THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in China International Capital Corporation Limited, you should at once hand this circular and the accompanying forms of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China International Capital Corporation Limited

中國國際金融股份有限公司

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

(Stock Code: 03908)

MAJOR TRANSACTION AND SPECIFIC MANDATE TO ISSUE CICC A SHARES FOR THE PROPOSED MERGERS OF CICC, DONGXING SECURITIES AND CINDA SECURITIES
NOTICE OF 2026 FIRST EXTRAORDINARY SHAREHOLDERS' MEETING
AND
NOTICE OF 2026 FIRST H SHAREHOLDERS' CLASS MEETING

Notice convening the 2026 First ESM and the 2026 First H Shareholders' Class Meeting of China International Capital Corporation Limited to be held at Meeting Rooms 3004 and 3005, 30/F, China Life Finance Centre, No. 23 Zhenzhi Road, Chaoyang District, Beijing, the PRC on Monday, June 8, 2026 at 2:00 p.m. and 3:00 p.m. (or immediately after the conclusion of the 2026 First ESM and the 2026 First A Shareholders' Class Meeting (or any adjournment thereof)) is set out on pages ESM-1 to ESM-4 and pages HCM-1 to HCM-3 of this circular respectively.

If you intend to appoint a proxy to attend the 2026 First ESM and/or the 2026 First H Shareholders' Class Meeting, please complete the enclosed form(s) of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for CICC H Shareholders) not less than 24 hours before the time appointed for holding (as the case may be) the 2026 First ESM and/or the 2026 First H Shareholders' Class Meeting (that is, not later than 2:00 p.m. (for the 2026 First ESM) and 3:00 p.m. (for the 2026 First H Shareholders' Class Meeting) on Sunday, June 7, 2026 (Beijing time)) or any adjournment thereof in person or by post. Completion and return of the relevant form(s) of proxy will not preclude you from attending and voting in person at the 2026 First ESM and/or the 2026 First H Shareholders' Class Meeting or any adjournment thereof if you so wish, but in such event the relevant form(s) of proxy shall be deemed to be revoked.

May 18, 2026

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"2026 First A Shareholders' Class Meeting" or "CICC A Shareholders' Class Meeting"	means the 2026 First A Shareholders' Class Meeting of CICC to be held at Meeting Rooms 3004 and 3005, 30/F, China Life Finance Centre, No. 23 Zhenzhi Road, Chaoyang District, Beijing, the PRC on Monday, June 8, 2026 at 2:30 p.m. (or immediately after the conclusion of the 2026 First ESM (or any adjournment thereof)) or any adjournment thereof
"2026 First H Shareholders' Class Meeting" or "CICC H Shareholders' Class Meeting"	means the 2026 First H Shareholders' Class Meeting of CICC to be held at Meeting Rooms 3004 and 3005, 30/F, China Life Finance Centre, No. 23 Zhenzhi Road, Chaoyang District, Beijing, the PRC on Monday, June 8, 2026 at 3:00 p.m. (or immediately after the conclusion of the 2026 First ESM and the 2026 First A Shareholders' Class Meeting (or any adjournment thereof)) or any adjournment thereof
"2026 First ESM" or "CICC GM"	means the 2026 First Extraordinary Shareholders' Meeting of CICC to be held at Meeting Rooms 3004 and 3005, 30/F, China Life Finance Centre, No. 23 Zhenzhi Road, Chaoyang District, Beijing, the PRC on Monday, June 8, 2026 at 2:00 p.m. or any adjournment thereof
"Announcement"	means the announcement in connection with the Proposed Mergers issued by CICC on December 17, 2025
"Applicable Laws"	means, with respect to any person, any laws, decrees, regulations, guidelines, rules, codes, orders, directives, requirements or legal principles in any jurisdictions that is applicable to such person
"associate(s)"	has the meaning ascribed to it in the Hong Kong Listing Rules
"Central Huijin"	means Central Huijin Investment Ltd. (中央匯金投資有限責任公司), a wholly state-owned company ultimately owned by the State Council of the PRC
"China" or "PRC"	means the People's Republic of China
"China Cinda"	means China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares (stock code: 1359.HK) and preference shares (stock code: 4621.HK) are both listed and traded on the Main Board of the Hong Kong Stock Exchange

