets are recognised when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. The Group's fixed assets include plants and buildings, electronic equipment, transportation equipment and office equipment, etc.

The Group depreciates all fixed assets, except for fully depreciated fixed assets that continue to be used and land that is separately recorded in the accounts. Depreciation is provided using the average life method. The categorized depreciable lives, estimated net residual values and depreciation rates of the Group's fixed assets are as follows:

Fixed assets	Useful life	Residual value rate	Depreciation rate
Plants and buildings	10–33 years	5%	2.88%–9.5%
Motor vehicles	10 years	5%	9.5%
Office equipment	4–5 years	0%–5%	19%–25%
Electronic equipment	3–5 years	0%–5%	19%–33%

The Group reviews the estimated useful lives, estimated net residual values and depreciation methods of fixed assets at the end of each year and treats changes, if any, as changes in accounting estimates.

20. Intangible assets

The Group's intangible assets include software and customer relationships, which are measured at actual cost at the time of acquisition. Acquired intangible assets are measured at actual cost based on the price actually paid and related other expenses. The actual cost of intangible assets invested by investors is determined at the value agreed in the investment contract or agreement, but if the agreed value in the contract or agreement is not fair, the actual cost is determined at fair value. Intangible assets acquired in a combination under different control that are owned by the acquiree but not recognized in its financial statements are recognized as intangible assets at fair value upon initial recognition of the acquiree's assets.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

20. Intangible assets (Continued)

(1) *Useful life and the basis for its determination, estimation, amortisation method or review procedure*

Land use rights are amortised equally over their useful lives from the commencement date of the grant; application software is amortised equally over the shortest of the estimated useful life, the contractually stipulated beneficial life and the legally stipulated effective life. The amortised amount is included in the cost of the related assets and in profit or loss according to the beneficiary. The estimated useful lives and amortization methods of intangible assets with finite useful lives are reviewed at the end of each year, and any changes are treated as changes in accounting estimates.

As a result of the review, the useful lives and amortisation methods of intangible assets at the end of the Reporting Period have not changed from the previous estimates.

(2) *Scope of research and development expenditure and related accounting treatment*

The scope of the Group's research and development expenditure includes employee benefits of research and development personnel, direct input costs, depreciation and other expenses.

The Company treats information and related preparatory activities for further development activities as the research phase. Expenditures on intangible assets during the research phase are charged to profit or loss as incurred. Development activities that are carried out after the Company has completed the research phase are classified as the development phase. Expenditures during the development phase can be recognised as intangible assets when the following conditions are met: ① the technical feasibility of completing the intangible asset so that it will be available for use or sale; ② its intention to complete the intangible asset and use or sell it; ③ how the intangible asset will generate probable future economic benefits, among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; ④ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; ⑤ its ability to measure reliably the expenditure attributable to the intangible asset during the development phase.

21. Impairment of long-term assets

The Group examines long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful life at each balance sheet date, and performs impairment tests when there is an indication of impairment. Goodwill and intangible assets with indefinite useful life and development expenditure that has not yet reached its intended usable state are tested for impairment at the end of each period, regardless of whether there is an indication of impairment.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

21. Impairment of long-term assets (Continued)

(1) *Impairment of non-current assets other than financial assets (excluding goodwill)*

The Group determines the recoverable amount of an asset based on the higher of the asset's net fair value less costs of disposal and the present value of the asset's expected future cash flows when performing an impairment test. If, after impairment testing, the carrying amount of the asset exceeds its recoverable amount, the difference is recognised as an impairment loss.

The Group estimates the recoverable amount of an asset on an individual basis. Where it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of an asset group is determined on the basis of the asset group to which the asset belongs. The identification of an asset group is based on whether the major cash inflows generated from the asset group are independent of those from other assets or asset groups.

Fair value, net of disposal costs, is determined by reference to an agreed price for the sale of a similar asset in an arm's length transaction or an observable market price, less incremental costs that are directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or group of assets and select an appropriate discount rate to determine the present value of the future cash flows.

(2) *Impairment of goodwill*

The Group allocates the carrying amount of goodwill arising from a business combination to the relevant asset group in a reasonable manner from the date of acquisition, or to the combination of asset groups if it is difficult to allocate the goodwill to the relevant asset group. When testing for impairment of the relevant asset group or combination of asset groups that contains goodwill, if there is any indication of impairment for the asset group or combination of asset groups related to goodwill, the asset group or combination of asset groups that does not contain goodwill is first tested for impairment, the recoverable amount is calculated and compared with the relevant carrying amount, and the corresponding impairment loss is recognised; and then the asset group or combination of asset groups that contains goodwill is tested for impairment, and the carrying amount is compared with their recoverable amount. If the recoverable amount is lower than the carrying amount, the amount of the impairment loss shall first be offset against the carrying amount of goodwill allocated to the asset group or combination of asset groups, and then against the carrying amount of each other asset proportionally according to the proportion of the carrying amount of each other asset other than goodwill in the asset group or combination of asset groups.

Impairment losses on the above assets, once recognised, are not reversed in subsequent accounting periods.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

22. Employee benefits

The employee benefits of the Group include short-term compensation, post-employment benefits, and termination benefits.

Short-term benefits mainly include employee wages, bonuses, social insurance premiums and housing provident funds paid for employees, union funds withdrawn in accordance with the regulations, education funds and welfare expenses for employees. Short-term benefits actually incurred during the accounting period in which the employee provide services are recognised as liabilities and included in the profit or loss or the cost of the related assets in accordance with the beneficiary.

Post-employment benefits, mainly comprising basic endowment insurance premiums, unemployment insurance and enterprise pensions, are classified as defined contribution plans in accordance with the risks and obligations assumed by the Company. For defined contribution plans, contributions made to a separate entity at the balance sheet date in exchange for services rendered by employees during the accounting period are recognised as a liability and included in profit or loss or in the cost of the related assets according to the beneficiary. Pursuant to the relevant provisions of the Trial Measures for Enterprise Annuity, the Group's employees participate in the enterprise annuity plans considered and approved at the employee representative meeting and filed with the labour security administrative departments. The contribution amount of enterprise annuity is calculated according to the annuity plan.

When the Group cannot unilaterally withdraw the dismissal welfare provided due to the labor relationship termination plan or the redundancy offer, or when the costs or expenses (whichever is earlier) related to reorganization concerning the dismissal welfare payment are recognized, the liabilities of the employee compensation arising from dismissal welfare shall be recognized and included in profit or loss. Compensation payments made in excess of one year are discounted and recognised in profit or loss.

23. Futures risk reserve

(1) *Methods and uses of provision*

In accordance with the requirements of the Notice of the Tentative Provisions for the Financial Management of Commodities Futures Trading (Cai Shang Zi [1997] No. 44), the Company appropriates the futures risk reserve based on 5% of the fee income net of relevant expenses payable to futures exchanges. Futures risk reserve is specially used to make up for the loss caused by wrong single transactions of the Company, etc. The appropriation for futures risk reserve ceases when it reaches 10 times the registered capital of the Company.

In case of the following, risk loss is recognised and futures risk reserve is reduced: ① loss on liquidation of wrong single contracts; ② unaccountable risk loss due to the Company's own reasons; ③ unrecoverable risk loss due to customers' reasons.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

23. Futures risk reserve (Continued)

(2) Accounting

The Company sets aside 5% of net agency fee income after deducting futures exchange fees payable as futures risk reserve, which is included in profit or loss and the “futures risk reserve” item at the same time. If futures risk reserve is utilised for intended uses, the balance of futures risk reserve is reduced to the extent of zero, and any excess is included in profit or loss.

24. Estimated liabilities

If the obligation related to a contingency is a present obligation of the Group, and it is probable that the settlement of the obligation will result in an outflow of economic benefits from the Group, and the amount can be measured reliably, the Group will recognize a provision.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. If there is a continuous range of required expenditure and the probability of various results within the range is the same, the best estimate shall be determined according to the middle value within the range; in other cases, the best estimate shall be handled as follows:

- ① If the contingency involves a single item, it shall be determined according to the most likely amount;
- ② If the contingency involves multiple projects, it shall be determined according to various possible results and relevant probability calculation.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

25. Revenue

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers. The following are the details of the accounting policies regarding revenue from the Group's principal activities:

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

25. Revenue (Continued)

(1) Fee income

Fee income from futures and options brokerage is recognised on the date of agency transaction. According to futures and options agency contracts, the Group recognises the fee income based on the fee charged to customers and the net amount after deducting the collected fee paid to the exchange.

Refund and reduction of handling fees from futures exchanges are recognised by the Group when the settlement of exchange funds is completed or when it is expected that the amount of exchange reimbursement reductions can be obtained.

The handling fee for asset management business is recognised when the Group has the right to receive income in accordance with the asset management agreement.

The Group recognises income from risk management business in accordance with the risk management business contracts.

(2) Interest income

Interest income is calculated and determined according to the time of money lending and the effective interest rate.

(3) Investment gains

Gains or losses on disposal of financial instruments and dividends received are recognised as investment income on the date of transaction.

(4) Gains or losses on fair value changes

Gains and losses arising from changes in the fair values of financial instruments are recognised on the balance sheet date at the difference between the fair value and the carrying amount.

(5) Income from other business activities

Income from other business activities is mainly from sales of goods and rendering of advisory services.

The Group recognises income from sales of goods when the Group has transferred the right to spot goods to the customer after receiving goods payment according to the contract and the customer has obtained control over the goods. The Group recognises income from sales of goods on gross basis as it is the principal that controls the goods before they are sold and is liable for storage, damage and loss of goods, assumes the price fluctuation risks of goods and promises to provide the specified goods under the terms of the contract. For portions that do not meet the gross basis accounting requirements, the Group recognises income on a net basis.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

25. Revenue (Continued)

(5) *Income from other business activities* (Continued)

Effective from 1 January 2025, in accordance with the Rules for the Management of Commodity Risk Management Business by Futures Risk Management Companies, the Company recognises income from capital-based business on a net basis, and recognises income from the following trading businesses on a net basis: (I) businesses where purchase and sales contracts are executed on the same trading day with a determined buy-sell spread; (II) businesses where delivery and receipt of goods with both upstream and downstream parties are completed on the same trading day; (III) businesses where both purchase and sales are conducted through the same exchange's over-the-counter platform or the same spot trading platform; (IV) businesses where both upstream and downstream parties are financial institutions or futures risk management companies; (V) businesses where the downstream party has a related relationship with the Company; (VI) other businesses that, under the Accounting Standards for Business Enterprises or as determined by the audit department or accounting firm, shall be recognised on a net basis. The above situations apply to the purchase and sale of the same batch of goods, and if goods cannot be distinguished by batch, they shall apply to goods of the same variety and quality standard. If conducting trade in tandem, the Company shall adjust inventory costs and not recognise income.

According to the Ministry of Finance's Q&A on the Implementation of the 2025 Financial Instruments Standards ("If an enterprise frequently buys and sells standard warrant (i.e., standardized delivery certificates issued by delivery warehouses and registered with futures trading venues) on futures trading venues to make profit from their short-term price fluctuations and does not involve physical withdrawal of the commodities corresponding to the standard warrant, how should the accounting treatment be carried out?"), if the Group obtains a standard warrant in accordance with contracts and then sells it within a short period of time, it should not recognize sales revenue, but should record the difference between the consideration received and the book value of the standard warrant sold as investment income; if the Group holds unsold standard warrant at the end of the period, it should present them as other current assets.

The Group recognises income from advisory services according to the performance progress of advisory services.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

26. Government subsidies

Government grants are recognised when the conditions attaching to them can be met and when they are receivable. Government grants that are monetary assets are measured at the actual amount received, or at the amount receivable if the grant is provided at a fixed rate or there is conclusive evidence at the end of the year that the conditions set out in the financial support policy have been complied with and the grant is expected to be received; government grants that are non-monetary assets are measured at fair value, or at the nominal amount (RMB1) if the fair value is not reliably obtainable.

The Group's government grants include asset-related government grants and revenue-related government grants. Among them, asset-related government grants refer to government grants obtained by the Group for the purpose of acquiring or otherwise forming long-term assets; revenue-related government grants refer to government grants other than asset-related government grants. If the targets of the grants are not specified in the government documents, the Group makes judgement in accordance with the above principles of differentiation, and if it is difficult to differentiate them, they are categorised as revenue-related government grants as a whole.

Government grants relating to assets acquired by the Group are recognised as deferred income and phased into profit or loss on an equal basis over the useful life of the related assets.

If the related assets are sold, transferred, retired or damaged before the end of their useful life, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

If a government grant related to income acquired by the Company is to compensate the related cost, expenses or losses to be incurred in subsequent periods, it is recognized as deferred income, and is recognized in profit or loss for the period when the related cost, expenses or losses incurred. If a government grant is related to the ordinary activities, it is included in other income based on the economic substance of the business. Government grants not related to the ordinary activities are included in non-operating income.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

27. General risk reserve

The Company appropriates 10% of its net profit for the current period to the general risk reserve in accordance with the Rules on the Accounting by Financial Enterprises and the Implementation Guidance of Rules on the Accounting by Financial Enterprises.

28. Deferred income tax assets and deferred income tax liabilities

The Group's deferred income tax assets and deferred income tax liabilities are recognised on the basis of differences between the tax bases of assets and liabilities and their carrying amounts, as well as temporary differences arising from differences between the tax bases of items that are not recognised as assets and liabilities but whose tax bases can be determined in accordance with the provisions of the tax law.

Deferred income tax assets are recognized for deductible losses that can be offset against taxable income in subsequent years in accordance with the provisions of the tax law. For temporary differences arising from the initial recognition of goodwill, no corresponding deferred income tax liabilities are recognized. For temporary differences arising from the initial recognition of assets or liabilities in transactions other than business combinations that affect neither accounting profit nor taxable income (or deductible losses), the corresponding deferred income tax assets and deferred income tax liabilities are not recognized. At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

The Group recognizes deferred income tax assets to the extent that it is probable that future taxable income will be available against which deductible temporary differences, deductible losses and tax credits can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

- ① the taxable entity has a legally enforceable right to offset current tax assets and current tax liabilities;
- ② they relate to deferred income tax assets and deferred income tax liabilities levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or deferred income tax assets are expected to be settled or recovered.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

29. Lease

Lease is a contract that a lessor transfers the right to use an identified asset for a period of time to a lessee in exchange for consideration.

At inception of a contract, the Group assesses whether the contract is a lease or contains a lease. If one party under the contract transfers one or more of the right to use of the identified asset within a period of time in exchange for consideration, the contract shall be considered as a lease or containing lease.

To assess whether a contract conveys the rights to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use:

- ① Whether the contract involves the use of the identified assets. The identified asset may be explicitly specified by the contract or implicitly specified when the asset is available to the customer, and the asset is physically distinguishable, or if some part of the asset's capacity or other part is physically indistinguishable but substantially represents the entire capacity of the asset, thereby enabling the customer to reap virtually all of the economic benefits arising from the use of the asset. The asset is not an identified asset if the supplier of the asset has substantial replacement rights for the asset throughout its use;
- ② Whether the lessee is entitled to the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use;
- ③ Whether the lessee has the right to direct the use of the identified asset during the period of use.

Where the contract contains multiple lease components, the lessee and the lessor shall separate the lease components and account for each individual lease component separately. Where the contract includes both the lease and the non-lease component, the lessee and the lessor shall separate the lease and non-lease components. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

29. Lease (Continued)

(1) The Group as a lessee

On the commencement date of lease period, the Group recognises right-of-use assets and lease liabilities on leases. The right-of-use assets are initially measured at cost, including the initial measurement amount of lease liability, the lease payment amount paid on or before the commencement date of lease period, net of the relevant amount of lease incentives enjoyed, initial direct costs incurred and the estimate cost of dismantling and removing leased assets, restoring the leased assets or restoring the leased assets to the agreed conditions of the lease term.

The Group depreciates the right-of-use assets using the straight-line method. Where the ownership of the leased asset can be reasonably determined at the end of the lease term, the Group shall provide for depreciation over the remaining useful life of the leased asset. Otherwise, the leased asset shall be depreciated during the shorter of the lease term and the remaining useful life of the leased asset. Impairment losses are recognised in accordance with the accounting policy described in Note III.21.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group calculates interest expenses in each period during the lease term based on a constant periodic rate of interest, and recognizes the interest expenses in profit or loss of such period or part of the cost of other related assets. Variable lease payments not included in the measurement of the lease liability are recognised in profit or loss or part of the cost of another related asset as incurred.

After the commencement date, the Group remeasures the lease liability by discounting the revised lease payments, if either:

- ① there is a change in the amounts expected to be payable under a residual value guarantee;
- ② there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- ③ there is a change in the assessment of an option to purchase, to extend or terminate the lease, or the exercise of the option to extend or terminate the lease is different from the previous assessment.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

29. Lease (Continued)

(1) The Group as a lessee (Continued)

When the lease liability is re-measured, the Group recognises the carrying amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in profit or loss of such period.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (leases that have a lease term of 12 months or less) and leases of low-value assets, and recognised the lease payments associated with these leases in profit or loss of such period or part of the cost of another related assets on a straight-line basis over the lease term.