"China Galaxy Securities"	means China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司), a joint stock company incorporated in the PRC with limited liability whose H shares are listed on Hong Kong Stock Exchange (stock code: 6881.HK) and A shares are listed on Shanghai Stock Exchange (stock code: 601881.SH)
"China Investment Consulting"	means China Investment Consulting Co., Ltd. (中國投資諮詢有限責任公司)
"China Orient"	means China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司)
"CICC" or the "Company"	means China International Capital Corporation Limited (中國國際金融股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares and A shares are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 3908.HK) and the SSE (stock code: 601995.SH), respectively
"CICC 2025 Final Dividend"	means the final dividend of RMB2.3 per 10 CICC Shares (tax inclusive) which is declared by CICC on March 30, 2026, but remains to be approved by the CICC Shareholders and unpaid as at the Latest Practicable Date
"CICC 2025 Interim Dividend"	means the interim dividend of RMB0.09 per CICC A Share or HK$0.0986550 per CICC H Share which is declared by CICC and approved at the 2025 First Extraordinary Shareholders' Meeting of CICC on October 31, 2025, but was unpaid as at the date of the Merger Agreement. For the avoidance of doubt, the CICC 2025 Interim Dividend has been paid prior to the Latest Practicable Date
"CICC A Shareholders"	means the holders of CICC A Shares
"CICC A Share(s)"	means the ordinary share(s) issued by CICC, with a RMB denominated par value of RMB1.00 each, which is/are subscribed for and paid up in RMB and is/are listed and traded on the SSE
"CICC Articles"	means the Articles of Association of CICC
"CICC Board"	means the board of directors of CICC
"CICC Directors"	means the directors of CICC

"CICC Dissenting Shareholder"	means a CICC Shareholder who has cast an effective dissenting vote in respect of each of the resolutions (including each sub-resolution) regarding the Proposed Mergers and the Merger Agreement at the CICC GM and the corresponding class meeting of CICC (i.e. the CICC H Shareholders' Class Meeting or the CICC A Shareholders' Class Meeting)
"CICC Group"	means CICC and its subsidiaries
"CICC H Shareholders"	means the holders of CICC H Shares
"CICC H Share(s)"	means the ordinary share(s) issued by CICC, with a RMB denominated par value of RMB1.00 each, which is/are subscribed for and paid up in Hong Kong dollars and is/are listed and traded on the Hong Kong Stock Exchange
"CICC Put Option"	means the right to have their CICC Shares acquired ("收購請求權") granted to CICC Dissenting Shareholders in the Proposed Mergers, being that Qualified CICC Dissenting Shareholders may, pursuant to the Proposed Mergers and during the CICC Put Option Declaration Period, require CICC Put Option Provider(s) to pay cash consideration for all or part of CICC A Shares and/or CICC H Shares held by such shareholders in return for transferring such shares to the CICC Put Option Provider(s)
"CICC Put Option Adjustment Period"	means the period commencing from the date of the poll results announcement of CICC announcing the approval of the Proposed Mergers at the CICC GM, CICC A Shareholders' Class Meeting and CICC H Shareholders' Class Meeting and ending at the time when the registration with CSRC in respect of the Proposed Mergers is obtained
"CICC Put Option Adjustment Benchmark Date"	means the next trading day following the initial occurrence of the CICC Put Option Adjustment Triggering Event
"CICC Put Option Adjustment Triggering Event"	means the following event: (i) in respect of the CICC Put Option for CICC A Shares held by Qualified CICC Dissenting Shareholders, if, on any trading day during the CICC Put Option Adjustment Period: (a) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the SSE Composite Index (000001.SH) or the CSRC Capital Market Services Industry Index

(883171.WI) closed at a level which is more than 15% below the closing price of such indices on November 19, 2025; and

(b) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the average daily trading prices of CICC A Shares are more than 15% below the closing price of the CICC A Shares on November 19, 2025

(ii) in respect of the CICC Put Option for CICC H Shares held by Qualified CICC Dissenting Shareholders, if, on any trading day during the CICC Put Option Adjustment Period:

(a) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the Hang Seng Index (HSI.HI) or Hang Seng Composite Industry Index Financials (HSCIFN.HI) closed at a level which is more than 15% below the closing price of such indices on November 19, 2025; and

(b) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the average daily trading prices of CICC H Shares are more than 15% below the closing price of the CICC H Shares on November 19, 2025

"CICC Put Option Declaration Period"	means the period during which CICC Dissenting Shareholders may declare to exercise their CICC Put Option, which will be decided by the parties to the Merger Agreement and announced
"CICC Put Option Exercise Date"	means the date on which CICC Put Option Provider(s) pays cash consideration to Qualified CICC Dissenting Shareholders who validly exercise their CICC Put Options and have the CICC A Shares and/or CICC H Shares (as the case may be) held and effectively declared by such shareholders transferred to it, which will be decided by the parties to the Merger Agreement and announced

"CICC Put Option Provider(s)"	means (i) Shenwan Hongyuan, Industrial Securities or Jianyin Investment, who will pay the cash price in accordance with the Merger Agreement to Qualified CICC Dissenting Shareholders and acquiring their CICC A Shares; and/or (ii) Shenwan Hongyuan International, New China Life Insurance or Jianyin Investment HK, who will pay the cash price in accordance with the Merger Agreement to Qualified CICC Dissenting Shareholders and acquiring their CICC H Shares respectively on the CICC Put Option Exercise Date
"CICC Share(s)"	means ordinary share(s) of CICC, being the CICC H Share(s) and CICC A Share(s)
"CICC Shareholder"	means a holder of CICC Share(s)
"CICC Wealth Management"	means China CICC Wealth Management Securities Company Limited (中國中金財富證券有限公司), a wholly-owned subsidiary of CICC
"Cinda 2025 Final Dividend"	means the final dividend of RMB0.4 per 10 Cinda A Share (tax inclusive) which is declared by Cinda Securities on March 30, 2026, but remains to be approved by the Cinda A Shareholders and unpaid as at the Latest Practicable Date
"Cinda A Shareholder"	means a holder of Cinda A Share(s)
"Cinda A Share(s)"	means the ordinary share(s) issued by Cinda Securities, with a RMB denominated par value of RMB1.00 each, which is/are subscribed for and paid up in RMB and is/are listed and traded on the SSE
"Cinda Articles"	means the Articles of Association of Cinda Securities
"Cinda Board"	means the board of directors of Cinda Securities
"Cinda Dissenting Shareholder"	means a Cinda A Shareholder who has cast an effective dissenting vote in respect of each of the resolutions (including each sub-resolution) regarding the Proposed Mergers and the Merger Agreement at the Cinda GM
"Cinda Exchange Ratio"	means the ratio of CICC A Shares being issued by CICC in exchange for every Cinda A Share under the terms of the Proposed Mergers, as set out in further details in the paragraph headed "Cinda Exchange Ratio" below

"Cinda GM"	means Cinda Securities' shareholders' meeting to be convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Proposed Mergers and the relevant arrangements
"Cinda Group"	means Cinda Securities and its subsidiaries
"Cinda International"	means Cinda International Holdings Limited (信達國際控股有限公司), a company incorporated in Bermuda with limited liability, whose shares are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 111.HK)
"Cinda Put Option"	means the right granted to Cinda Dissenting Shareholders in the Proposed Mergers, being Qualified Cinda Dissenting Shareholders may, pursuant to the Proposed Mergers and during the Cinda Put Option Declaration Period, require Cinda Put Option Provider(s) to pay cash consideration for all or part of Cinda A Shares held by such shareholders in return for transferring such shares to the Cinda Put Option Provider(s)
"Cinda Put Option Adjustment Period"	means the period commencing from the date of the poll results announcement of Cinda Securities announcing the approval of the Proposed Mergers at the Cinda GM and ending at the time when the registration with CSRC in respect of the Proposed Mergers is obtained
"Cinda Put Option Adjustment Benchmark Date"	means the next trading day following the initial occurrence of the Cinda Put Option Adjustment Triggering Event
"Cinda Put Option Adjustment Triggering Event"	means the following event: (i) if, on any trading day during the Cinda Put Option Adjustment Period: (a) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the SSE Composite Index (000001.SH) or the CSRC Capital Market Services Industry Index (883171.WI) closed at a level which is more than 15% below the closing price of such indices on November 19, 2025; and

(b) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the average daily trading prices of Cinda A Shares are more than 15% below the closing price of Cinda A Shares on November 19, 2025

"Cinda Put Option Declaration Period"	means the period during which Cinda Dissenting Shareholders may declare to exercise their Cinda Put Option, which will be decided by the parties to the Merger Agreement and announced
"Cinda Put Option Exercise Date"	means the date on which Cinda Put Option Provider(s) pays cash consideration to Qualified Cinda Dissenting Shareholders who validly exercise their Cinda Put Options and has the Cinda A Shares held and effectively declared by such shareholders transferred to it, which will be decided by the parties to the Merger Agreement and announced
"Cinda Put Option Provider(s)"	means China Cinda, China Galaxy Securities or Jianyin Investment, who will pay the cash price under the Cinda Put Option to Qualified Cinda Dissenting Shareholders and acquiring their Cinda A Shares on the Cinda Put Option Exercise Date
"Cinda Securities"	means Cinda Securities Co., Ltd.* (信達證券股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose A shares are listed and traded on the SSE (stock code: 601059.SH)
"Cinda Share-Exchange Shareholder(s)"	means Cinda A Shareholders who are registered on the register of shareholders after market closes on the Record Date for Cinda Share Exchange, including Cinda A Shareholders who do not declare, or are ineligible to declare, or invalidly declare to exercise the Cinda Put Option, and (if applicable) the Cinda Put Option Provider(s)
"Closing"	means the closing of the Share Exchange
"Closing Date"	means the date on which Closing occurs, or such other date as agreed by CICC, Dongxing Securities and Cinda Securities
"Conditions"	means the Effectiveness Conditions and the Conditions to implementation of the Merger Agreement as set out in the section headed "4. Principal Terms of the Merger Agreement"
"connected person(s)"	has the meaning given to it in the Hong Kong Listing Rules
"controlling shareholder(s)"	has the meaning given to it in the Hong Kong Listing Rules