(2) The Group as a lessor

Properties held by the Group as a lessor to earn rentals and for capital appreciation are accounted as investment properties.

During each period of the lease term, the Group uses the straight-line method to recognise the lease payments from operating leases as rental income.

30. Fair value measurement

The Group measures financial assets held for trading, investment properties, derivative financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

For financial instruments traded in active markets, the Group determines its fair value with its active market quotation; for financial instruments that are not traded in active markets, the Group uses valuation techniques to determine their fair values. The valuation models used are mainly cash flow discount models.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

30. Fair value measurement (Continued)

Level 3 fair value is based on the Group's valuation models, such as discounted cash flows, Bloomberg OVML function, Black-Scholes PDE, Clark Nielsen finite difference method for solving partial differential equations, Valuation of underlying financial instruments and contract allocation method. The Group also considers the original transaction price, recent transactions of the same or similar instruments and completed third-party transactions in comparable instruments.

At each balance sheet date, the Group reassesses the assets and liabilities recognised in the financial statements that have been measured at fair value on a continuous basis to determine whether there has been a transition between fair value measurement levels.

31. Segment reporting

Reportable segments are identified based on the structure of the Group's internal organisation, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the laws and administrative regulations. Reportable segments are identified based on operating segment taking into consideration of the materiality principle.

In preparing segment reports, the Group measures the revenue from inter-segment transactions based on the actual transaction price. The accounting policies adopted for the preparation of segment reports are consistent with those adopted for the preparation of the Group's financial statements.

32. Significant accounting estimates and judgments

The preparation of the financial statements requires management of the Group to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following accounting estimates and key assumptions carry a significant risk of causing significant adjustments to the carrying amounts of assets and liabilities in future periods.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

32. Significant accounting estimates and judgments (Continued)

(1) *Provision for impairment of financial assets*

On the basis of expected credit losses, the Group performs the impairment treatment and recognises the provision for impairment losses on debt investments, other debt investments, assets arising from carrying out financing operations (including margin financing and securities lending, agreed repurchase, stock pledge repurchase, etc.), as well as placement (lending) of funds or securities in money market, accounts receivable and financial lease receivables.

Based on the classification and nature of the above financial assets, combined with its own risk management practices and the relevant requirements of the impairment guidelines, the Group establishes an expected credit loss model to measure impairment losses on the above financial instruments based on a probability-weighted average, taking into account the time value of money and reasonable and reliable information about past events, current conditions and projected future economic conditions that can be obtained at the balance sheet date without unnecessary additional costs or effort. The assumptions, parameters, data sources and measurement procedures associated with the expected credit loss model require the Company's professional judgment, and changes in the assumptions of these relevant factors can affect the results of the expected credit loss calculations for 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 Company 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.

(2) *Impairment of non-current assets other than financial assets*

The Group makes judgement to determine whether non-current assets other than financial assets are likely to be impaired on the balance sheet date. When conducting an impairment test, if the carrying amount of an asset or asset group is higher than its recoverable amount, it indicates that an impairment has occurred. When estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or group of assets and select an appropriate discount rate to determine the present value of the future cash flows.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

32. Significant accounting estimates and judgments (Continued)

(3) Fair value of financial instruments

For financial instruments where there is a lack of active market, the Group uses valuation methods to determine their fair value. Valuation methods include referring to the transaction price determined when fair transactions are conducted between economic entities with complete information and willingness to buy and sell in the market, referring to the fair value of another similar financial instrument in the market, or using cash flow discount analysis and option pricing model to estimate. Valuation methods maximise the use of observable market information. However, when observable market information is unavailable, the management will estimate the significant non-observable information included in the valuation methods.

(4) Income tax and deferred income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. In accordance with relevant tax laws and regulations, the Group carefully evaluates the income tax implications of transactions and make tax provisions accordingly. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available against which the deferred income tax assets can be utilised.

(5) Determination of the consolidated scope

All facts and circumstances shall be considered when assessing whether the Group acts as an investor to control the investee. The definition of control includes the following three elements: 1) the power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; 3) has the ability to affect those returns through its power over the investee. If there are facts and circumstances that indicate that one or more of the factors mentioned above changed, the Group is required to reassess whether it controls the investee.

For structured entities managed and invested by the Group, the Group will assess whether its maximum risk exposure to the structured entities, together with the variable returns generated by the remuneration of its managers, is significant enough to indicate that the Group has control over its structured entities. If the Group has control over the structured entities under management, the structured entities shall be included in the consolidated scope of the consolidated financial statements.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

33. Significant changes in accounting policies and accounting estimates

(1) Significant changes in accounting policies

- ① On 15 November 2024, the China Futures Association issued the Administrative Rules for Commodity Risk Management Businesses of Futures Risk Management Companies (《期貨風險管理公司大宗商品風險管理業務管理規則》), which regulate the commodity risk management business of futures risk management companies. Trading business income that falls into the circumstances stipulated by these administrative rules should be accounted for using the net method. These rules took effect from 1 January 2025.
- ② On 8 July 2025, the Ministry of Finance issued the Ministry of Finance: Q&A on the Implementation of Accounting Standards for Business Enterprises – Q&A on Accounting Treatment Related to Standard Warrant Transactions (《財政部：企業會計準則實施問答－標準倉單交易相關會計處理實施問答》). If the Group obtains a standard warrant in accordance with the aforementioned contracts and then sells it within a short period of time, it should not recognize sales revenue, but should record the difference between the consideration received and the book value of the standard warrant sold as investment income; if the Group holds unsold standard warrant at the end of the period, it should present them as other current assets.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

33. Significant changes in accounting policies and accounting estimates (Continued)

(1) Significant changes in accounting policies (Continued)

This retrospective adjustment by the Group has no impact on the total profit and net profit for the current period and each prior period. The principal effects on the Group's prior period consolidated financial statements are as follows:

Affected items	2024/1 January 2025			2023/1 January 2024		
	Before adjustment	Adjustment amount	After adjustment	Before adjustment	Adjustment amount	After adjustment
Other operating income	2,472,717,013.03	-2,464,560,107.63	8,156,905.40	1,637,764,240.16	-1,632,227,241.38	5,536,998.78
Other operating costs	2,508,673,146.05	-2,502,571,512.91	6,101,633.14	1,634,446,294.37	-1,631,287,874.94	3,158,419.43
Investment gains	72,859,607.17	-38,011,405.28	34,848,201.89	-26,380,162.72	939,366.44	-25,440,796.28
Inventory	409,626,350.92	-409,626,350.92	-	64,018,473.68	-64,018,473.68	-
Other assets	83,821,463.44	409,626,350.92	493,447,814.36	31,719,217.22	64,018,473.68	95,737,690.90
Asset impairment loss	11,376,949.55	-11,376,949.55	-	-	-	-
Gains from changes in fair value	38,768,821.84	-11,376,949.55	27,391,872.29	26,438,346.42	-	26,438,346.42
Contract liabilities	-	-	-	446,185.04	-446,185.04	-
Other liabilities	-	-	-	-	446,185.04	446,185.04
Cash received from sale of goods and rendering of services	2,777,362,371.64	-2,777,362,371.64	-	1,837,396,214.38	-1,837,396,214.38	-
Cash paid for goods and services	2,986,392,832.18	-2,986,392,832.18	-	1,903,298,871.62	-1,903,298,871.62	-
Net increase from disposal of financial assets relating to risk management business	72,633,889.45	-72,633,889.45	-	-	-	-
Net decrease from disposal of financial assets relating to risk management business	-	136,396,571.09	136,396,571.09	10,196,016.30	65,902,657.24	76,098,673.54

(2) Significant changes in accounting estimates

Nil

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

IV. Taxation

1. Main types of taxes and corresponding tax rates

The main types of taxes and corresponding tax rates applicable to the Company and its subsidiaries are as follows:

Types of tax	Tax base	Tax rate
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue according to taxation laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable	6%, 9%, 13%
City maintenance and construction tax	Based on VAT effectively paid	7%
Educational surcharges	Based on VAT effectively paid	3%
Local education surcharges	Based on VAT effectively paid	2%
Property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12%	1.2%, 12%

The statutory income tax rate applicable to the Company and Holly Capital Management Co., Ltd. (弘業資本管理有限公司) ("Holly Capital"), a domestic subsidiary of the Company, is 25%, and the applicable statutory income tax rate applicable to Holly International Financial Holdings Limited (弘業國際金融控股有限公司) ("Holly International Financial Holdings") and Holly International Asset Management Company Limited (弘業國際資產管理有限公司) ("Holly International Assets"), being overseas subsidiaries of the Company, is 16.5%.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements

Unless otherwise stated, in respect of the following data disclosed in the financial statements, “the beginning of the year”, “the end of the year”, “the year” and “last year” refer to 1 January 2025, 31 December 2025, 1 January 2025 to 31 December 2025, and 1 January 2024 to 31 December 2024, respectively, while the currency unit is RMB.

1. Monetary funds

Item	Closing balance	Opening balance
Cash		
Bank deposit	7,719,256,886.00	7,038,694,981.90
Including: Futures margin	7,480,683,642.32	6,778,156,567.10
Own funds	238,573,243.68	260,538,414.80
Other Monetary funds	241,654,294.81	147,982,311.66
Accrued interest on Monetary funds	29,546,854.07	22,126,815.65
Total	7,990,458,034.88	7,208,804,109.21
Including: Total amount deposited overseas	303,975,893.22	304,477,319.26

(1) Futures margin deposit breakdown

Item	Closing balance	Opening balance
CITIC Bank	1,788,680,719.16	2,321,829,307.41
Minsheng Bank	951,269,594.17	79,020,134.97
Industrial Bank Co., Ltd	1,000,151,893.99	680,251,687.71
SPD Bank	200,110,780.26	300,166,113.91
Bank of Communications	200,669,847.79	18,948,843.75
China Guangfa Bank	776,624.92	251,318.55
Bank of China	101,789,705.08	20,060,580.09
Agricultural Bank of China	82,828.59	1,000,037,414.29
China Construction Bank	46,469.78	40,934.53
China Merchants Bank	470,149,009.40	91,888.07
ICBC	449,387.83	5,424,497.18
Ping An Bank	2,564,275,094.52	2,351,883,401.01
China Everbright Bank	1,041,040.86	149,914.57
HSBC	577.07	531.06
Postal Savings Bank of China	201,190,068.90	
Total	7,480,683,642.32	6,778,156,567.10

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

1. Monetary funds (Continued)

(2) Use of restricted funds at the end of the period

See Note V.57.

2. Currency deposits receivable

(1) By exchange/clearer

Item	Closing balance	Opening balance
Shanghai Futures Exchange	1,436,583,768.05	802,071,484.62
Dalian Commodity Exchange	438,725,672.57	550,535,581.06
Zhengzhou Commodity Exchange	311,997,100.77	321,437,179.70
China Financial Futures Exchange	623,818,708.12	640,340,183.92
China Securities Depository and Clearing Corporation Limited	21,918,510.30	129,536,627.82
	33,905,710.11	62,251,024.56
Shanghai International Energy Exchange	179,131,773.40	69,286,117.70
PHILLIP FUTURES PTE LTD	22,934,728.89	91,720,603.24
Phillip Commodities (HK) Limited	3,524,154.01	3,615,206.86
Marex Financial	421,979.97	144,869,271.86
G.H.Financials (HongKong) Limited	9,817,270.20	21,871,956.39
PHILLIP SECURITIES PTE LTD	794,022.89	4,876,665.82
Phillip Securities Ltd	18,497.27	14,632.93
Hong Kong Exchanges and Clearing Limited	20,935,414.86	7,505,922.10
Stone X Financial Pte Ltd	83,409,384.51	
CITIC Securities Brokerage (HK) Limited	7.88	
Subtotal	3,187,936,703.80	2,849,932,458.58
Less: Provision for impairment	709,277.30	1,372,371.30
Total	3,187,227,426.50	2,848,560,087.28

(2) By category

Item	Closing balance	Opening balance
Settlement Reserve Funds	225,669,884.60	375,898,065.17
Trading margin	2,820,411,358.72	2,199,560,134.21
Offshore futures brokers	141,855,460.48	274,474,259.20
Subtotal	3,187,936,703.80	2,849,932,458.58
Less: Provision for impairment	709,277.30	1,372,371.30
Total	3,187,227,426.50	2,848,560,087.28

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

3. Pledged deposits receivable

(1) Breakdown of Exchanges

Item	Closing balance	Opening balance
Shanghai Futures Exchange		154,050,696.00
Dalian Commodity Exchange	1,346,400.00	512,304.00
Zhengzhou Commodity Exchange		133,575,600.00
Guangzhou Futures Exchange	76,262,400.00	
Total	77,608,800.00	288,138,600.00

(2) Pledges breakdown

Type of Pledge	Market value at the end of year	Discount rate	Amount at the end of year
Dalian Commodity Exchange Incl.: PVC	1,683,000.00	80%	1,346,400.00
Guangzhou Futures Exchange Incl.: Manganese silicon	95,328,000.00	80%	76,262,400.00
Total	97,011,000.00		77,608,800.00
Shanghai Futures Exchange Including: Shanghai Silver	13,686,570.00	80%	10,949,256.00
Shanghai Nickel	178,876,800.00	80%	143,101,440.00
Dalian Commodity Exchange Including: PVC	640,380.00	80%	512,304.00
Zhengzhou Commodity Exchange Including: Silicon iron	5,729,360.00	80%	4,583,488.00
Manganese silicon	34,795,800.00	80%	27,836,640.00
PTA	119,500,000.00	80%	95,600,000.00
Rapeseed oil	6,944,340.00	80%	5,555,472.00
Total	360,173,250.00		288,138,600.00

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

4. Advance to customers

(1) *Category of advance to customers*

Item	Closing balance	Opening balance
Domestic		
Including: Individual		
Institutional		
Less: Provision for impairment		
Subtotal of book value		
Overseas	2,653,338.86	3,555,624.51
Including: Individual	2,653,338.86	3,555,623.70
Institutional		0.81
Less: Provision for impairment	13,266.69	17,778.13
Subtotal of book value	2,640,072.17	3,537,846.38
Total	2,640,072.17	3,537,846.38

(2) *Collateral information*

Fair value of collaterals provided by customers to the Company for margin financing and securities lending business:

Item	Closing balance	Opening balance
Stock	26,571,228.59	18,155,162.37
Total	26,571,228.59	18,155,162.37

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

4. Advance to customers (Continued)

(3) Provision for impairment

	Stage 1	Stage 2	Stage 3	
	Expected	Expected	Expected	
	credit losses	credit losses	credit loss	
	for the future	for the lifetime	for the lifetime	
	12 months	(No credit	(Credit impaired)	Total
Bad debt provision		impairment)		
Balance as at 1 January 2025	17,778.13			17,778.13
Book balance of advance to customers as at 1 January 2025				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Provision in the current year	-4,511.44			-4,511.44
Reversal in the current year				
Write-off in the current year				
Cancellation in the current year				
Other changes				
Balance as at 31 December 2025	13,266.69			13,266.69

5. Derivative financial instruments

	Closing balance		
		Fair value	
Item	Nominal amount	Assets	Liabilities
Commodity derivative financial instruments			
Including: Futures contracts	7,275,490,865.00	8,969,695.00	64,983,550.00
Option contracts	496,706,126.73	6,934,820.50	9,999,149.77
Others		2,219,469.03	
Total	7,772,196,991.73	18,123,984.53	74,982,699.77
Less: Settlement amount		8,969,695.00	64,983,550.00
Net amount		9,154,289.53	9,999,149.77

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

5. Derivative financial instruments (Continued)

Item	Nominal amount	Opening balance	
		Fair value	
		Assets	Liabilities
Commodity derivative financial instruments			
Including: Futures contracts	5,696,266,286.02	16,690,880.00	4,044,305.00
Option contracts	1,766,458,955.60	11,556,875.02	9,859,658.01
Total	7,462,725,241.62	28,247,755.02	13,903,963.01
Less: Settlement amount		16,690,880.00	4,044,305.00
Net amount		11,556,875.02	9,859,658.01

6. Bills receivable

(1) Classification of bills receivable

Item	Closing balance	Opening balance
Bank acceptance notes		–
Commercial acceptance notes		–
Total		–

(2) Bills receivable endorsed or discounted at the end of the year but not yet due as at the balance sheet date

Item	Amounts derecognized at the end of the year	Amounts not derecognized at the end of the year
Bank acceptance notes	232,941,466.58	–
Total	232,941,466.58	

(3) Bills receivable actually written-off in the year

Nil.