"Cooperation Agreement"	means the cooperation agreement entered into amongst CICC, Dongxing Securities and Cinda Securities in relation to the Proposed Mergers on November 19, 2025
"CSRC"	means the China Securities Regulatory Commission (中國證券監督管理委員會)
"Dongfu Guochuang"	means Beijing Dongfu Guochuang Investment Management Centre (Limited Partnership)* (北京東富國創投資管理中心(有限合夥)), an entity indirectly controlled by China Orient
"Dongxing 2025 Final Dividend"	means the final dividend of RMB0.09 per Dongxing A Share (tax inclusive) which is declared by Dongxing Securities on March 30, 2026, but remains to be approved by the Dongxing A Shareholders and unpaid as at the Latest Practicable Date
"Dongxing A Shareholder"	means a holder of Dongxing A Share(s)
"Dongxing A Share(s)"	means the ordinary share(s) issued by Dongxing Securities, with a RMB denominated par value of RMB1.00 each, which is/are subscribed for and paid up in RMB and is/are listed and traded on the SSE
"Dongxing Articles"	means the Articles of Association of Dongxing Securities
"Dongxing Board"	means the board of directors of Dongxing Securities
"Dongxing Dissenting Shareholder"	means a Dongxing A Shareholder who has cast an effective dissenting vote in respect of each of the resolutions (including each sub-resolution) regarding the Proposed Mergers and the Merger Agreement at the Dongxing GM
"Dongxing Exchange Ratio"	means the ratio of CICC A Shares being issued by CICC in exchange for every Dongxing A Share under the terms of the Proposed Mergers, as set out in further details in the paragraph headed "Dongxing Exchange Ratio" below
"Dongxing GM"	means the Dongxing Securities' shareholders' meeting to be convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Proposed Mergers and the relevant arrangements
"Dongxing Group"	means Dongxing Securities and its subsidiaries

"Dongxing Put Option"	means the right granted to Dongxing Dissenting Shareholders in the Proposed Mergers, being that Qualified Dongxing Dissenting Shareholders may, pursuant to the Proposed Mergers and during the Dongxing Put Option Declaration Period, require Dongxing Put Option Provider(s) to pay cash consideration for all or part of Dongxing A Shares held by such shareholders in return for transferring such shares to the Dongxing Put Option Provider(s)
"Dongxing Put Option Adjustment Period"	means the period commencing from the date of the poll results announcement of Dongxing Securities announcing the approval of the Proposed Mergers at the Dongxing GM and ending at the time when the registration with CSRC in respect of the Proposed Mergers is obtained
"Dongxing Put Option Adjustment Benchmark Date"	means the next trading day following the initial occurrence of the Dongxing Put Option Adjustment Triggering Event
"Dongxing Put Option Adjustment Triggering Event"	means the following event: (i) if, on any trading day during the Dongxing Put Option Adjustment Period: (a) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the SSE Composite Index (000001.SH) or the CSRC Capital Market Services Industry Index (883171.WI) closed at a level which is more than 15% below the closing price of such indices on November 19, 2025; and (b) for at least 10 trading days during the consecutive 20-trading days period immediately prior to such trading day, the average daily trading prices of Dongxing A Shares are more than 15% below the closing price of Dongxing A Shares on November 19, 2025
"Dongxing Put Option Declaration Period"	means the period during which Dongxing Dissenting Shareholders may declare to exercise their Dongxing Put Option, which will be decided by the parties to the Merger Agreement and announced
"Dongxing Put Option Exercise Date"	means the date on which Dongxing Put Option Provider(s) pays cash consideration to Qualified Dongxing Dissenting Shareholders who validly exercise their Dongxing Put Options and have the Dongxing A Shares held and effectively declared by such shareholders transferred to it, which will be decided by the parties to the Merger Agreement and announced

"Dongxing Put Option Provider(s)"	means China Orient, China Galaxy Securities or Jianyin Investment, who will pay the cash price under the Dongxing Put Option to Qualified Dongxing Dissenting Shareholders and acquiring their Dongxing A Shares on the Dongxing Put Option Exercise Date
"Dongxing Securities"	means Dongxing Securities Co., Ltd.* (東興證券股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose A shares are listed and traded on the SSE (stock code: 601198.SH)
"Dongxing Share-Exchange Shareholder(s)"	means Dongxing A Shareholders who are registered on the register of shareholders after market closes on the Record Date for Dongxing Share Exchange, including Dongxing A Shareholders who do not declare, or are ineligible to declare, or invalidly declare to exercise the Dongxing Put Option, and (if applicable) the Dongxing Put Option Provider(s)
"Effectiveness Conditions"	means the "Conditions to the Merger Agreement becoming effective – Effectiveness Conditions" as set out in the section headed "4. Principal Terms of the Merger Agreement"
"Enlarged CICC Group"	means the CICC Group as enlarged by the Dongxing Group and the Cinda Group
"Exchange Ratios"	means the Dongxing Exchange Ratio and the Cinda Exchange Ratio
"Governmental Authority"	means any competent government department or authority with an authority to review or approve the Proposed Mergers
"HK$"	means Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"IFRS"	means the International Financial Reporting Standards
"Industrial Securities"	means Industrial Securities Co., Ltd. (興業證券股份有限公司), a joint stock company incorporated in the PRC with limited liability whose A shares are listed on the Shanghai Stock Exchange (stock code: 601377.SH)

"Jianyin Investment"	means China Jianyin Investment Limited (中國建銀投資有限責任公司)
"JIC Investment"	means JIC Investment Co., Ltd. (建投投資有限責任公司)
"Jianyin Investment HK"	means JIC (Hong Kong) Holding Limited (中國建投(香港)有限公司), a wholly-owned entity of Jianyin Investment
"Latest Practicable Date"	means May 11, 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"MAR Measures"	means the Administrative Measures for Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》)
"MAR Report"	means the Report (Draft) on CICC merging and absorbing Dongxing Securities and Cinda Securities (《中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司報告書(草案)》) prepared in accordance with the MAR Measures and other Applicable Laws, which is published by CICC on the SSE on the date of this circular
"Merger Agreement"	means the share exchange and merger agreement entered into amongst CICC, Dongxing Securities and Cinda Securities on December 17, 2025 which sets forth detailed terms and conditions for implementing the Proposed Mergers
"New China Life Insurance"	means New China Life Insurance Company Ltd. (新華人壽保險股份有限公司), a joint stock company incorporated in the PRC with limited liability whose H shares are listed on the Hong Kong Stock Exchange (stock code: 1336.HK) and A shares are listed on the Shanghai Stock Exchange (stock code: 601336.SH)
"Post-Merger Company"	means CICC after the Proposed Mergers
"PRC"	means the People's Republic of China
"PRC Company Law"	means the Company Law of the PRC, as amended, supplemented or otherwise modified from time to time
"PRC GAAP"	means China Accounting Standards for Business Enterprise

"Proposed Mergers"	means the proposed mergers by absorption to be implemented in accordance with the terms of the Merger Agreement and by CICC merging with Dongxing Securities and Cinda Securities by way of merger by absorption, and under which the Post-Merger Company will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of each of Dongxing Securities and Cinda Securities from the Closing Date onwards. Further details of the steps involved are set out in the section headed "4. Principal Terms of the Merger Agreement – Overview of the Proposed Mergers"
"Qualified CICC Dissenting Shareholder"	means any CICC Dissenting Shareholder who: (a) has been registered on CICC's register of shareholders since the record date for the CICC GM and the corresponding class meeting of CICC (i.e. the CICC H Shareholders' Class Meeting or the CICC A Shareholders' Class Meeting) (b) has held CICC Shares in respect of which it intends to exercise its right until the CICC Put Option Exercise Date; and (c) has completed the declaration procedures during the CICC Put Option Declaration Period and excluding the following: i any CICC Shareholder who holds CICC Shares with Share Restrictions ii any CICC Shareholder who has undertaken in writing to CICC that he/she will surrender the CICC Put Option; or iii any CICC Shareholder who is not permitted to exercise the CICC Put Option pursuant to Applicable Laws
"Qualified Cinda Dissenting Shareholder"	means any Cinda Dissenting Shareholder who: (a) has been registered on Cinda Securities' register of shareholders since the record date for the Cinda GM (b) has held Cinda A Shares in respect of which it intends to exercise its right until the Cinda Put Option Exercise Date; and

(c) has completed the declaration procedures during the Cinda Put Option Declaration Period

and excluding the following:

i any Cinda A Shareholder who holds Cinda A Shares with Share Restrictions

ii any Cinda A Shareholder who has undertaken in writing to Cinda Securities that he/she will surrender the Cinda Put Option; or

iii any Cinda A Shareholder who is not permitted to exercise the Cinda Put Option pursuant to Applicable Laws

"Qualified Dongxing Dissenting Shareholder"	means any Dongxing Dissenting Shareholder who:

(a) has been registered on Dongxing Securities' register of shareholders since the record date for the Dongxing GM

(b) has held Dongxing A Shares in respect of which it intends to exercise its right until the Dongxing Put Option Exercise Date; and

(c) has completed the declaration procedures during the Dongxing Put Option Declaration Period

and excluding the following:

i any Dongxing A Shareholder who holds Dongxing A Shares with Share Restrictions

ii any Dongxing A Shareholder who has undertaken in writing to Dongxing Securities that he/she will surrender the Dongxing Put Option; or

iii any Dongxing A Shareholder who is not permitted to exercise the Dongxing Put Option pursuant to Applicable Laws

"Record Date for Cinda Share Exchange"	means a trading day of the SSE, to be decided and announced by CICC, Dongxing Securities and Cinda Securities, on which a list of Cinda Shareholders who are eligible to participate in the Share Exchange and the number of shares held by such shareholders will be confirmed