7. Settlement guarantee deposits receivable

Item	Closing balance	Opening balance
China Financial Futures Exchange	20,000,000.00	20,000,000.00
Total	20,000,000.00	20,000,000.00

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

8. Other receivables

Item	Closing balance	Opening balance
Interest receivables		
Dividend receivables		
Other receivables	15,585,757.45	12,644,472.25
Total	15,585,757.45	12,644,472.25

8.1 Other receivables

(1) Other receivables by nature

Nature	Closing book balance	Opening book balance
Dividends and redemptions receivable from funds and asset management plans	1,087,878.76	578,727.70
Securities settlement accounts receivable	6,725,103.42	3,948,308.60
OTC option margin receivable	4,730,731.42	4,059,668.76
Deposit	2,588,896.40	3,476,721.51
Risk loss receivable	202,541.25	229,541.25
Other	762,602.30	828,559.27
Total	16,097,753.55	13,121,527.09

(2) Other receivables by aging

Aging	Closing book balance	Opening book balance
Within 1 year (Inclusive)	12,613,899.81	9,207,199.44
1 to 2 years	1,311,468.62	2,187,959.18
2 to 3 years	921,197.98	491,171.78
Over 3 years	1,251,187.14	1,235,196.69
Total	16,097,753.55	13,121,527.09

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

8. Other receivables *(Continued)*

8.1 Other receivables *(Continued)*

(3) Provision for bad debts on other receivables

Category	Closing balance				
	Closing balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Provision ratio (%)	
Bad debt provision made on a line-byline basis					
Provision for bad debts by portfolio	16,097,753.55	100.00	511,996.10	3.18	15,585,757.45
Combination: Liquidation combination	7,812,982.18	48.53			7,812,982.18
Margin and deposit	7,411,627.82	46.04	74,116.28	1.00	7,337,511.54
Other combination	873,143.55	5.42	437,879.82	50.15	435,263.73
Total	16,097,753.55	100.00	511,996.10	3.18	15,585,757.45

Category	Opening balance				
	Closing balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Percentage (%)	
Bad debt provision made on a line-byline basis					
Provision for bad debts by portfolio	13,121,527.09	100.00	477,054.84	3.64	12,644,472.25
Combination: Liquidation combination	4,527,036.30	34.50			4,527,036.30
Margin and deposit	7,536,390.27	57.44	75,363.90	1.00	7,461,026.37
Other combination	1,058,100.52	8.06	401,690.94	37.96	656,409.58
Total	13,121,527.09	100.00	477,054.84	3.64	12,644,472.25

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

8. Other receivables (Continued)

8.1 Other receivables (Continued)

(3) Provision for bad debts on other receivables (Continued)

1) Other receivables with provision for bad debts on a portfolio basis

Aging	Closing balance		
	Closing balance	Bad debt provision	Provision ratio (%)
Within 1 year (Inclusive)	12,613,899.81	87,241.80	0.69
1 to 2 years	1,311,468.62	32,400.05	2.47
2 to 3 years	921,197.98	24,096.73	2.62
Over 3 years	1,251,187.14	368,257.52	29.43
Total	16,097,753.55	511,996.10	3.18

2) Other receivables with provision for bad debts made under the general model of expected credit losses

	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss for future 12 months	Expected credit loss for lifetime (No credit impairment)	Expected credit loss for lifetime (Credit impaired)	
Bad debt provision				
Balance as at 1 January 2025	87,675.32	389,379.52		477,054.84
Book balance of other receivables as at 1 January 2025 in the current year				
–Transfer to Stage 2	-4,331.91	4,331.91		
–Transfer to Stage 3				
–Transfer back to Stage 2				
–Transfer back to Stage 1				
Provision in the current year	36,759.25	-1,817.99		34,941.26
Reversal in the current year				
Write-off in the current year				
Cancellation in the current year				
Other changes				
Balance as at 31 December 2025	120,102.66	391,893.44		511,996.10

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

8. Other receivables (Continued)

8.1 Other receivables (Continued)

(4) Provision, recovery or reversal of bad debt provision on other receivables in the current year

Category	Opening balance	Amount of change in the current year			Closing balance
		Provision	Recovery or reversal	Transfer or written-off Others	
Other receivables	477,054.84	34,941.26			511,996.10
Total	477,054.84	34,941.26			511,996.10

(5) Other receivables actually written-off in the current year

No other receivables were actually written-off in the current year.

(6) Other receivables grouped by debtor, ranked by year-end balance (top 5)

Name of entity	Category	Closing book balance	Aging	Proportion to closing balance of other receivables as at the end of the year (%)	Closing balance of bad debt provision
Huanong Property & Casualty Insurance Co., Ltd. (華農財產保險股份有限公司)	OTC option margin receivable	1,820,646.07	Within 1 year	11.31	18,206.46
China United Property Insurance Corporation, Shaanxi Branch (中華聯合財產保險股份有限公司陝西分公司)	OTC option margin receivable	996,612.64	Within 1 year	6.19	9,966.13
Shanghai Futures Exchange	Settlement accounts receivable	708,919.49	Within 1 year	4.40	
Changjiang Industrial Financial Services (Wuhan) Co., Ltd. (長江產業金融服務(武漢)有限公司)	OTC option margin receivable	655,319.86	Within 1 year	4.07	6,553.20
Trisight Ltd and Dynasty Hotel Ltd	Deposit	458,954.99	Over 3 years	2.85	4,589.55
Total		4,640,453.05		28.83	39,315.34

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

8. Other receivables (Continued)

8.1 Other receivables (Continued)

(7) Borrowings due from employees

As at the end of the Reporting Period, there were no borrowings due from employees.

9. Financial assets held under resale agreements

Item	Closing balance	Opening balance
Treasury bond reverse repurchase	93,966,000.00	96,252,523.09
Total	93,966,000.00	96,252,523.09

10. Financial assets held for trading

(1) Breakdown

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss		
Incl.: Investments in debt instruments	43,949,802.40	59,788,335.70
Investments in equity instruments	287,647,508.97	220,908,272.92
Total	331,597,311.37	280,696,608.62

(2) No financial assets held for trading with commitment conditions or restrictions at the end of the year

11. Other debt investments

(1) Other debt investments

Item	Opening balance	Accrued interest	Interest adjustment	Changes in fair value for the current year	Closing balance	Cost	Cumulative changes in fair value	Cumulative provision for impairment recognized in other comprehensive income	Remarks
Corporate Bonds	8,824,536.85			-20,836.08					
Total	8,824,536.85			-20,836.08					-

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

11. Other debt investments (Continued)

(2) No provision for impairment for other debt investments for the year

(3) No significant other debt investments at the end of the year

(4) No other debt investments that were actually written-off in the year

12. Investment in other equity instruments

Item	Opening balance	Additional investment	Investment reduction	Increase/decrease for the current year			Closing balance	Dividend income recognized in the current year	Profit accumulated in other comprehensive income	Loss accumulated in other comprehensive income
				Profit included in other comprehensive income for the current year	Loss included in other comprehensive income for the current year	Others				
Futures membership investment	1,863,020.00					-11,410.00	1,851,610.00			
Non-trading securities	27,873,208.88			7,133,357.51	9,048,191.12		25,968,375.27	1,679,819.54	8,297,069.55	10,495,510.52
Total	29,736,228.88			7,133,357.51	9,048,191.12	-11,410.00	27,809,985.27	1,679,819.54	8,297,069.55	10,495,510.52

13. Long-term equity investment

Investee	Opening balance (book value)	Balance of the provision for impairment at the beginning of the year	Additional Investment	Investment reduction	Increase/decrease for the current year					Closing balance (book value)	Balance of the provision for impairment at the end of the year
					Investment gain/loss recognized under equity method	Other comprehensive income adjustment	Changes in other equity	Declared cash dividend or profit	Provision for impairment		
I. Joint ventures											
II. Associates											
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	6,572,765.03				69,518.56					6,642,283.59	
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	2,137,009.25				-12,503.23					2,124,506.02	
Total	8,709,774.28				57,015.33					8,766,789.61	

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

14. Investment properties

(1) Investment properties measured by fair value model

Item	Plants and buildings	Total
I. Opening balance	48,467,078.00	48,467,078.00
II. Change for the current year		
Add: Purchases		
Transfer from inventories/fixed assets/work in progress		
Increase in business combinations		
Less: Disposal		
Other transfers		
Add: Changes in fair value	-398,678.00	-398,678.00
III. Closing balance	48,068,400.00	48,068,400.00

(2) At the end of the year, there was no investment property in existence without property right certificate.

15. Fixed assets

Item	Closing book value	Opening book value
Fixed assets	287,729,667.48	305,242,162.41
Disposal of fixed assets		
Total	287,729,667.48	305,242,162.41

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

15. Fixed assets (Continued)

15.1 Fixed assets

(1) Details of fixed assets

Item	Plants and buildings	Motor vehicles	Office equipment	Electronic equipment	Total
I. Book cost					
1. Opening balance	315,278,954.40	5,023,056.08	6,404,052.46	56,359,246.37	383,065,309.31
2. Increase in the current year	8,757.56		23,945.93	1,268,302.88	1,301,006.37
(1) Purchase	8,757.56		23,945.93	1,268,302.88	1,301,006.37
(2) Transfer from work in progress					
(3) Increase in business combinations					
3. Decrease in the current year		324,350.00	982,855.00	17,895,071.21	19,202,276.21
(1) Disposal or scrap		324,350.00	982,855.00	17,895,071.21	19,202,276.21
(2) Transfer to work in process					
4. Exchange difference			-2,377.56	-31,620.81	-33,998.37
5. Closing balance	315,287,711.96	4,698,706.08	5,442,765.83	39,700,857.23	365,130,041.10
II. Cumulative depreciation					
1. Opening balance	24,821,746.42	4,022,022.39	2,434,900.59	46,544,477.50	77,823,146.90
2. Increase in the current year	12,540,947.48	99,894.24	1,190,804.71	4,016,581.13	17,848,227.56
(1) Provision	12,540,947.48	99,894.24	1,190,804.71	4,016,581.13	17,848,227.56
3. Decrease in the current year		308,132.50	925,868.29	17,005,072.62	18,239,073.41
(1) Disposal or scrap		308,132.50	925,868.29	17,005,072.62	18,239,073.41
(2) Transfer to work in process					
4. Exchange difference			-2,120.47	-29,806.96	-31,927.43
5. Closing balance	37,362,693.90	3,813,784.13	2,697,716.54	33,526,179.05	77,400,373.62
III. Provision for impairment					
IV. Book value					
1. Closing book value	277,925,018.06	884,921.95	2,745,049.29	6,174,678.18	287,729,667.48
2. Opening book value	290,457,207.98	1,001,033.69	3,969,151.87	9,814,768.87	305,242,162.41

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

15. Fixed assets (Continued)

15.1 Fixed assets (Continued)

(2) Fixed assets without registered title certificates

Item	Book value	Reasons for failure to obtain the certificate of title
Underground parking space in Hexi Financial City	37,323,939.34	Not yet surveyed and mapped by Housing Authority

- (3) At the end of the Reporting Period, there was no sign of impairment on fixed assets, thus no provision was made for such impairment.

16. Right-of-use assets

(1) Breakdown of right-of-use assets

Item	Property leasing	Total
I. Book cost		
1. Opening balance	96,975,595.40	96,975,595.40
2. Increase in the current year	7,065,025.82	7,065,025.82
(1) Leased-in	7,065,025.82	7,065,025.82
(2) Increase in business combinations		
3. Decrease in the current year	11,743,629.07	11,743,629.07
(1) Disposal	11,743,629.07	11,743,629.07
4. Exchange difference	-254,741.67	-254,741.67
5. Closing balance	92,042,250.48	92,042,250.48
II. Cumulative depreciation		
1. Opening balance	81,645,219.74	81,645,219.74
2. Increase in the current year	10,832,058.36	10,832,058.36
(1) Provision	10,832,058.36	10,832,058.36
3. Decrease in the current year	11,330,254.62	11,330,254.62
(1) Disposal	11,330,254.62	11,330,254.62
4. Exchange difference	-221,282.34	-221,282.34
5. Closing balance	80,925,741.14	80,925,741.14
III. Provision for impairment		
IV. Book value		
1. Closing book value	11,116,509.34	11,116,509.34
2. Opening book value	15,330,375.66	15,330,375.66

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

16. Right-of-use assets (Continued)

- (2) At the end of the Reporting Period, there was no sign of impairment on the right-of-use assets, thus there was no provision for such impairment.

17. Intangible assets

(1) Breakdown of intangible assets

Item	Software	Customer relations	Total
I. Book cost			
1. Opening balance	8,492,189.70	6,100,000.00	14,592,189.70
2. Increase in the current year			
(1) Purchase			
3. Decrease in the current year			
(1) Disposal or scrap			
4. Exchange difference	-16,544.70		-16,544.70
5. Closing balance	8,475,645.00	6,100,000.00	14,575,645.00
II. Cumulative amortisation			
1. Opening balance	7,421,245.96	6,100,000.00	13,521,245.96
2. Increase in the current year	171,773.28		171,773.28
(1) Provision	171,773.28		171,773.28
3. Decrease in the current year			
(1) Disposal or scrap			
4. Exchange difference	-2,852.70		-2,852.70
5. Closing balance	7,590,166.54	6,100,000.00	13,690,166.54
III. Provision for impairment			
IV. Book value			
1. Closing book value	885,478.46		885,478.46
2. Opening book value	1,070,943.74	–	1,070,943.74

- (2) At the end of the Reporting Period, there was no sign of impairment on the intangible assets, thus there was no provision for such impairment.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

18. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets not yet offset

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Employee benefits payable	2,098,136.73	524,534.18	5,100,000.00	1,275,000.00
Credit impairment loss	502,637.58	125,659.40	465,133.39	116,283.35
Accrued expenses			165,888.33	41,472.08
Changes in the fair value of derivative financial instruments	56,858,715.24	14,214,678.81		
Changes in fair value of other equity instruments investment	2,198,440.97	549,610.23		
Changes in fair value of other current assets			11,376,949.55	2,844,237.39
Unrealized profit of internal transactions	46,498,547.15	11,624,636.79	43,709,129.72	10,927,282.43
Lease liabilities	8,973,564.38	2,243,391.09	14,312,470.68	3,578,117.67
Other	94,385,862.62	20,590,809.72	47,764,556.11	8,859,544.70
Total	211,515,904.67	49,873,320.22	122,894,127.78	27,641,937.62

(2) Deferred income tax liabilities without offset

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Changes in the fair value of investment properties	4,694,844.83	1,173,711.21	5,093,522.83	1,273,380.71
Changes in the fair value of financial assets/liabilities held for trading	30,546,574.85	7,636,643.71	17,329,385.19	4,332,346.30
Changes in fair value of other current assets	95,710,634.74	23,927,658.69		
Right-of-use assets	8,763,557.32	2,190,889.33	13,972,589.65	3,493,147.41
Changes in the fair value of derivative financial instruments			14,343,792.01	3,585,948.00
Total	139,715,611.74	34,928,902.94	50,739,289.68	12,684,822.42

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

18. Deferred income tax assets and deferred income tax liabilities *(Continued)*

(3) *Net deferred income tax assets or liabilities after offsetting*

Item	Closing amount of deferred income tax assets and liabilities after offsetting	Closing balance of deferred income tax assets or liabilities after offsetting	Opening amount of deferred income tax assets and liabilities after offsetting	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred tax assets	-32,479,654.44	17,393,665.78	-9,292,352.77	18,349,584.85
Deferred income tax liabilities	-32,479,654.44	2,449,248.50	-9,292,352.77	3,392,469.65

(4) *Breakdown of unrecognised deferred income tax assets*

Item	Closing amount	Opening amount
Provision for impairment of goodwill	53,167,251.21	53,167,251.21
Deductible losses	54,206,260.65	60,416,340.89
Total	107,373,511.86	113,583,592.10

(5) *The deductible loss of unrecognised deferred income tax assets will be due in the following years*

Under the current tax law, Holly International Financial's deductible losses may be carried forward indefinitely from the year in which they are incurred for tax deduction purposes.

19. Other assets

(1) *Breakdown*

Item	Closing balance	Opening balance
Advance payments	77,491,496.44	12,396,591.16
Prepaid expenses	5,741,537.42	5,765,679.02
Taxes to be refunded, deducted and settled	31,158,347.54	63,966,816.41
Overseas futures exchange deposit	2,063,487.89	1,692,376.85
Other current assets	415,831,150.44	409,626,350.92
Total	532,286,019.73	493,447,814.36

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

20. Short-term borrowings

(1) Category of short-term borrowings

Item	Closing balance	Opening balance
Principal amount of credit borrowings	1,000,000.00	29,000,000.00
Accrued interest	383.33	18,850.00
Total	1,000,383.33	29,018,850.00

21. Currency deposits payable

(1) By customer category

Customer category	Closing balance		Opening balance	
	QTY	Amount	QTY	Amount
Natural persons	101,601	4,350,376,762.00	98,063	3,820,942,886.69
Legal persons	3,815	5,375,566,735.66	3,747	4,991,729,292.74
Total	105,416	9,725,943,497.66	101,810	8,812,672,179.43

(2) By exchange

Exchange	Closing balance		Opening balance	
	QTY	Amount	QTY	Amount
Domestic futures exchanges				
Including: Shanghai Futures Exchange	2,879	1,503,183,187.78	2,563	921,148,336.20
Dalian Commodity Exchange	3,166	424,632,093.70	3,462	430,264,231.10
China Financial Futures Exchange	554	670,628,908.83	675	638,340,183.90
Zhengzhou Commodity Exchange	2,896	295,751,387.45	3,216	356,517,463.70
Zhengzhou Commodity Exchange	191	23,783,182.30	233	39,166,334.70
China Securities Depository and Clearing Corporation Limited			16	2,685,210.10
Guangzhou Futures Exchange	529	202,924,905.10	467	64,292,330.10
Subtotal	10,215	3,120,903,665.16	10,632	2,452,414,089.80
Overseas futures brokers	5,185	350,729,109.60	5,081	464,941,146.98
Total	15,400	3,471,632,774.76	15,713	2,917,355,236.78

Note: The customer margins stated by exchange shall not include the customer margins deposited in bank accounts or the settlement reserves deposited at the exchanges.