"Record Date for Dongxing Share Exchange"	means a trading day of the SSE, to be decided and announced by CICC, Dongxing Securities and Cinda Securities, on which a list of Dongxing Shareholders who are eligible to participate in the Share Exchange and the number of shares held by such shareholders will be confirmed
"RMB"	means Renminbi, the lawful currency of the PRC
"SFO"	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as revised, supplemented or otherwise modified from time to time)
"Share(s)"	ordinary share(s) in the share capital of CICC with a nominal value of RMB1.00 each
"Share Exchanges"	means (i) with respect to the Dongxing A Shares, the exchange of Dongxing A Shares held by Dongxing Share-Exchange Shareholders into CICC A Shares according to the Dongxing Exchange Ratio; and (ii) with respect to the Cinda A shares, the exchange of Cinda A Shares held by Cinda Share-Exchange Shareholders into CICC A Shares according to the Cinda Exchange Ratio; and "Share Exchange" means any of the above share exchanges
"Share Restrictions"	means shares held by shareholders that are subject to restrictions of rights, including restrictions on transfer under Applicable Laws such as pledges, other third party rights or freezing orders
"Shenwan Hongyuan"	means Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司), a wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司, the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 6806.HK) and A shares of which are listed on the Shenzhen Stock Exchange (stock code: 000166.SZ))
"Shenwan Hongyuan International"	means Shenwan Hongyuan (International) Holdings Limited (申萬宏源(國際)集團有限公司), a wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司, the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 6806.HK) and A shares of which are listed on the Shenzhen Stock Exchange (stock code: 000166.SZ))
"SSE"	means the Shanghai Stock Exchange
"SSE Listing Rules"	means the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange

"Transitional Period"	means the period between the signing date of the Merger Agreement and the Closing Date
"Valuation Report"	means the valuation report dated May 18, 2026 issued by Industrial Securities in respect of CICC merging with Dongxing Securities and Cinda Securities, in accordance with the requirements under the MAR Measures (興業證券關於中金公司換股吸收合併東興證券、信達證券之估值報告)
"%"	per cent

* *for identification purposes only*

EXPECTED TIMETABLE OF THE 2026 FIRST ESM, 2026 FIRST A SHAREHOLDERS' CLASS MEETING AND 2026 FIRST H SHAREHOLDERS' CLASS MEETING CONVENED FOR CONSIDERING THE PROPOSED MERGERS:

The expected timetable set out below may be subject to change. Further announcement(s) will be made if and when appropriate.

Unless otherwise expressly stated, references to times and dates in this circular and the notices are to Hong Kong times and dates.

Latest time for lodging transfers of CICC H Shares in order to be entitled to attend and vote at the 2026 First ESM and 2026 First H Shareholders' Class Meeting	4:30 p.m. on Tuesday, June 2, 2026
Closure of registers for transfers of CICC Shares for determination of CICC H Shareholders entitled to attend and vote at the 2026 First ESM and 2026 First H Shareholders' Class Meeting	Wednesday, June 3, 2026 to Monday, June 8, 2026
Latest time for lodging proxy forms in respect of the 2026 First ESM	2:00 p.m. on Sunday, June 7, 2026
Latest time for lodging proxy forms in respect of the 2026 First H Shareholders' Class Meeting	3:00 p.m. on Sunday, June 7, 2026
Record date for CICC H Shareholders for the 2026 First ESM and 2026 First H Shareholders' Class Meeting	Monday, June 8, 2026
2026 First ESM	2:00 p.m. on Monday, June 8, 2026
2026 First A Shareholders' Class Meeting	2:30 p.m. on Monday, June 8, 2026 (or immediately after the conclusion of the 2026 First ESM (or any adjournment thereof))
2026 First H Shareholders' Class Meeting	3:00 p.m. on Monday, June 8, 2026 (or immediately after the conclusion of the 2026 First ESM and the 2026 First A Shareholders' Class Meeting (or any adjournment thereof))
Announcement of poll results of the 2026 First ESM, 2026 First A Shareholders' Class Meeting and 2026 First H Shareholders' Class Meeting	Monday, June 8, 2026

Issue of notice and announcement to CICC's creditors pursuant to PRC Company Law	Not later than 10 days (for the notice to creditors) and within 30 days (for the announcement) following the 2026 First ESM approving the Proposed Mergers
Issue of notice and announcement to Dongxing Securities' creditors pursuant to PRC Company Law	Not later than 10 days (for the notice to creditors) and within 30 days (for the announcement) following the Dongxing GM approving the Proposed Mergers
Issue of notice and announcement to Cinda Securities' creditors pursuant to PRC Company Law	Not later than 10 days (for the notice to creditors) and within 30 days (for the announcement) following the Cinda GM approving the Proposed Mergers
End of the period during which repayment of indebtedness is required to be handled pursuant to requests from CICC's creditors	Within 30 days after the issue of notice to creditors or 45 days after the issue of announcement to creditors (whichever is the latest)
End of the period during which repayment of indebtedness is required to be handled pursuant to requests from Dongxing Securities' creditors	Within 30 days after the issue of notice to creditors or 45 day s after the issue of announcement to creditors (whichever is the latest)
End of the period during which repayment of indebtedness is required to be handled pursuant to requests from Cinda Securities' creditors	Within 30 days after the issue of notice to creditors or 45 day s after the issue of announcement to creditors (whichever is the latest)

OTHER MAJOR EVENTS RELATING TO IMPLEMENTATION OF THE PROPOSED MERGERS AND COMPLETION OF THE SHARE EXCHANGES

Further announcement(s) will be made by CICC in respect of: (i) the detailed arrangements for the exercise of the CICC Put Option (including, amongst others, the CICC Put Option Declaration Period, the record date for the exercise of the CICC Put Option, and other details relating to the declaration, settlement, and closing arrangements of the CICC Put Option); (ii) the satisfaction or (if capable of being waived) waiver of the Conditions under the Merger Agreement; and (iii) arrangements relating to the Share Exchanges.

China International Capital Corporation Limited
中國國際金融股份有限公司

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

(Stock Code: 03908)

The Board of Directors:
Executive Directors:
Mr. Chen Liang *(Chairman of the Board)*
Mr. Wang Shuguang *(Vice Chairman of the Board and President)*

Non-executive Directors:
Ms. Zhang Wei
Mr. Kong Lingyan
Ms. Tian Ting

Independent Non-executive Directors:
Mr. Ng Kong Ping Albert
Mr. Lu Zhengfei
Mr. Zhou Yu

Registered Office and Head Office in the PRC:
27th and 28th Floor
China World Office 2
1 Jianguomenwai Avenue
Chaoyang District
Beijing, PRC

Principal Place of Business in Hong Kong:
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

May 18, 2026

To the CICC Shareholders

Dear Sir or Madam,

I. INTRODUCTION

On behalf of the CICC Board, I invite you to attend the 2026 First ESM and the 2026 First H Shareholders' Class Meeting to be held at Meeting Rooms 3004 and 3005, 30/F, China Life Finance Centre, No. 23 Zhenzhi Road, Chaoyang District, Beijing, the PRC on Monday, June 8, 2026 at 2:00 p.m. and 3:00 p.m. (or immediately after the conclusion of the 2026 First ESM and the 2026 First A Shareholders' Class Meeting (or any adjournment thereof)) respectively. The notice of the 2026 First ESM and the notice of the 2026 First H Shareholders' Class Meeting are set out on pages ESM-1 to ESM-4 and pages HCM-1 to HCM-3 of this circular respectively.

The purpose of this circular is to provide you with the notices of the 2026 First ESM and the 2026 First H Shareholders' Class Meeting and all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the 2026 First ESM and the 2026 First H Shareholders' Class Meeting.

II. BUSINESS TO BE CONSIDERED AT THE 2026 FIRST ESM AND THE 2026 FIRST H SHAREHOLDERS' CLASS MEETING

Special resolutions will be proposed at the 2026 First ESM to approve: (1) the Proposal regarding the compliance of the Proposed Mergers with the relevant laws and regulations applicable to a material asset restructuring by listed companies (《關於本次交易符合上市公司重大資產重組相關法律法規規定的議案》); (2) the Proposal regarding the Plan on the Proposed Mergers by CICC with Dongxing Securities and Cinda Securities (《關於中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司方案的議案》) (each sub-resolution to be voted on separately); (3) the Proposal regarding the Report (Draft) on CICC merging and absorbing Dongxing Securities and Cinda Securities and its summary (《關於<中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司報告書(草案)>及其摘要的議案》); (4) the Proposal regarding the execution of the conditional Merger Agreement (《關於簽署附條件生效的<中國國際金融股份有限公司與東興證券股份有限公司和信達證券股份有限公司換股吸收合併協議>的議案》); (5) the Proposal regarding the Proposed Mergers constituting a material asset restructuring in accordance with the PRC laws and regulations (《關於本次交易構成重大資產重組的議案》); (6) the Proposal regarding the Proposed Mergers not constituting a related party transaction of CICC in accordance with the PRC laws and regulations (《關於本次交易不構成關聯交易的議案》); (7) the Proposal regarding the compliance of the Proposed Mergers with Articles 11, 43 and 44 of the MAR Measures (《關於本次交易符合<上市公司重大資產重組管理辦法>第十一條、第四十三條、第四十四條規定的議案》); (8) the Proposal regarding the compliance of the Proposed Mergers with the requirements under Article 4 of Guideline No. 9 for the Supervision of Listed Companies – Regulatory Requirements for Planning and Implementing Material Asset Restructuring by Listed Companies (《關於本次交易符合<上市公司監管指引第9號－上市公司籌劃和實施重大資產重組的監管要求>第四條規定的議案》); (9) the Proposal regarding the Proposed Mergers not constituting a listing by restructuring as stipulated in Article 13 of the MAR Measures (《關於本次交易不構成<上市公司重大資產重組管理辦法>第十三條規定的重組上市的議案》); (10) the Proposal regarding the completeness and compliance of the statutory procedures and the effectiveness of the legal document submitted in relation to the Proposed Mergers (《關於本次交易履行法定程序的完備性、合規性及提交的法律文件的有效性的議案》); (11) the Proposal regarding the non-existence of the relevant circumstances prohibiting participation in material asset restructuring of listed companies in respect of the relevant entities under the Proposed Mergers (《關於本次交易相關主體不存在不得參與任何上市公司重大資產重組情形的議案》); (12) the Proposal regarding the approval of the pro-forma financial information in relation to the Proposed Mergers and the related documents (《關於批准本次交易相關的備考合併財務報表相關文件的議案》); (13) the Proposal regarding the confirmation of the Valuation Report (《關於確認<興業證券股份有限公司關於中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司之估值報告>的議案》); (14) the Proposal regarding the independence of the valuer, the reasonableness of the assumptions used in the Valuation Report, the relevance of the methodology and the purpose of the Valuation Report and the fairness of the appraised value (《關於估值機構的獨立性、估值假設前提的合理性、估值方法與估值目的的相關性以及估值定價的公允性的議案》); (15) the Proposal regarding the dilution of immediate returns, remedial measures and undertakings of relevant parties in connection with the Proposed Mergers (《關於本次交易攤薄即期回報、填補措施及相關主體承諾的議案》); (16) the Proposal regarding the shareholders' return plan of CICC for 2026-2028 (《關於中國國際金融股份有限公司未來三年(2026-2028年度)股東回報規劃的議案》); (17) the Proposal regarding the authorization to the CICC Board and its authorized person(s) to deal with matters in connection with the Proposed Mergers (《關於提請股東會授權董事會及其授權人士全權辦