Notes to the Financial Statements

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(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

22. Pledged deposits payable

(1) *By customer category*

Customer category	Closing balance		Opening balance	
	QTY	Amount	QTY	Amount
Legal persons	1	1,346,400.00	3	26,216,168.00
Total	1	1,346,400.00	3	26,216,168.00

(2) *By exchange*

Exchange	Closing balance	Opening balance
Shanghai Futures Exchange		10,949,256.00
Dalian Commodity Exchange	1,346,400.00	512,304.00
Zhengzhou Commodity Exchange		14,754,608.00
Total	1,346,400.00	26,216,168.00

23. Financial liabilities held for trading

Item	Closing balance	Opening balance
Financial liabilities at fair value through profit or loss	7,030,984.02	7,912,762.09
Including: Accounts payable	7,030,984.02	7,912,762.09

For the financial liabilities at fair value through profit or loss, the changes of their fair values are listed below:

Item	Changes of fair value at the end of year	Cumulative changes of fair values due to changes of their own credit risks
Trade Payable	200,580.01	Nil

At the end of Reporting Period, there was no difference between the book value of the financial liabilities measured at fair value through profit or loss and the amount payable to creditors under contract.

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V. Notes to the Financial Statements (Continued)

24. Financial assets sold under repurchase agreements

(1) By business category

Item	Closing balance	Opening balance
Bonds		4,298,255.52
Total		4,298,255.52

(2) Security information

Item	Closing balance	Opening balance
Bonds		49,736,241.85
Total		49,736,241.85

25. Futures risk reserve

(1) Breakdown

Item	Opening balance	Current increase	Current decrease	Closing balance
Futures risk provision	176,746,725.35	7,412,258.04		184,158,983.39
Total	176,746,725.35	7,412,258.04		184,158,983.39

(2) Description of accrual method and ratio of futures risk provision

The futures risk provision is accrued at 5% of the parent company's net agency fee income and is included in the current period's profit or loss.

26. Futures investors protection funds payable

(1) Breakdown

Item	Opening balance	Current increase	Current decrease	Closing balance
Futures investors protection funds payable	428,130.37	344,393.13	427,619.50	344,904.00
Total	428,130.37	344,393.13	427,619.50	344,904.00

(2) Description of accrual method and ratio of payable to futures investors protection fund

According to the CSRC Decree No. 129: Decision to Modify the Interim Measures for the Administration of Futures Investor Safeguard Funds (dated 8 November 2016) (關於修改〈期貨投資者保障基金管理暫行辦法〉的決定), starting from 8 December 2016, the Company should make payment to this fund at a rate of six in 100 million of the broker transaction volume instead of six in 10 million. Starting from 1 November 2025, due to the adjustment of the Company's rating, the contribution ratio of the futures investors protection funds has been changed to 6.5 in 100 million.

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V. Notes to the Financial Statements (Continued)

27. Employee benefits payable

(1) Employee compensation payable by category

Item	Opening balance	Current increase	Current decrease	Closing balance
Short-term compensation	6,804,148.82	139,895,509.97	143,337,834.29	3,361,824.50
Post-employment benefits-Defined Contribution Plan	25,964.16	22,309,107.68	22,335,071.84	
Dismissal benefits		3,911,636.05	3,911,636.05	
Total	6,830,112.98	166,116,253.70	169,584,542.18	3,361,824.50

(2) Short-term compensation

Item	Opening balance	Current increase	Current decrease	Closing balance
Salary, bonus, subsidy and allowance	6,111,601.52	108,228,207.78	111,922,335.64	2,417,473.66
Workers' benefits		8,730,580.26	8,730,580.26	
Social insurance premiums		10,261,570.38	10,261,570.38	
Including: Medical insurance premiums		9,378,987.54	9,378,987.54	
Work injury insurance premiums		229,296.38	229,296.38	
Maternity insurance premiums		653,286.46	653,286.46	
Housing reserve fund		10,598,873.84	10,598,873.84	
Labour union funding and employee education funding	692,547.30	2,076,277.71	1,824,474.17	
Total	6,804,148.82	139,895,509.97	143,337,834.29	3,361,824.50

(3) Defined Contribution Plan

Item	Opening balance	Current increase	Current decrease	Closing balance
Basic pension	25,964.16	15,701,900.45	15,727,864.61	
Unemployment insurance		494,440.82	494,440.82	
Enterprise annuity contributions		6,112,766.41	6,112,766.41	
Total	25,964.16	22,309,107.68	22,335,071.84	

The Group has contribution schemes only, mainly endowment insurance, annuity, and unemployment insurance, and the Group cannot use the endowment insurance and enterprise annuity deposited for employees, and the Company's employees can only receive their contributions to endowment insurance and enterprise annuity when they reach the retirement age stipulated by the state. Also, the Group does not apply defined benefit schemes (defined benefit schemes).

For each of the two financial years ended 31 December 2024 and 2025, there were no forfeited contributions under the Group's defined contribution schemes (represented by employees who left the schemes before the contributions were fully vested) available to the Group to reduce the existing level of contributions.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

28. Taxes payable

Item	Closing balance	Opening balance
Enterprise income tax	2,935.01	75,993.63
VAT	1,297,673.73	1,026,799.00
Other taxes	445,508.83	389,995.57
Withholding of personal income tax	318,863.31	421,267.37
Total	2,064,980.88	1,914,055.57

29. Bills payable

Type of bills	Closing balance	Opening balance
Banker's acceptance bills	488,055,807.06	237,954,486.22
Letter of credit	54,527,660.00	
Total	542,583,467.06	237,954,486.22

There was no matured but unpaid bills payable as of the end of the period.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

30. Other payables

Item	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other payables	294,367,868.19	489,672,703.56
Total	294,367,868.19	489,672,703.56

30.1 Other payables

Item	Closing balance	Opening balance
Margins payable	22,522,004.11	177,653,464.02
Construction payable	1,399,789.27	7,155,454.63
Amounts pending settlement of asset management plans	567,337.15	18,157,751.20
Risk guarantee payable	4,044,889.27	4,721,366.24
Auditor's fee payable	2,150,000.00	2,480,000.00
Amounts due to the Distributor Fund	331,486.63	10,025,003.14
Customers' equity payable	11,780,968.27	1,511,923.57
Warrant payment payable and Warrant pledge payment payable	245,286,921.78	261,922,432.00
Others	6,284,471.71	6,045,308.76
Total	294,367,868.19	489,672,703.56

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

31. Lease liabilities

Item	Closing balance	Opening balance
Within 1 year	6,763,191.99	10,432,579.90
1 to 2 years	3,722,675.27	3,664,751.26
2 to 5 years	710,323.24	1,577,079.64
Book value of lease liability	11,196,190.50	15,674,410.80

32. Other liabilities

Item	Closing balance	Opening balance
Receipts in advance	10,230,530.97	
Output tax to be carried forward	1,329,969.03	
Total	11,560,500.00	

33. Share capital

Item	Opening balance	Change for the current year (+/-)					Closing balance
		New issue	Bonus issue	Provident fund conversion	Others	Subtotal	
Total shares	1,007,777,778.00				-	-	1,007,777,778.00

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

34. Capital reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Share premium	593,701,109.72			593,701,109.72
Others	4,701,890.00			4,701,890.00
Total	598,402,999.72			598,402,999.72

35. Other comprehensive income

Item	Amount incurred in the current year							Closing balance
	Opening balance	Amount incurred before income tax for the year	Less:	Less:	Less: Income tax expense	Attributable to the parent after tax	Attributable to minority shareholders after tax	
			Transfer from previous other comprehensive income to current profit or loss	Transfer from previous other comprehensive income to current retained earnings				
I. Other comprehensive income that cannot be reclassified into profit or loss	-212,705.52	-1,914,833.61			478,708.39	-1,436,125.22		-1,648,830.74
Incl.: Changes in fair value of Investment in other equity instruments	-212,705.52	-1,914,833.61			478,708.39	-1,436,125.22		-1,648,830.74
II. Other comprehensive income to be reclassified into profit and loss	10,349,667.06	-4,355,991.79	-15,627.06			-4,371,618.85		5,978,048.21
Incl.: Change in fair value of other debt investments	15,627.06		-15,627.06			-15,627.06		
Translation difference of foreign currency financial statements	10,334,040.00	-4,355,991.79				-4,355,991.79		5,978,048.21
Others								
Total other comprehensive income	10,136,961.54	-6,270,825.40	-15,627.06		478,708.39	-5,807,744.07		4,329,217.47

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

36. Surplus reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Statutory surplus reserve	73,898,392.18	2,466,587.78		76,364,979.96
Total	73,898,392.18	2,466,587.78		76,364,979.96

37. General risk reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
General risk reserve	99,777,969.55	2,466,587.78		102,244,557.33
Total	99,777,969.55	2,466,587.78		102,244,557.33

38. Retained earnings

Item	Current year	Last year
Retained earnings at the end of the previous year before adjustment	86,784,552.34	65,935,375.99
Adjustments to total undistributed profits at the beginning of the year (+ for increase and – for decrease)		
Undistributed profits at the beginning of the year after adjustment	86,784,552.34	65,935,375.99
Add: Current net profit attributable to shareholders of parent company	3,992,694.29	29,826,197.50
Less: Statutory surplus reserve	2,466,587.78	2,472,955.02
Appropriation for general risk reserve	2,466,587.78	2,472,955.02
Dividend payable on ordinary shares	10,077,777.78	4,031,111.11
Balance at the end of current year	75,766,293.29	86,784,552.34

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

39. Net handling fee and commission income

(1) Net handling fee and commission income breakdown

Item	Amount incurred in the current year	Amount incurred in the last year
Net brokerage fee income	55,519,047.17	39,907,185.05
Exchange fee reduction deemed as income	111,210,403.40	133,412,015.37
Subtotal of net brokerage fee income	166,729,450.57	173,319,200.42
Income from asset management business	2,986,560.62	6,001,893.13
Investment advisory income	40,625.90	
Total	169,756,637.09	179,321,093.55

(2) Net handling fee and commission income by business offices in administrative regions

Administrative regions	Amount incurred in the current year		Amount incurred in the last year	
	Number of branches	Net handling fee and commission income	Number of branches	Net handling fee and commission income
Jiangsu Province	18	131,460,435.18	19	133,814,373.73
Fujian Province	2	3,758,361.95	2	3,129,317.32
Shanghai	2	2,855,685.48	2	4,905,359.91
Zhejiang Province	2	4,524,222.06	2	3,813,414.53
Henan Province	1	2,002,531.97	1	2,920,852.19
Guangdong Province	1	1,334,857.52	2	1,882,461.67
Beijing	2	1,560,083.24	2	1,270,430.78
Hong Kong, China	1	8,458,873.45	1	10,215,552.88
Shandong Province	2	2,444,470.48	2	3,550,910.47
Shaanxi Province	1	1,954,201.57	1	2,822,217.66
Anhui Province	2	1,403,571.69	2	2,374,345.38
Liaoning Province	2	3,037,828.75	2	2,625,186.91
Guangxi Province	1	1,701,476.84	1	1,272,211.77
Hunan Province	1	1,122,508.49	1	1,565,985.16
Chongqing	1	1,275,862.07	1	1,853,625.78
Shanxi Province	1	861,666.35	1	1,130,979.91
Hainan Province			1	173,867.50
Total	40	169,756,637.09	43	179,321,093.55

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

40. Net interest income

Item	Amount incurred in the current year	Amount incurred in the last year
Interest income		
Including: Interest income from customer fund deposits	47,490,482.78	85,361,582.33
Interest income from own funds deposit	24,421,062.55	25,190,760.02
Interest income from repurchase agreements	1,370,425.91	1,340,171.81
Total interest income	73,281,971.24	111,892,514.16
Interest expense		
Including: Interest expense on sale and repurchase	13,956.58	535,694.39
Total interest expenses	13,956.58	535,694.39
Net interest income	73,268,014.66	111,356,819.77

41. Investment gains

(1) Investment gains breakdown

Item	Amount incurred in the current year	Amount incurred in the last year
(1) Long term equity investment gains calculated with cost method		
(2) Long term equity investment gains calculated with equity method	57,015.33	457,216.24
Including: ① Gains on investment in associates	57,015.33	457,216.24
② Gains on investment in joint ventures		
(3) Investment gains from disposal of long term equity investment		
(4) Financial instrument investment gains	-8,410,518.17	34,390,985.65
Including: ① Grains on financial instrument during holding period	4,028,329.71	3,182,160.36
– Financial instrument held for trading	2,318,603.52	2,579,546.68
– Other debt investments	29,906.65	33,809.22
– Investment in other equity instruments	1,679,819.54	568,804.46
② Proceeds from disposal	-12,438,847.88	31,208,825.29
– Derivative financial instruments	9,030,867.28	63,663,718.16
– Financial instrument held for trading	3,913,017.03	5,392,258.35
– Other debt investments	15,723.26	164,254.06
– Other current assets	-25,398,455.45	-38,011,405.28
Total	-8,353,502.84	34,848,201.89

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

41. Investment gains (Continued)

(2) Gains from investment in associates

Item	Amount incurred in the current year	Amount incurred in the last year
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	69,518.56	463,406.15
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	-12,503.23	-6,189.91
Total	57,015.33	457,216.24

(3) There is no significant restriction on repatriation of investment gains.

42. Other gains

Item	Amount incurred in the current year	Amount incurred in the last year
Government subsidies	290,265.90	1,003,936.94
Labour union refund	13,557.24	
Individual income tax refund	93,878.34	107,260.96
Total	397,701.48	1,111,197.90

(1) Government subsidies included in profit or loss for the year

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	15,045.08	Related to income	Zhejiang Province Human Resources and Social Security Department	Notice of the Zhejiang Province Human Resources and Social Security Department, the Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, State Taxation Administration on the Continued Implementation of the Policy of Unemployment Insurance to Assist Enterprises in Stabilizing Their Posts
Job stabilization subsidy	3,750.19	Related to income	Xiamen Municipal Human Resources and Social Security Bureau	Announcement of Xiamen Municipal Human Resources and Social Security Bureau on the Distribution of the 2023 Universal Job Stabilization Refunds

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

42. Other gains (Continued)

(1) Government subsidies included in profit or loss for the year (Continued)

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	3,846.09	Related to income	Taiyuan City Xinghualing District Social Insurance Administration and Service Center	Notice on the 2025 Job Stabilization Refunds
Job stabilization subsidy	3,547.00	Related to income	Changzhou Municipal Human Resources and Social Security Bureau	Notice of the Provincial Department of Human Resources and Social Security, the Provincial Department of Finance and the Provincial Tax Bureau on the Continuation of the Implementation of the Unemployment Insurance Assistance Stabilization Policy to Benefit Citizens (Su Ren She Fa [2025] No. 22), Notice of the Provincial Department of Human Resources and Social Security and the Provincial Department of Finance on the Implementation of the 2025 Unemployment Insurance Job Stabilization Refunds (Su Ren She Han [2025] No. 197)
Job stabilization subsidy	65,486.00	Related to income	Department of Human Resources and Social Security of Jiangsu Province	Notice of the Provincial Department of Human Resources and Social Security, the Provincial Department of Finance and the Provincial Tax Bureau on the Continuation of the Implementation of the Unemployment Insurance Assistance Stabilization Policy to Benefit Citizens (Su Ren She Fa [2025] No. 22)
Job stabilization subsidy	3,343.00	Related to income	Zhangjiagang Municipal Human Resources and Social Security Bureau	Notice of the Provincial Department of Human Resources and Social Security, the Provincial Department of Finance and the Provincial Tax Bureau on the Continuation of the Implementation of the Unemployment Insurance Assistance Stabilization Policy to Benefit Citizens (Su Ren She Fa [2025] No. 22), Notice of the Provincial Department of Human Resources and Social Security and the Provincial Department of Finance on the Implementation of the 2025 Unemployment Insurance Job Stabilization Refunds (Su Ren She Han [2025] No. 197)

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From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

42. Other gains *(Continued)*

(1) Government subsidies included in profit or loss for the year *(Continued)*

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	4,100.69	Related to income	Xiamen Municipal Human Resources and Social Security Bureau	Announcement of Xiamen Municipal Human Resources and Social Security Bureau on the Distribution of the 2024 Universal Job Stabilization Refunds
Job stabilization subsidy	166,021.00	Related to income	Nanjing Municipal Human Resources and Social Security Bureau	Notice on the Continuation of the Implementation of the Unemployment Insurance Assistance Stabilization Policy to Benefit Citizens (Su Ren She Fa [2025] No. 22)
Job stabilization subsidy	21,054.00	Related to income	Yixing Municipal Human Resources and Social Security Bureau	Notice of the Provincial Department of Human Resources and Social Security, the Provincial Department of Finance and the Provincial Tax Bureau on the Continuation of the Implementation of the Unemployment Insurance Assistance Stabilization Policy to Benefit Citizens (Su Ren She Fa [2025] No. 22), Notice of the Provincial Department of Human Resources and Social Security and the Provincial Department of Finance on the Implementation of the 2025 Unemployment Insurance Job Stabilization Refunds (Su Ren She Han [2025] No. 197)
Job stabilization subsidy	4,072.85	Related to income	Department of Human Resources and Social Security of Guangxi Zhuang Autonomous Region	Notice of the Department of Human Resources and Social Security of Guangxi Zhuang Autonomous Region, the Department of Finance of Guangxi Zhuang Autonomous Region and the Tax Bureau of Guangxi Zhuang Autonomous Region of the State Administration of Taxation on the Continuation of the Implementation of the Unemployment Insurance Assistance Stabilization Policy to Benefit Citizens (Gui Ren She Fa [2025] No. 19)
Total	290,265.90			

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

43. Gains from changes in fair value

Item	Amount incurred in the current year	Amount incurred in the last year
Financial assets held for trading	12,637,139.60	18,816,830.22
Investment properties	-398,678.00	-106,044.00
Financial liabilities held for trading	-288,152.37	538,183.08
Derivative financial instruments	-71,202,507.25	19,519,852.54
Other current assets	107,087,584.29	-11,376,949.55
Total	47,835,386.27	27,391,872.29

44. Foreign exchange gains

Item	Amount incurred in the current year	Amount incurred in the last year
Foreign exchange gains	-105,539.92	-308,589.19
Total	-105,539.92	-308,589.19

45. Income from other business activities

Item	Amount incurred in the current year	Amount incurred in the last year
Revenue of Insurance + Futures business	3,202,772.54	5,756,051.25
Leasing income	2,426,542.72	2,400,854.15
Total	5,629,315.26	8,156,905.40

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

46. Profit from disposal of assets

Item	Amount incurred in the current year	Amount incurred in the last year
Gain on disposal of fixed assets	-876,465.42	-40,341.09
Total	-876,465.42	-40,341.09

47. Futures risk reserve expenses

Item	Amount incurred in the current year	Amount incurred in the last year
Provision for futures risk reserve	7,412,258.04	7,524,365.16
Total	7,412,258.04	7,524,365.16

48. Taxes and surcharges

Item	Amount incurred in the current year	Amount incurred in the last year
City maintenance and construction tax	254,394.34	331,928.03
Educational surcharges	108,992.34	142,208.64
Local education surcharges	72,661.58	94,805.82
Property tax	2,150,177.68	1,994,388.42
Other	1,825,360.98	1,512,009.80
Total	4,411,586.92	4,075,340.71

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

49. Operating and management expenses

Item	Amount incurred in the current year	Amount incurred in the last year
Staff benefits	165,377,488.37	187,701,669.38
Office expenses	35,521,216.67	42,831,015.31
Depreciation & amortization	28,852,059.20	34,280,158.06
Rent	2,647,848.81	7,237,618.63
Finance costs	7,848,041.89	6,016,106.96
Audit fee	1,084,905.66	1,301,886.79
Insurance and consulting services fees	11,110,230.92	10,755,402.77
Investor Protection Fund	324,771.77	403,447.44
Maintenance fees	3,427,878.21	3,864,576.62
R&D costs	738,765.33	1,761,496.15
Other	12,279,235.07	13,832,464.13
Total	269,212,441.90	309,985,842.24

50. Credit impairment loss

Item	Amount incurred in the current year	Amount incurred in the last year
Impairment loss on currency deposits receivable	-638,297.54	-84,953.16
Bad debt loss on other receivables	35,202.50	-290,179.57
Bad debt loss on advance to customers	-4,131.73	-117,708.24
Total	-607,226.77	-492,840.97

51. Other operating cost

Item	Amount incurred in the current year	Amount incurred in the last year
Cost of Insurance + Futures business	3,394,938.90	6,101,633.14
Total	3,394,938.90	6,101,633.14

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

52. Non-operating income

(1) Breakdown of non-operating income

Item	Amount incurred in the current year	Amount incurred in the last year	Amount included in non-recurring profit or loss for the year
Government subsidy		2,000,000.00	
Exchange subsidy	315,018.88	1,035,566.02	315,018.88
Liquidated damages	5,668.90	1,716,248.39	5,668.90
Others	416,880.59	68,174.29	416,880.59
Total	737,568.37	4,819,988.70	737,568.37

(2) Government subsidies included in profit or loss for the year

Subsidy	Issuing authority	Reason for issuing the subsidies	Nature	Whether the subsidy affects the profit or loss for the year	Whether it is a special subsidy	Amount incurred in the current year	Amount incurred in the last year	Related to assets/income
Preliminary subsidies	Jianye District Financial Supervisory Authority	Interim Measures on Supporting High-Quality Development of Financial Industries and Capital Markets in Jianye District	Preliminary subsidies	Yes	No		2,000,000.00	Related to income
Total							2,000,000.00	

53. Non-operating expenses

Item	Amount incurred in the current year	Amount incurred in the last year	Amount included in non-recurring profit or loss for the year
Late payment expenses	199.44	97,710.23	199.44
Liquidated damages	29,185.00		29,185.00
Litigation compensation expenses		388,744.00	
Others	93,389.21	687,402.43	93,389.21
Total	122,773.65	1,173,856.66	122,773.65

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

54. Income tax expense

(1) Breakdown of income tax expense

Item	Amount incurred in the current year	Amount incurred in the last year
Current income tax expense	442.50	2,225,066.65
Deferred income tax expense	349,205.52	6,237,688.13
Total	349,648.02	8,462,754.78

(2) Accounting profit and income tax expense adjustments

Item	Amount incurred in the current year
Total profit of the current period	4,342,342.31
Income tax expense calculated at the statutory/applicable tax rate	1,085,585.58
Impact of different tax rates applied to subsidiaries	-407,061.45
Impact of adjustments to the income tax for the prior periods	442.50
Impact of non-taxable income	-483,626.78
Impact of non-deductible costs, expenses and losses	475,113.34
Effect of unrecognized deductible losses on deferred income tax assets in prior periods of use	-320,805.17
Income tax expense	349,648.02

55. Cash flow statement

(1) Cash related to operating activities

1) Other cash received related to operating activities

Item	Amount incurred in the current year	Amount incurred in the last year
Securities settlement or redemption payments received	210,000,000.00	5,677,164.60
Pending settlement payments received	9,196,704.93	48,329,039.27
Standard warrant pledge received	90,395,360.00	243,900,032.00
Margin and commission received	279,603,464.00	229,776,354.78
Non-operating income and other income	1,135,269.85	5,931,186.60
Other	3,404,857.05	31,573,984.06
Total	593,735,637.83	565,187,761.31

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

55. Cash flow statement (Continued)

(1) Cash related to operating activities (Continued)

2) Cash paid for other operating activities

Item	Amount incurred in the current year	Amount incurred in the last year
Funds paid by other holders of structured entity	1,169,930.44	53,083,395.07
Payment of amount to be settled	27,793,081.62	4,176,714.04
Standard warranty pledge cash paid	276,055,392.00	
Margin and commission paid	435,403,500.82	172,107,045.69
Litigation compensation		388,744.00
Securities settlement or redemption payments paid	210,732,470.37	
Other	5,271,332.60	30,205,085.08
Total	956,425,707.85	259,960,983.88

(2) Cash related to investing activities

1) Material cash received related to investing activities

Item	Amount incurred in the current year	Amount incurred in the last year
Treasury bond reverse repurchase	21,438,048,000.00	16,342,727,000.00
Total	21,438,048,000.00	16,342,727,000.00

2) Material cash paid related to investing activities

Item	Amount incurred in the current year	Amount incurred in the last year
Treasury bond reverse repurchase	21,438,709,000.00	16,490,545,000.00
Term deposits	4,320,132,022.37	
Total	25,758,841,022.37	16,490,545,000.00

(3) Cash related to financing activities

1) Other cash paid related to financing activities

Item	Amount incurred in the current year	Amount incurred in the last year
Expenses related to financing		
Total		

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

56. Additional information on cash flow statement

(1) Additional information on cash flow statement

Item	Amount incurred in the current year	Amount incurred in the last year
1. Adjustment of net profit to cash flow from operating activities:		
Net profit	3,992,694.29	29,826,197.50
Add: Impairment loss on assets		
Credit impairment loss	-607,226.77	-492,840.97
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	17,848,227.56	18,971,139.46
Depreciation of right-of-use assets	10,832,058.36	15,137,245.33
Amortization of intangible assets	171,773.28	171,773.27
Amortization of long-term deferred expenses		
Loss ("-" for gain) from disposal of fixed assets, intangible assets and other long term assets	876,465.42	40,341.09
Fixed assets scrap loss ("-" for gain)		
Loss ("-" for gain) from changes in fair value	-119,037,893.52	-7,872,019.75
Financial expense ("-" for income)	553,690.61	3,174,880.61
Exchange losses ("-" for income)	105,539.92	308,589.19
Investment loss ("-" for gain)	-8,014,085.33	-9,195,889.01
Decrease ("-" for increase) of deferred income tax assets	955,919.07	2,651,494.87
Increase ("-" for decrease) of deferred income tax liabilities	-943,221.15	3,392,469.65
Decrease ("-" for increase) of operating receivables	-231,987,420.86	-182,768,256.80
Increase ("-" for decrease) of operating payables	1,091,508,250.01	2,468,016,157.41
Net interest income	-1,356,469.33	-804,477.42
Futures risk reserve expenses	7,412,258.04	7,524,365.16
Others		
Net cash flow from operating activities	772,310,559.60	2,348,081,169.59
2. Major investment and financing activities that do not involve cash receipts and expenditures:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Finance lease fixed assets		
3. Net changes in cash and cash equivalents:		
Cash balance at the end of period	3,412,479,712.74	7,036,460,835.63
Less: Cash balance at the beginning of period	7,036,460,835.63	4,812,444,833.69
Add: Cash equivalent balance at the end of period		
Less: Cash equivalent balance at the beginning of period		
Net increase of cash and cash equivalents	-3,623,981,122.89	2,224,016,001.94

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

56. Additional information on cash flow statement *(Continued)*

(2) Supplier financing arrangements

Nil.

(3) Cash and cash equivalents

Item	Amount at the end of the year	Amount at the beginning of the year
Cash		
Including: Cash on hand		
Bank deposit immediately available	3,398,556,163.15	7,021,676,172.13
Other Monetary funds immediately available	13,923,549.59	14,784,663.50
Cash equivalents		
Closing balance of cash and cash equivalents	3,412,479,712.74	7,036,460,835.63

(4) Monetary funds that are not cash and cash equivalents

Item	Amount at the end of the year	Amount at the beginning of the year	Reasons not belonging to cash and cash equivalents
Monetary funds	4,320,132,022.37		Term deposits with maturity over three months
Monetary funds	228,299,445.70	150,216,457.93	Restricted in use
Monetary funds	29,546,854.07	22,126,815.65	Receivable interest on
Total	4,577,978,322.14	172,343,273.58	

57. Assets with restricted ownership or use rights

Item	At the end of the year			
	Closing balance	Book value	Type of restriction	Restriction status
Monetary funds	568,700.48	568,700.48	Supervised	Product raised funds account
Monetary funds	227,730,745.22	227,730,745.22	Frozen	Note margin
Others assets	85,408,849.56	85,408,849.56	Pledge	Pledge for standard warrant
Total	313,708,295.26	313,708,295.26		

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements (Continued)

57. Assets with restricted ownership or use rights (Continued)

Item	At the beginning of the year		Type of restriction	Restriction status
	Closing balance	Book value		
Monetary funds	17,018,809.77	17,018,809.77	Supervised	Product raised funds account
Monetary funds	133,197,648.16	133,197,648.16	Frozen	Note margin
Financial assets held for trading	49,736,241.85	49,736,241.85	Pledge	Pledge for sale and repurchase
Total	199,952,699.78	199,952,699.78	—	—

58. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Foreign currency balance at the end of the year	Exchange rate	Year-end balance in RMB equivalent
Monetary funds			
Including: USD	24,185,945.20	7.0288	169,998,171.59
HKD	154,776,518.01	0.90322	139,797,246.60
JPY	1.12	0.044797	0.05
GBP	146.15	9.4346	1,378.89
Financing capital			
Including: HKD	2,937,644.05	0.90322	2,653,338.86
Currency deposits receivable			
Including: HKD	157,055,269.46	0.90322	141,855,460.48

(2) Important overseas business entity

Name of entity	Principal place of business	Accounting currency	Basis for selection of accounting currency
Holly International Financial Holdings Limited (弘業國際金融控股有限公司)	Hong Kong	HKD	Local currency

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Financial Statements *(Continued)*

59. Lease

(1) *The Group as lessee*

Item	Amount incurred in the current year	Amount incurred in the last year
Interest expense on lease liabilities	554,081.96	751,779.64
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	2,657,513.57	7,237,618.63
Lease expenses relating to low value asset accounted for current profit or loss under the simplified approach (other than short-term leases)		
Variable lease payments that are not included in the measurement of the lease liabilities		
Including: Portion arising from sale-and-leaseback transactions		
Income from subletting of right-to-use assets		
Total cash outflows relating to leases	12,382,638.64	16,043,796.07
Relevant profit or loss arising from sale-and-leaseback transactions		
Cash inflows from leaseback transactions		
Cash outflows from leaseback transactions		

(2) *The Group as lessor*

1) *Operating leases where the Group is a lessor*

Item	Leasing income	Including: Income related to variable lease payments not included in lease receipts
Lease housing	2,426,542.72	
Total	2,426,542.72	

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VI. Research and development expenditure

Item	Amount incurred in the current year	Amount incurred in the last year
Direct investment	0.00	78,270.99
Staff cost	738,765.33	1,683,225.16
Total	738,765.33	1,761,496.15
Including: Expensed research and development expenditure	738,765.33	1,761,496.15
Capitalised research and development expenditure		

VII. Changes in the Scope of the Consolidated Statements

(I) Business combination not under the same control

From January to December 2025, the Group had no subsidiary acquired through business combination not under the same control.

(II) Business combination under the same control

From January to December 2025, the Group had no subsidiary acquired through business combination under the same control.

(III) Reverse takeover

From January to December 2025, the Group had no subsidiary acquired through reverse takeover.

(IV) Disposal of subsidiary

From January to December 2025, the Group had no disposal of subsidiary.

(V) Changes in the scope of consolidation for other reasons

1. New subsidiary

From January to December 2025, there was no new subsidiary or entity to be consolidated.

2. Reduction of subsidiaries by deregistration or otherwise

From January to December 2025, there was no reduction of subsidiaries by deregistration or other means.

3. Structured entities

From January to December 2025, the Group did not consolidate structured entity, however, such consolidation did not have significant impact on the financial conditions, operating results and cash flow of the Group for the period from January to December 2025.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VIII. Interests in Other Entities

(I) Interests in subsidiaries

1. Members of the Group

(1) Subsidiaries

Subsidiary name	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding %		
					Direct	Indirect	Reason
Holly Capital Management Co., Ltd. (弘業資本管理有限公司) ^{note}	RMB500 million	Nanjing	Nanjing	Risk management	100%		Establishment
Holly International Financial Holdings Limited (弘業國際金融控股有限公司)	HKD240 million	Hong Kong	Hong Kong	Futures brokerage	100%		Business combination under common control
Holly International Asset Management Company Limited (弘業國際資產管理有限公司)	HKD20 million	Hong Kong	Hong Kong	Assets management		100%	Establishment
Holly International Fund Series SPC (弘業國際基金系列 SPC)	USD1	Hong Kong	Cayman	Fund investment		100%	Establishment
Holly International Fixed Income Fund (弘業國際固定收益基金)	USD100	Hong Kong	Cayman	Fund investment		100%	Establishment

Note: A domestic enterprise registered under the laws of the PRC.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VIII. Interests in Other Entities (Continued)

(I) Interests in subsidiaries (Continued)

1. Members of the Group (Continued)

(2) Structured entities

Under the Accounting Standards for Business Enterprises (“ASBE”) No. 33: Consolidated Financial Statements, the Group regards itself as the manager of structured entities, or as the main responsible person for the structured entities, and the Group will include the structured entities where the Group participates with its own funds, which fall in the definition of “control” in the updated ASBE, into the scope of the consolidated statements.

On 31 December 2025, the net assets managed under the consolidated asset management plans and fund amounted to RMB74,196,131.35, and meanwhile, the book value of the Group’s interests in the consolidated asset management plans reached RMB67,165,147.32, which was recognised in “financial assets held for trading”, “Monetary funds”, “other receivables” and “other payables” in the financial report.

Structured entity name	Type	The Group’s actual capital contribution at the end of period
Holly Hongsheng FOF2301 Single Asset Management Plan (弘業弘升 FOF2301 單一資產管理計劃)	Asset management plan	RMB14,897,500
Holly Flexible Allocation Ruijin Multi-Strategy Single Asset Management Plan (弘業靈活配置銳進多策略單一資產管理計劃)	Asset management plan	RMB7,766,900
Holly International Fixed Income Fund (弘業國際固定收益基金)	Fund	USD3,796,591.04
Holly International Global Opportunity Fund SP (弘業國際環球機遇基金 SP)	Fund	USD2,214,938.58

- The Group had no significant non-wholly owned subsidiary.
- There is no financial or other support provided by the Group to structured entities included in the scope of the consolidated financial statements.
- There was no change in the Group’s share of ownership interests in subsidiaries in which the Group still controlled the subsidiaries.
- As at 31 December 2025, no subsidiaries of the Company issued share capital or debt securities.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VIII. Interests in Other Entities *(Continued)*

(II) Interests in joint ventures or associates

1. Important associates

Associate name	Principal place of business	Place of registration	Business nature	Shareholding %		Accounting method for investments in associates
				Direct	Indirect	
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	Jiangsu	Jiangsu	Risk investment etc.	22.00		Equity method
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	Jiangsu	Jiangsu	Risk investment etc.	9.901		Equity method

Note: Within the Reporting Period, the Group and the Company held 9.901% equity of Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司) ("Hongrui Growth"). According to Hongrui Growth's Articles of Association, the Group and the Company would appoint a member of Board of Directors. The Group and the Company would impose significant influence on the invested company through participation in its production or operating decisions; Accordingly, Hongrui Growth is included in the financial statements of the Group and the Company as an associate.

2. Financial highlights of key associates

Item	Closing balance/Amount incurred in the current year		Opening balance/Amount incurred in the last year	
	Hongrui New Era	Hongrui Growth	Hongrui New Era	Hongrui Growth
Current assets	28,344,454.24	136,378.87	28,043,744.09	263,528.54
Non-current assets	1,851,702.02	22,000,000.00	1,854,866.79	22,000,000.00
Total assets	30,196,156.26	22,136,378.87	29,898,610.88	22,263,528.54
Current liabilities	3,958.15	677,666.44	22,406.24	678,533.61
Non-current liabilities				
Total liabilities	3,958.15	677,666.44	22,406.24	678,533.61
Net profit	315,993.47	-126,282.50	2,106,391.59	-62,518.00
Total comprehensive income	315,993.47	-126,282.50	2,106,391.59	-62,518.00

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VIII. Interests in Other Entities *(Continued)*

(II) Interests in joint ventures or associates *(Continued)*

3. Summary of insignificant associates

Nil

4. Joint ventures or associates were not restricted to transfer funds into the Company.
5. There was no excessive loss incurred by any joint venture or associate of the Group.
6. The Group had no unrecognised commitment related to investment in joint ventures.
7. The Group had no contingent liability related to investment in joint ventures or associates.

(III) Structured entities not included in the scope of consolidated financial statements

On 31 December 2025, the net assets of structured entities established by the Group but not included into the consolidated financial statements amounted to RMB1,103,124,486.09.

The Group has interests in the structured entities sponsored by third party institutions through directly holding investments. The assets and liabilities items in the consolidated balance sheet of the Group relating to the interests of the Group in the structured entities sponsored by third party institutions through directly holding investments and their carrying amounts/maximum risk exposure are as follows:

Item	Closing balance	Opening balance
	Financial assets held for trading	Financial assets held for trading
Funds	132,499,869.98	61,559,879.34
Trust schemes	998,882.26	11,701,713.77
Asset management plans	135,134,345.66	87,109,128.31
Total	268,633,097.90	160,370,721.42

As at the end of the Reporting Period, the Group's maximum risk exposure arising from investments in the aforesaid funds, trust schemes, asset management plans and wealth management products was their fair value at the reporting date.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

IX. Government Grants

1. Government grants recognized at the end of the year on the basis of amounts receivable

Nil

2. Liabilities involving government grants

Nil

3. Government grants recognized in profit or loss

Accounting Item	Amount incurred in the current year	Amount incurred in the last year
Other gains	290,265.90	1,003,936.94
Non-operating income		2,000,000.00

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management

The objectives of the Group's risk management are to seek appropriate balance between the risks and returns, and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate and acceptable risk limits and design corresponding internal control procedures, and to monitor risks. The Group regularly reviews risk management policies and the relevant internal control systems to cope with the changes in market conditions or the Group's operating activities.

(I) Market Risk

1. Foreign currency risk

As the Group's business is mainly concentrated in Mainland China and settled in Renminbi, the Group is not subject to any material foreign currency risk save for the bank deposits denominated in Hong Kong dollars resulting from the issuance of shares. The currencies giving rise to foreign currency risk are primarily Hong Kong dollars and United States dollars. As the majority of the proceeds from issue of shares had been converted into Renminbi during the Reporting Period and not much business of the Group is denominated in United States dollars, the Group's exposure to foreign currency risk is low.

- (1) For presentation purposes, the amounts of the exposure are denominated in Renminbi, translated using the spot exchange rate at the balance sheet date. Differences resulting from the translation of foreign currency financial statements are excluded. The Group's exposure to foreign currency risk for assets and liabilities as at the end of the year is as follows:

Item	31 December 2025		31 December 2024	
	Balance in foreign currency	Balance in RMB equivalent	Balance in foreign currency	Balance in RMB equivalent
Monetary funds				
HKD	4,007,273.50	3,619,449.57	6,707,006.97	6,210,956.73
USD	44,835.61	315,140.57	44,683.12	321,200.17

- (2) Analysis on the exchange rates for Renminbi against foreign currencies applied by the Group

Item	Average rates		Reporting date mid-spot rate	
	2025	2024	31 December 2025	31 December 2024
HKD	0.91617	0.91275	0.90322	0.92604
USD	7.14288	7.12168	7.0288	7.1884

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

1. Foreign currency risk *(Continued)*

(3) Sensitivity analysis

Assuming all other risk variables remained constant (except for foreign exchange rate), a 10% strengthening of the Renminbi against the Hong Kong dollars and United States dollars at the end of the year would have decreased the Group's shareholders' equity and net profit by the amount shown below, Whose effect was in Renminbi and translated using the spot rate at the balance sheet date:

Item	31 December 2025	31 December 2024
Net profit and shareholders' equity		
Items denominated in HKD	-271,458.72	-465,821.75
Items denominated in USD	-23,635.54	-24,090.01

A 10% weakening of the Renminbi against Hong Kong dollars and United States dollars would have had the equal but opposite effect to the Group's shareholders' equity and net profit by the amounts shown above, on the basis that all other variables remained constant.

The table above shows the immediate impacts of the changes in exchange rates on the net profit and shareholders' equity of the Group had the HKD and USD amounts been converted into RMB as at the end of the Reporting Period.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group or the Company which exposed the Group to foreign currency risk at the balance sheet date. The analysis above excludes differences that would result from the translation of foreign currency financial statements. The analysis is performed on the same basis using identical methods for previous periods.

2. Interest rate risk

Interest-bearing financial instruments at fixed rates and at floating rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to maintain an appropriate mix of fixed and floating rate instruments. The Group does not use derivative financial instruments to hedge interest rate risk.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

2. Interest rate risk *(Continued)*

(1) Interest-bearing financial instruments held by the Group at the end of year

Item	31 December 2025		31 December 2024	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial instruments at fixed interest rate				
Financial assets				
Monetary funds				
Including: Futures margin	1.87%-3.70%	4,578,329,712.29	1.89%-3.00%	3,228,520,800.00
Own funds	2.60%-4.04%	112,568,189.34	1.75%-3.65%	86,988,874.81
Other monetary funds	0.75%-1.70%	227,730,745.22	1.50%-1.75%	133,197,648.16
Currency deposits receivable and pledged deposits receivable	0.35%	225,669,884.60	1.66%	375,898,065.17
Financial assets held under resale agreements	1.80%	93,966,000.00	1.78%	96,252,523.09
Financial assets held for trading				
Including: Bonds held for trading	2.65%-6.25%	42,950,920.14	3.19%-3.59%	48,086,621.93
Trust schemes	6.10%	998,882.26	6.1%-6.7%	11,701,713.77
Other debt investments			4.17%	8,824,536.85
Financial liabilities				
Short-term borrowings	2.30%	1,000,000.00	2.6%-3.45%	29,000,000.00
Financial assets sold under repurchase agreements			2.17%	4,298,255.52
Net amount		5,281,214,333.85		3,956,172,528.26
Floating rate financial instruments				
Financial assets				
Monetary funds				
Including: Futures margin	0.05%-1.85%	2,902,353,930.03	0.001%-1.50%	3,549,635,767.10
Own funds	0.00%-1.40%	126,005,054.34	0.001%-0.35%	173,549,539.99
Other Monetary funds	0.00%-1.70%	13,891,489.53	0.35%	14,773,586.54
Net amount		3,042,250,473.90		3,737,958,893.63

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

2. Interest rate risk *(Continued)*

(2) Sensitivity analysis

① Fair value sensitivity analysis for fixed rate financial instruments

As of 31 December 2025, with all other variables held constant, an increase in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB38,419,392.39; and a decrease in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB36,674,987.90.

As of 31 December 2024, with all other variables held constant, an increase in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB22,816,878.55; and a decrease in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB20,932,463.06.

② Cash flow sensitivity analysis for floating rate financial instruments

As of 31 December 2025, with all other variables held constant, an increase in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB22,816,878.55; and a decrease in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB20,932,463.06.

As of 31 December 2024, with all other variables held constant, an increase in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB27,853,292.30; and a decrease in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB25,610,781.41.

In respect of the cash flow interest rate risk arising from floating rate non-derivative instruments, which were held by the Group at the balance sheet date, the impact on the Group's net profit and shareholders' equity mentioned in the above sensitivity analysis was estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis using identical methods for previous years.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

3. Other price risk

Other price risk refers to the risk that the fair value or future cash flows of equity financial instruments held by the Group will fluctuate due to changes in market price factors other than market interest rates and exchange rates. The Group mainly invests in stocks and funds listed on stock exchanges, and the maximum market price risk is determined by the fair value of the financial instruments held by the Group.

Sensitivity analysis

The following analysis shows the impacts of a 10% increase or decrease in the share price and commodity price on net profit and equity of the Group, with all other variables held constant.

Item	Net profit	
	31 December 2025	31 December 2024
Change in share price		
10% increase		540,557.28
10% decrease		-540,557.28
Change in commodity price		
10% increase	337,394,295.00	88,424,998.85
10% decrease	-337,394,295.00	-88,424,998.85

Item	Shareholders' equity	
	31 December 2025	31 December 2024
Change in share price		
10% increase		540,557.28
10% decrease		-540,557.28
Change in commodity price		
10% increase	337,394,295.00	88,424,998.85
10% decrease	-337,394,295.00	-88,424,998.85
Changes in the price of Real Estate Investment Trusts (REITs)		
10% increase	2,595,837.53	2,787,320.89
10% decrease	-2,595,837.53	-2,787,320.89

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

3. Other price risk *(Continued)*

Sensitivity analysis (Continued)

The sensitivity analysis indicates that, assuming there were changes in the stock market indexes, real estate investment trusts (REITs) and commodity futures markets as at the end of the relevant period which had been used to re-measure the aforesaid financial instruments held by the Group (which may cause the Group to be exposed to the risks from share and commodity price fluctuations as at the end of the relevant period), there may be temporary changes in the net profit and shareholders' equity of the Group. In addition, it is assumed that the fair values of the equity investments and hedging investments of the Group will change based on historical correlations among relevant stock market indexes, REITs and commodity futures prices, with all other variables held constant. The analysis for prior years was performed based on the same assumption and method.

(II) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to Monetary funds, currency deposits receivable, financial assets held under resale agreements, financial assets held for trading, derivative financial assets, other receivables and other assets. Exposure to these credit risks are monitored by management on an ongoing basis.

The maximum exposure of the Group to credit risk is represented by the carrying amount of each financial asset (including derivative financial instruments) in the balance sheet.

The Group's Monetary funds other than cash are mainly deposited with reputable financial institutions and therefore the Management considers that there are no material risks associated with the Monetary funds and the corresponding interest generated.

As to currency deposits receivable deposited with domestic exchanges and other financial institutions, the Group believes there is low level of credit risk because such financial institutions have good reputation and asset conditions.

As to currency deposits receivable deposited with overseas futures brokers, at the end of Reporting Period, the Group would prudently make provision for loss equivalent to the expected credit loss within the entire duration, by reference to historic credit loss experience, considering current situation and future economic forecasting.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(II) Credit Risk *(Continued)*

As to accounts receivable and other receivables, the Group regularly would assess customers trading with credit. According to the assessment results, the Group would select to trade with recognised customers of good standing, and monitor the balance of accounts receivable and other receivables. As to accounts receivable and other receivables, at the end of Reporting Period, the Group would prudently calculate the expected credit loss and make provision for impairment by reference to historic credit loss experience, considering current situation and future economic forecasting, through the Exposure at Default (EAD) at the expected credit loss rate within future 12 months or within the entire duration. As to impaired accounts receivable, the Group would actively urge the debtors to pay by written notice or arbitration, and may make provision for loss equivalent to the expected credit loss within the entire duration after considering the recoverable amount.

As of 31 December 2025, the Group had no external guarantee. Therefore, regardless of the available collateral or other credit enhancements, the maximum credit risk exposure of the Group on the balance sheet date is the book value of the Group's financial assets less the corresponding provision for impairment. The Group's maximum credit risk exposure is listed as follows:

Item	31 December 2025	31 December 2024
Monetary funds	7,990,458,034.88	7,208,804,109.21
Currency deposits receivable	3,187,227,426.50	2,848,560,087.28
Pledged deposits receivable	77,608,800.00	288,138,600.00
Derivative financial assets	9,154,289.53	11,556,875.02
Financing capital	2,640,072.17	3,537,846.38
Financial assets held for trading	331,597,311.37	280,696,608.62
Financial assets held under resale agreements	93,966,000.00	96,252,523.09
Other receivables	15,585,757.45	12,644,472.25
Other debt investments		8,824,536.85
Investment in other equity instruments	27,809,985.27	29,736,228.88
Other assets – Other current assets	415,831,150.44	409,626,350.92
Total maximum risk exposure	12,151,878,827.61	11,198,378,238.50

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(III) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds for a company to fulfill its obligation of settlement in cash or other financial assets. The Company and its subsidiaries are responsible for their own cash management, including short-term investment and borrowing to meet estimated cash requirements (Any borrowing above the preset upper limit of authority should be approved by the Company's Board of Directors). The Group's policy is to regularly monitor its liquidity requirements to ensure sufficient cash reserves to meet short-term and long-term liquidity requirements.

The remaining contract period of the Group's financial liabilities on the balance sheet date based on the undiscounted contractual cash flows (including interest calculated at the contract rate (if it is a floating rate, the current rate at the end of the period)), and the earliest date of required payment are as follows:

1. 31 December 2025

Item	Current	Within 1 year	1-5 years	Total	Balance Sheet Book value
Currency deposits payable	9,725,943,497.66			9,725,943,497.66	9,725,943,497.66
Pledged deposits payable	1,346,400.00			1,346,400.00	1,346,400.00
Futures investors protection funds payable		344,904.00		344,904.00	344,904.00
Short-term borrowings		1,000,383.33		1,000,383.33	1,000,383.33
Including: Short-term borrowings – Supplier financing arrangements					
Derivative financial liabilities		9,999,149.77		9,999,149.77	9,999,149.77
Bills payable		542,583,467.06		542,583,467.06	542,583,467.06
Other payables		294,367,868.19		294,367,868.19	294,367,868.19
Lease liabilities		6,846,754.62	4,515,059.00	11,361,813.62	11,196,190.50
Total	9,727,289,897.66	855,142,526.97	4,515,059.00	10,586,947,483.63	10,586,781,860.51

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Financial Instruments and Risk Management *(Continued)*

(III) Liquidity risk *(Continued)*

2. 31 December 2024

Item	Current	Within 1 year	1–5 years	Total	Balance Sheet Book value
Currency deposits payable	8,812,672,179.43			8,812,672,179.43	8,812,672,179.43
Pledged deposits payable	26,216,168.00			26,216,168.00	26,216,168.00
Futures investors protection funds payable		428,130.37		428,130.37	428,130.37
Short-term borrowings		29,018,850.00		29,018,850.00	29,018,850.00
Including: Short-term borrowings – Supplier financing arrangements					
Financial assets sold under repurchase agreements		4,298,255.52		4,298,255.52	4,298,255.52
Financial liabilities held for trading		7,912,762.09		7,912,762.09	7,912,762.09
Derivative financial liabilities		9,859,658.01		9,859,658.01	9,859,658.01
Bills payable		237,954,486.22		237,954,486.22	237,954,486.22
Other payables		489,672,703.56		489,672,703.56	489,672,703.56
Lease liabilities		10,870,482.60	5,406,593.69	16,277,076.29	15,674,410.80
Total	8,838,888,347.43	790,015,328.37	5,406,593.69	9,634,310,269.49	9,633,707,604.00

(IV) Operational risk

Operational risk refers to the risk of loss due to unreasonable internal process settings, employee operating errors or failure to strictly implement processes, IT system problems, and external events of a company. In response to operational risks, the Group established a compliant, applicable and clear daily operation system, designed strict business processes and authority division, improved the business system, adopted double reviews for important positions, reduced the probability of human negligence, and established a sound performance examination mechanism. At the same time, by establishing emergency plans, carrying out system testing, and strengthening the construction of emergency backup channels, the Group avoided the risks caused by errors in trading and risk control system. In addition, the Group strengthened internal training, continues to improve the professional capabilities of employees, and reduced the probability and possibility of pricing errors in product design and other aspects.

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From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XI. Fair Value Disclosure Management

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement

1. Year-end fair value of assets and liabilities measured at fair value

Item	Summary of Fair value at the end of the year			Total
	Fair value measurement within Level 1	Fair value measurement within Level 2	Fair value measurement within Level 3	
I. Ongoing fair value measurement				
(I) Financial assets held for trading	42,950,920.14	286,336,737.38	2,309,653.85	331,597,311.37
1. Financial assets at fair value through profit or loss	42,950,920.14	286,336,737.38	2,309,653.85	331,597,311.37
(1) Debt instrument investment	42,950,920.14		998,882.26	43,949,802.40
(2) Equity instrument investment		286,336,737.38	1,310,771.59	287,647,508.97
(II) Derivative financial assets	6,874,791.03		2,279,498.50	9,154,289.53
(III) Investment properties		48,068,400.00		48,068,400.00
1. Buildings for rent		48,068,400.00		48,068,400.00
(IV) Other equity instruments investment	25,958,375.27		1,851,610.00	27,809,985.27
(V) Other assets	415,831,150.44			415,831,150.44
1. Other current assets	415,831,150.44			415,831,150.44
Total assets measured at fair value on an ongoing basis	491,615,236.88	334,405,137.38	6,440,762.35	832,461,136.61
(VI) Financial liabilities held for trading			7,030,984.02	7,030,984.02
(VII) Derivative financial liabilities	5,924,720.00		4,074,429.77	9,999,149.77
Total financial liabilities measured at fair value on an ongoing basis	5,924,720.00		11,105,413.79	17,030,133.79
II. Non-ongoing fair value measurement				
Total financial assets measured at fair value not on an ongoing basis				
Total financial liabilities measured at fair value not on an ongoing basis				

During the Reporting Period, there were no transfers between level 1 and level 2 or transfers into or out of level 3 for the Group. The Group's policy is to identify the actual level transfers between levels at the end of the reporting date.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

1. Year-end fair value of assets and liabilities measured at fair value *(Continued)*

(1) Level 1 fair value measurement

The fair value of a financial instrument traded in an active market is determined by its quoted price in the active market. The quoted price in the active market means a quoted price readily available from exchanges, securities companies, brokers, industry associations, pricing agencies and regulators which can represent the price of an actual fair market transaction.

(2) Level 2 fair value measurement

The fair value of a financial instrument not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the financial instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the financial instrument is included in level 3.

The valuation techniques for the financial instruments of the Group as at the end of the Reporting Period are as follows:

For listed equity securities, fair value is determined based on the closing price of the equity securities as at the end of the Reporting Period, within bid-ask spread. If there is no quoted market price as at the end of the Reporting Period and there have been significant changes in the economic environment after the most recent trading date, valuation techniques are used to determine the fair value.

For exchange-listed investment funds, fair value is determined based on the closing price within bid-ask spread as at the end of the Reporting Period or the most recent trading date. For unlisted open-end funds, fair value is determined by quoted price which is based on the net asset value as at the end of the Reporting Period.

For futures traded through over-the-counter market, fair value is determined using valuation techniques based on observable commodity futures market data with similar characteristics.

For open-market debt investments, fair value is determined using the price quoted in the valuation system of the relevant bonds registration and settlement institution, which adopts observable inputs reflecting market conditions in reaching quotes.

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From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

1. Year-end fair value of assets and liabilities measured at fair value *(Continued)*

(2) Level 2 fair value measurement *(Continued)*

For asset management plans for which there is no open market, fair value is determined through quoted net asset values based on the end date of the reporting period.

For investment property items where the fair value is available from the real estate market with examples of transactions comparable to the subject of the valuation and where earnings can be ascertained, the market approach or the income approach is used for valuation.

During the Reporting Period, there were no changes in the valuation techniques adopted in the aforesaid recurring level 2 fair value measurement of the Group.

(3) Level 3 fair value measurement

For level 3 financial instruments, the Group determines their values through the discounted cash flow model and other similar valuation techniques. Whether it is classified as level 3 valuation techniques is generally based on the importance of non-observable market data to the whole fair value measurement. The following table shows the relevant valuation techniques and parameters of the main level 3 financial instruments:

Financial instruments	Valuation technique	Significant unobservable inputs	Relationship between unobservable inputs and fair value
Asset management plans, trust schemes, wealth management products and assets-backed securities	Discounted cash flows	Risk-adjusted discount rate	The higher the risk adjusted discount rate, the lower the fair value
Over-the-counter options	Bloomberg OVML function, Black-Scholes PDE, Clark Nielsen finite difference method for solving partial differential equations	Implied volatility	The higher the implied volatility, the higher the fair value
Financial liabilities held for trading Including: Payables designated as measured at fair value	Valuation of underlying financial instruments and contract allocation method	Contract allocation rate	The higher the contract allocation rate, the higher (for gain)/the lower (for loss) the fair value

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From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

1. Year-end fair value of assets and liabilities measured at fair value *(Continued)*

(3) Level 3 fair value measurement *(Continued)*

At the end of the Reporting Period, there were no changes in the valuation techniques for the fair values of the assets and liabilities of level 3 fair value measurement.

The reconciliation between the opening balance and closing balance of the assets and liabilities of recurring level 3 fair value measurement is as follows:

Item	Opening balance	Total gains or losses for the year Included in profit or loss	Purchase	Settlement and sale	Closing balance	For assets held and liabilities assumed at the end of the Period, unrealised gains or losses for the Period included in profit or loss
Financial assets						
Financial assets held for trading						
Including: Investments in						
debt instruments	11,701,713.77	-518,296.57		10,184,534.94	998,882.26	-4,250,000.00
Equity instrument investment	3,273,192.94	69,907.76		2,032,329.11	1,310,771.59	110,431.31
Investment in other equity instruments	1,863,020.00	-11,410.00			1,851,610.00	
Derivative financial assets	11,537,415.02	-9,257,916.52			2,279,498.50	2,279,498.50
Subtotal of financial assets	28,375,341.73	-9,717,715.33		12,216,864.05	6,440,762.35	-1,860,070.19
Financial liabilities						
Financial liabilities held for trading						
Including: Financial liabilities designated as at FVTPL	7,912,762.09	288,152.37	6,830,404.01	8,000,334.45	7,030,984.02	200,580.01
Derivative financial liabilities	6,123,498.01	-2,049,068.24			4,074,429.77	4,074,429.77
Subtotal of financial liabilities	14,036,260.10	-1,760,915.87	6,830,404.01	8,000,334.45	11,105,413.79	4,275,009.78
Net amount	14,339,081.63	-7,956,799.46	-6,830,404.01	4,216,529.60	-4,664,651.44	-6,135,079.97

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From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

2. Fair value of financial assets and financial liabilities not measured at fair value

The financial assets and financial liabilities not measured at fair value of the Group or the Company mainly include: Monetary funds, currency deposits receivable, pledged deposits receivable, settlement deposits receivable, financial assets held under resale agreements, other receivables, currency deposits payable, pledged deposits payable, futures investors protection funds payable, trade payables and other payables. As at the end of the Reporting Period, there was no significant difference between the carrying amount and the fair value of the above financial assets and financial liabilities.

XII. Related Parties and Connected Transactions

(I) Relations with related parties

1. Controlling shareholder and ultimate controller

(1) Controlling shareholder and ultimate controller

Name of Parent Company	Place of registration	Business nature	Registered capital	Parent's shareholding percentage of the Company	Parent's shareholding voting power percentage of the Company	Ultimate controller of the Company
Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)	Jiangsu Province	Financial investment, industrial investment, operation and management of state-owned assets within the scope of authorization; international trade; housing leasing; production, research and development and sales of cocoon silk, textile and clothing	2,000,000,000.00	27.33%	27.33%	Jiangsu Provincial People's Government

(2) Changes in controlling shareholder's registered capital

Nil

2. Subsidiaries of the Company

Details of the Company's subsidiaries are set out in Notes "VII" and "VIII.(I)".

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From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(I) Relations with related parties *(Continued)*

3. Associates of the Company

For details of the Company's joint ventures and associates, see Note "VIII. (II)".

4. Other important related parties of the Company

Other related parties	Relation
Soho Holly Corporation	Shareholder of the Group/Company
SOHO Culture Group Company Limited (蘇豪文化集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Zhongtian Holding Co., Ltd. (江蘇蘇豪中天控股有限公司) (formerly known as Jiangsu High Hope International Group Zhongtian Holding Co., Ltd. (江蘇匯鴻國際集團中天控股有限公司))	Controlled by the same ultimate holding company
Jiangsu SOHO Champion Development Co., Ltd. (江蘇蘇豪中錦發展有限公司) (formerly known as High Hope Int'l Group Jiangsu Champion Holdings Limited (江蘇匯鴻國際集團中錦控股有限公司))	Controlled by the same ultimate holding company
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Private Equity Fund Management Co., Ltd. (江蘇蘇豪私募基金管理有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Assets Operation Group Co., Ltd. (江蘇蘇豪資產運營集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Wisdom Private Fund Management Co., Ltd. (江蘇蘇豪匯升私募基金管理有限公司) (formerly known as Jiangsu High Hope Wisdom Co., Ltd. (江蘇匯鴻匯升投資管理有限公司))	Controlled by the same ultimate holding company
Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Xin Zhi Group Co., Ltd. (江蘇省蘇豪新智集團有限公司) (formerly known as Jiangsu Overseas Group Co., Ltd. (江蘇省海外企業集團有限公司))	Controlled by the same ultimate holding company
Jiangsu Nonferrous Metals I/E Corp. Ltd. (江蘇有色金屬進出口有限公司)	Controlled by the same ultimate holding company

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From 1 January 2025 to 31 December 2025

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XII. Related Parties and Connected Transactions *(Continued)*

(I) Relations with related parties *(Continued)*

4. Other important related parties of the Company *(Continued)*

Other related parties	Relation
Nanjing Tianhong Information Technology Service Co., Ltd. (南京天泓信息技術服務有限公司) (formerly known as Jiangsu Tianhong Hengde Motor Vehicle Appraisal Co., Ltd. (江蘇天泓恒德機動車評估有限公司))	Controlled by the same ultimate holding company
Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	Controlled by the same ultimate holding company
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Controlled by the same ultimate holding company
Jiangsu High Hope Zhongtian Technology Co., Ltd. (江蘇匯鴻中天科技有限公司)	Controlled by the same ultimate holding company
Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司)	Controlled by the same ultimate holding company
Jiangsu Holly Environmental Technology Industrial Co., Ltd. (江蘇弘業環保科技產業有限公司)	Controlled by the same ultimate holding company
Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	Controlled by the same ultimate holding company
Shanghai Highhope Pulp And Paper Corporation (上海匯鴻漿紙有限公司)	Controlled by the same ultimate holding company
Nantong Holly Import and Export Co., Ltd. (南通弘業進出口有限公司)	Controlled by the same ultimate holding company
Nanjing Hongjia Asset Management Co., Ltd. (南京泓佳資產經營管理有限公司) (formerly known as Jiangsu Hongjia Property Management Co., Ltd. (江蘇泓佳物業管理有限公司))	Controlled by the same ultimate holding company
Soho Litian (Liaoning) Polymer Material Co., Ltd. (蘇豪麗天(遼寧)高分子材料有限公司) (formerly known as Liaoning Litian New Material Co., Ltd. (遼寧麗天新材料有限公司))	Controlled by the same ultimate holding company
Zhan Jieying	Senior management
Shi Xianzhao	Senior management of the Controlling Shareholder

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(II) Transactions with related parties

1. Purchase of goods/Acceptance of services

Related parties	Related party transaction	Amount incurred in the current year	Number of transactions approved	Whether the transaction limit is exceeded	Amount incurred in the last year
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Labour cost	415,254.97	415,254.97	No	412,563.00
Jiangsu Holly Environmental Technology Industrial Co., Ltd. (江蘇弘業環保科技產業有限公司)	Procurement cost	14,491.15	14,491.15	No	8,809.73
Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	Advertising and publicity expenses	102,746.91	102,746.91	No	144,502.67
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Cafeteria service charge	1,636,557.41	1,636,557.41	No	1,813,175.04
Nanjing Tianhong Information Technology Service Co., Ltd. (南京天泓信息技術服務有限公司)	Motor Vehicle Appraisal	1,584.16	1,584.16	No	792.08
Jiangsu High Hope Zhongtian Technology Co., Ltd. (江蘇匯鴻中天科技有限公司)	Procurement cost	38,967.26	38,967.26	No	
Jiangsu SOHO Xin Zhi Group Co., Ltd. (江蘇省蘇豪新智集團有限公司)	Service charge	51,886.79	51,886.79	No	
Total		2,261,488.65	2,261,488.65	–	2,379,842.52

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(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(II) Transactions with related parties *(Continued)*

2. Sales of goods/Provision of services

Related parties	Related party transaction	Amount incurred in the current year	Amount incurred in the last year
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Asset management business income/Others	30,100.92	34,539.99
Jiangsu SOHO Assets Operation Group Co., Ltd. (江蘇蘇豪資產運營集團有限公司)	Asset management business income		19,578.48
Zhan Jieying	Asset management business income		1,264.23
Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	Fee income	2,135.78	1,235.45
Soho Litian (Liaoning) Polymer Material Co., Ltd. (蘇豪麗天(遼寧)高分子材料有限公司)	Fee income	105.75	139.72
Soho Holly Corporation	Fee income		43.66
Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	Fee income	194.92	246.79
Jiangsu SOHO Champion Development Co., Ltd. (江蘇蘇豪中錦發展有限公司)	Fee income	0.37	8.18
Jiangsu SOHO Zhongtian Holding Co., Ltd. (江蘇蘇豪中天控股有限公司)	Fee income	0.75	
Shi Xianzhao	Fee income	22.64	
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Asset management business income		12,225.06
Total		32,561.13	69,281.56

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(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions (Continued)

(II) Transactions with related parties (Continued)

3. Related lease

(1) Lease

Name of lessor	Types of leased assets	Expenses relating to Short-term lease and leases of low-value assets applied the practical expedient (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rental paid		Interest expense of lease liabilities		Addition of right-to-use assets	
		Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year
Soho Holly Corporation (蘇豪弘業股份有限公司)	Plants and buildings	101,200.79	708,405.50								
Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)	Plants and buildings					2,293,106.94	3,412,361.51	81,006.45	286,718.12		
Nanjing Hongjia Asset Management Co., Ltd. (南京泓佳資產經營管理有限公司)	Plants and buildings					1,146,553.48		40,503.23			
Total		101,200.79	708,405.50			3,439,660.42	3,412,361.51	121,509.68	286,718.12		

4. Other Transactions with related parties

Related parties	Item	Related party transaction	Amount incurred in the current year	Amount incurred in the last year
Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司)	N/A	Net Investment/Disposal of Asset Management Plans		-32,224,633.95
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	N/A	Net Investment/Disposal of Asset Management Plans		-5,773,522.76
Zhan Jieying	N/A	Net Investment/Disposal of Asset Management Plans		-504,559.81

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(III) Balance of transactions with related parties

1. Amount due from related parties

Item	Related party transaction	Related parties	Closing book balance	Opening book balance
Other receivables	Housing leasing deposits	Soho Holly Corporation (蘇豪弘業股份有限公司)		71,000.00
Other receivables	Housing leasing deposits	Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)		257,231.82
Other receivables	Housing leasing deposits	Nanjing Hongjia Asset Management Co., Ltd. (南京泓佳資產經營管理有限公司)	257,231.82	

2. Amounts due to related parties

Item	Related parties	Closing balance	Opening balance
Currency deposits payable	Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	1,001.00	1,001.00
Currency deposits payable	Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	2,724,749.72	2,242,857.44
Currency deposits payable	SOHO Culture Group Company Limited (蘇豪文化集團有限公司)		1,500.00
Currency deposits payable	Soho Holly Corporation (蘇豪弘業股份有限公司)	59,021.74	53,455.98
Currency deposits payable	Jiangsu SOHO Wisdom Private Fund Management Co., Ltd. (江蘇蘇豪匯升私募基金管理有限公司)	1,001.00	1,001.00
Currency deposits payable	Soho Litian (Liaoning) Polymer Material Co., Ltd. (蘇豪麗天(遼寧)高分子材料有限公司)	885,797.40	3,813,149.50
Currency deposits payable	Jiangsu Nonferrous Metals I/E Corp. Ltd. (江蘇有色金屬進出口有限公司)	1,001.00	1,001.00
Currency deposits payable	Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	1,500.00	2,000.00

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(III) Balance of transactions with related parties *(Continued)*

2. Amounts due to related parties *(Continued)*

Item	Related parties	Closing balance	Opening balance
Currency deposits payable	Jiangsu SOHO Champion Development Co., Ltd.(江蘇蘇豪中錦發展有限公司)	1,415,262.19	1,001.00
Currency deposits payable	Nantong Holly Import and Export Co., Ltd.(南通弘業進出口有限公司)	1,010,000.00	
Currency deposits payable	Jiangsu SOHO Zhongtian Holding Co., Ltd.(江蘇蘇豪中天控股有限公司)	6,791,036.54	
Currency deposits payable	Shanghai Highhope Pulp And Paper Corporation(上海匯鴻漿紙有限公司)	1,001.00	
Other receivables	Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)		971,529.72
Other receivables	Jiangsu SOHO Real Estate Operation and Management Co., Ltd.(江蘇蘇豪不動產經營管理有限公司)		1,146,553.46

3. Others

Related parties	Item	Related party transaction	Closing balance	Opening balance
Jiangsu SOHO Private Equity Fund Management Co., Ltd.(江蘇蘇豪私募基金管理有限公司)	Financial assets	Private Equity held for trading		1,003,177.20
Soho Holly Corporation	Other assets	Prepayment of Rent		106,260.83
Nanjing Hongjia Asset Management Co., Ltd.(南京泓佳資產經營管理有限公司)	Other assets	Prepayment of Rent	573,276.72	

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(IV) Remuneration of directors, supervisors and staff

1. Compensation of senior management

Item	Amount incurred in the current year	Amount incurred in the last year
Compensation of senior management	4,297,071.29	3,925,912.99

2. Directors' emoluments

Details of Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Item	Director's fees	Salaries, allowances and other benefits	Discretionary bonuses	Pension scheme contributions	Total
Chairman					
– Chu Kairong		463,992.00	300,000.00		763,992.00
Executive Directors					
– Zhao Weixiong		495,192.00	82,900.00		578,092.00
Non-executive Directors					
– Xue Binghai					
– Jiang Haiying					
Supervisors					
– Huang Dongyan (January to October)		331,320.00			331,320.00
– Gong Qi (January to October)		75,297.75	67,800.00		143,097.75
– Zhang Lei (January)		11,535.00	26,431.75		37,966.75
Independent non-executive Directors					
– Zhang Hongfa	130,565.48				130,565.48
– Huang Dechun	130,565.48				130,565.48
– Lo Wah Wai	131,822.62				131,822.62
Total	392,953.58	1,377,336.75	477,131.75		2,247,422.08

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(IV) Remuneration of directors, supervisors and staff *(Continued)*

2. Directors' emoluments *(Continued)*

Item	Director's fees	Salaries, allowances and other benefits	Discretionary bonuses	Pension scheme contributions	Total
Amount incurred in the last year					
Chairman					
– Chu Kairong		429,784.00	353,647.11		783,331.11
Executive Directors					
– Zhao Weixiong (September to December)		151,928.00			151,928.00
Non-executive Directors					
– Xue Binghai					
– Jiang Lin					
Supervisors					
– Yu Hong (January to August)					
– Huang Dongyan (September to December)		122,464.00	314,847.00		437,311.00
– Chen Liang					
– Zhang Lei		104,700.00	123,075.42		227,775.42
Independent non-executive Directors					
– Zhang Hongfa	119,042.88				119,042.88
– Huang Dechun	119,042.88				119,042.88
– Lo Wah Wai	132,132.14				132,132.14
Total	370,217.90	808,876.00	791,469.53		1,970,563.43

In 2025, Xue Binghai and Jiang Haiying, both being non-executive directors, and Chen Liang, being supervisor, did not receive any fees or emoluments in respect of their services to the Group during the Reporting Period as they were paid by the Group's ultimate holding company SOHO Holdings.

During the Reporting Period, remuneration paid to all non-independent Directors and Supervisors (excluding Chu Kairong) was attributable to services rendered in their capacity as managers of the Company or its subsidiaries, rather than for their roles as Directors or Supervisors.

Remuneration paid to Chu Kairong, the chairman of the Board, during the Reporting Period reflected services provided in his capacity as a Director.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XII. Related Parties and Connected Transactions *(Continued)*

(IV) Remuneration of directors, supervisors and staff *(Continued)*

3. Five Individuals with highest emoluments

Of the five individuals with the highest emoluments in the year, none of them (last year: one) are directors whose emoluments are disclosed in Note "XII. (IV)1". Emoluments in respect of the other five (last year: four) individuals are as follows:

Item	Amount incurred in the current year	Amount incurred in the last year
Salaries, allowances and benefits	1,136,544.53	1,090,660.09
Discretionary bonuses	4,215,845.27	2,251,895.66
Pension scheme contributions	259,466.26	205,271.19
Total	5,611,856.06	3,547,826.94

The range of emoluments is as follows:

Item	Number of individuals in the current year	Number of individuals in the last year
Below HKD1,000,000	1	3
HKD1,000,001 to HKD1,500,000	4	1
HKD1,500,001 to HKD2,000,000		
HKD2,000,001 to HKD2,500,000		

4. During the Track Record Period, no Directors have waived or agreed to waive any emoluments. During the Track Record Period, no emoluments are paid to any Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office. No non-cash benefits are paid to any directors, supervisors or the five highest paid individuals.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XIII. Commitments and Contingent Events

(I) Material commitments

1. External investment contracts contracted but not performed or not completely performed

Capital commitments	Closing balance	Opening balance
Contracts contracted but not performed	42,000,000.00	42,000,000.00
Contracts authorized but not contracted	78,000,000.00	78,000,000.00
Total	120,000,000.00	120,000,000.00

(II) Contingent events

1. Significant pending litigation or arbitration

As of 31 December 2025, the Group had not been involved in any major legal, arbitration or administrative litigation that may have a material adverse effect on the financial status and operating results of the Group.

2. Other contingent events

As of 31 December 2025, the Group had no other significant contingencies to be disclosed.

XIV. Subsequent Events

1. Profit distribution after the balance sheet date

Item	Content
Profits or dividends to be distributed	4,031,111.11 (note)
Profits or dividends declared to distribute after review and approval	—

Note: Pursuant to the resolution of the 12th meeting of the 5th session of the Board of the Company held on 31 March 2026, the above profit distribution proposal is subject to the approval at the general meetings of the Company.

Save for the above, as of the date of this Report, the Group had no material subsequent events.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XV. Other Important Matters

(I) Segment reports

The Group has two reporting Segments, 1) Futures Brokerage and Asset Management Business Division, and 2) Commodity Trading and Risk Management Business Division. Each reporting division is a separate business division that offers different products and services. As each division requires different technologies and market strategies, it needs to be managed separately.

The Futures Brokerage and Asset Management Business Division participates in the transactions of commodity futures and financial futures on behalf of customers. Meanwhile, it participates in the development and sales of asset management products and services based on the asset size and customer demands. In addition, this division also operate investment activities in asset management plans, bank wealth management products, listed and unlisted securities, trust schemes, funds, and derivative financial instruments.

The Commodity Trading and Risk Management Business Division participates in the provision of bulk commodity purchase and resale, futures arbitrage, basis trading and hedging services.

Division operating results refer to the income generated by each business division (including foreign transaction income and inter-divisional transaction income), deducting the expenses incurred by each division, the depreciation, amortization and impairment of assets attributable to each division, the net amount of bank deposits and bank borrowings directly attributable to a division after the net interest expenses incurred. The transfer pricing of revenue between the two divisions is calculated on terms similar to other external transactions. The Group did not allocate non-operating income and expenditure and income tax expenses to each division.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XV. Other Important Matters (Continued)

(I) Segment reports (Continued)

1. Segment reports of profit (loss), assets and liabilities by business type

Item	Futures		Offset between divisions	Total
	Brokerage and Asset Management Business	The commodity trading and risk management business		
External operating income	278,817,739.33	8,733,807.25		287,551,546.58
Inter-divisional operating income	-28,059,882.63	33,313,143.22	-5,253,260.59	
Operating expenses	-250,658,260.74	-33,165,738.25		-283,823,998.99
Non-operating income and expenditure	608,918.78	5,875.94		614,794.72
Total profit	708,514.74	8,887,088.16	-5,253,260.59	4,342,342.31
Income tax expense	1,210,164.48	-2,257,166.86	697,354.36	-349,648.02
Net profit	1,918,679.22	6,629,921.30	-4,555,906.23	3,992,694.29
Total assets	11,715,904,084.73	1,353,165,482.27	-406,775,359.43	12,662,294,207.57
Total liabilities	10,320,446,865.46	834,774,485.46	-357,812,969.12	10,797,408,381.80
Other important items:				
Including: Net interest income	64,885,942.60	8,382,072.06		73,268,014.66
Depreciation and amortization	27,126,283.21	1,725,775.99		28,852,059.20
Increase in non-current assets other than long-term equity investment	1,279,607.21	21,399.16		1,301,006.37

2. Segment reports of profit (loss), assets and liabilities by geographic region

The Group's external transaction income by region is listed below. External transaction income is classified by the location of the clients who accepted services or bought products from the Group.

Item	Total external transaction income
Mainland China	268,213,862.13
Hong Kong, China	19,337,684.45
Total	287,551,546.58

(II) As of 31 December 2025, the Group had no other important matters to be disclosed.

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XVI. Notes to Parent's Financial Statements

1. Long-term equity investment

(1) Breakdown of long-term equity investment

Item	Closing balance	Opening balance
Investment in subsidiaries	700,448,579.81	700,448,579.81
Investment in joint ventures or associates	8,766,789.61	8,709,774.28
Total long-term equity investments	709,215,369.42	709,158,354.09
Less: Provision for impairment of long-term equity investments		
Net long-term equity investment	709,215,369.42	709,158,354.09

(2) Investment in subsidiaries

Investee	Opening balance (Book value)	Provision for impairment as at the beginning of the year	Current changes				Closing balance (Book value)	Provision for impairment as at the end of the year
			Additional Investment	Investment reduction	Provision for impairment	Others		
Holly Capital Management Co., Ltd. (弘業資本管理有限公司)	500,000,000.00						500,000,000.00	
Holly International Financial Holdings Limited(弘業國際金融控股有限 公司)	200,448,579.81						200,448,579.81	
Total	700,448,579.81						700,448,579.81	

(3) Investment in joint ventures or associates

Investee	Opening balance (Book value)	Provision for impairment as at the beginning of the year	Current changes						Closing balance (Book value)	Provision for impairment as at the end of the year
			Investment reduction	Investment gain/loss recognised under equity method	Other recognised comprehensive income adjustment	Other equity change	Declared cash dividend or profit	Provision for impairment		
Associate										
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投 資有限公司)	6,572,765.03			69,518.56					6,642,283.59	
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞 成長創業投資有限公司)	2,137,009.25			-12,503.23					2,124,506.02	
Total	8,709,774.28			57,015.33					8,766,789.61	

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XVI. Notes to Parent's Financial Statements (Continued)

2. Net handling fee and commission income

(1) Breakdown of net handling fee and commission income

Item	Amount incurred in the current year	Amount incurred in the last year
Net brokerage fee income	148,271,177.58	150,484,221.72
Asset management business income	3,091,546.58	6,086,679.88
Investment advisory income	2,269,534.21	3,155,110.40
Total	153,632,258.37	159,726,012.00

(2) Branches and fee income by administrative region

Administrative regions	Amount incurred in the current year		Amount incurred in the last year	
	Number of branches	Fee income	Number of branches	Fee income
Jiangsu Province	17	123,794,929.91	18	124,434,845.06
Fujian Province	2	3,758,361.95	2	3,129,317.32
Shanghai	2	2,855,685.48	2	4,905,359.91
Zhejiang Province	2	4,524,222.06	2	3,813,414.53
Henan Province	1	2,002,531.97	1	2,920,852.19
Guangdong Province	1	1,334,857.52	2	1,882,461.67
Beijing	2	1,560,083.24	2	1,270,430.78
Shandong Province	2	2,444,470.48	2	3,550,910.47
Shaanxi Province	1	1,954,201.57	1	2,822,217.66
Anhui Province	2	1,403,571.69	2	2,374,345.38
Liaoning Province	2	3,037,828.75	2	2,625,186.91
Guangxi Province	1	1,701,476.84	1	1,272,211.77
Hunan Province	1	1,122,508.49	1	1,565,985.16
Chongqing	1	1,275,862.07	1	1,853,625.78
Shanxi Province	1	861,666.35	1	1,130,979.91
Hainan Province			1	173,867.50
Total	38	153,632,258.37	41	159,726,012.00

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XVI. Notes to Parent's Financial Statements (Continued)

3. Net interest income

Item	Amount incurred in the current year	Amount incurred in the last year
Interest income		
Including: Interest income from customer fund deposits	41,450,268.24	78,086,304.43
Interest income from own funds deposit	13,189,704.71	13,285,536.20
Interest income from repurchase agreements	1,370,021.05	1,338,997.72
Total interest income	56,009,994.00	92,710,838.35
Interest expense		
Including: Interest expense on sale and repurchase	13,956.58	535,694.39
Total interest expenses	13,956.58	535,694.39
Net interest income	55,996,037.42	92,175,143.96

4. Investment gains

(1) Breakdown of investment gains

Item	Amount incurred in the current year	Amount incurred in the last year
(1) Long term equity investment gains calculated with cost method	30,000,000.00	20,000,000.00
(2) Long term equity investment gains calculated with equity method	57,015.33	457,216.24
Including: ① Gains on investment in associates	57,015.33	457,216.24
② Gains on investment in joint ventures		
(3) Investment gains from disposal of long term equity investment		
(4) Financial instrument investment gains	3,213,999.43	10,468,926.89
Including: ① Grains on financial instrument during holding period	2,592,876.23	2,893,054.64
– Financial instrument held for trading	883,150.04	2,290,440.96
– Other debt investments	29,906.65	33,809.22
– Investment in other equity instruments	1,679,819.54	568,804.46
② Proceeds from disposal	621,123.20	7,575,872.25
– Financial instrument held for trading	605,399.94	7,411,618.19
– Other debt investments	15,723.26	164,254.06
Total	33,271,014.76	30,926,143.13

Notes to the Financial Statements

From 1 January 2025 to 31 December 2025

(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XVI. Notes to Parent's Financial Statements (Continued)

4. Investment gains (Continued)

(2) Gains from investment in associates

Item	Amount incurred in the current year	Amount incurred in the last year
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	69,518.56	463,406.15
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	-12,503.23	-6,189.91
Total	57,015.33	457,216.24

(3) There is no significant restriction on repatriation of investment gains.

5. Gains from changes in fair value

Item	Amount incurred in the current year	Amount incurred in the last year
Financial assets held for trading	12,959,034.75	12,362,215.58
Including: Financial assets at fair value through profit or loss	12,959,034.75	12,362,215.58
Investment properties	-398,678.00	-106,044.00
Total	12,560,356.75	12,256,171.58

Supplementary Information to the Financial Statements

(Unless otherwise specified, amounts are expressed in RMB)

1. Extraordinary profit and loss statement

Item	Amount for the year
Profit or loss on disposal of non-current assets	-876,465.42
Tax rebate or tax concessions with unauthorised approval or without official approval documents or on an occasional basis	
Government grants recognized in profit or loss for the period	290,265.90
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement	-398,678.00
Other non-operating income and expenses other than the foregoing items	722,230.30
Other profit and loss items falling within the meaning of extraordinary profit and loss	
Subtotal	-262,647.22
Less: Effect of income tax	-70,573.37
Effect of minority interests (after tax)	
Total	-192,073.85

2. Returns on net assets and earnings per share

Profit of the Reporting Period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to equity holders of the parent company	0.2134	0.0040	0.0040
Net profit attributable to equity holders of the parent company after deducting non-recurring gains and losses	0.2237	0.0042	0.0042

Soho Holly Futures Co., Ltd.
31 March 2026