理本次交易相關事宜的議案》); and (18) the Proposal regarding granting the CICC Board the specific mandate to issue CICC A Shares under the Proposed Mergers (《關於提請股東會授予董事會就本次交易增發公司A股特別授權的議案》).

Pursuant to Article 123 of the CICC Articles, resolutions of a shareholders' class meeting shall be passed by two-thirds or more of the voting rights represented at the shareholders' class meeting. Special resolutions will be proposed at the 2026 First H Shareholders' Class Meeting and the 2026 First A Shareholders' Class Meeting respectively to approve: (1) the Proposal regarding the Plan on the Proposed Mergers by CICC with Dongxing Securities and Cinda Securities (《關於中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司方案的議案》) (each sub-resolution to be voted on separately); (2) the Proposal regarding the execution of the conditional Merger Agreement (《關於簽署附條件生效的<中國國際金融股份有限公司與東興證券股份有限公司和信達證券股份有限公司換股吸收合併協議>的議案》); (3) the Proposal regarding the authorization to the CICC Board and its authorized person(s) to deal with matters in connection with the Proposed Mergers (《關於提請股東會授權董事會及其授權人士全權辦理本次交易相關事宜的議案》); and (4) the Proposal regarding granting the CICC Board the specific mandate to issue CICC A Shares under the Proposed Mergers (《關於提請股東會授予董事會就本次交易增發公司A股特別授權的議案》).

MAJOR TRANSACTION AND SPECIFIC MANDATE TO ISSUE CICC A SHARES FOR THE PROPOSED MERGERS OF CICC, DONGXING SECURITIES AND CINDA SECURITIES

1. INTRODUCTION

CICC, and Dongxing Securities and Cinda Securities entered into the Cooperation Agreement on November 19, 2025 in relation to the Proposed Mergers. Further to the Cooperation Agreement, on December 17, 2025, CICC, and Dongxing Securities and Cinda Securities entered into the Merger Agreement with respect to the Proposed Mergers which sets forth detailed terms and conditions for implementing the Proposed Mergers. Under the principle of "complementary strength and collaborative success", CICC, and Dongxing Securities and Cinda Securities are proposing to merge by way of merger by absorption and a share-for-share exchange.

The Proposed Mergers will facilitate the acceleration of the development of a first-class investment bank with international competitiveness and support the deepening of capital market reforms and the high-quality growth of the securities industry. The Post-Merger Company will adhere to its founding mission of "Chinese Roots, International Reach". It will actively take the lead and improve its service quality and efficiency in supporting national strategies, bolstering the real economy, and serving the "Five Priorities of Financial Services" (五篇大文章) published by the State Council of the PRC. Meanwhile, the parties to the Proposed Mergers will leverage complementary strengths and synergies in investment banking, investment, research, wealth management, and cross-border financing, along with key resources such as networks, clients, and capital resources, achieving complementary advantages and efficient allocation, to deliver comprehensive and high-quality financial services to a broader client base. At the same time, through resource integration and centralized operations, the parties to the Proposed Mergers will improve capital allocation efficiency, optimize profitability models, strengthen business resilience, and enhance ability to provide long-term shareholder returns, with a view to building a robust financial institution characterized by high operational efficiency, strong risk resilience, comprehensive service offerings with global reach and international competitiveness.

Upon implementation, the Proposed Mergers will take the form of mergers by absorption by CICC issuing:

(a) CICC A Shares to all the holders of Dongxing A Shares in exchange for all of the issued shares of Dongxing Securities on the basis of the Dongxing Exchange Ratio; and

(b) CICC A Shares to all the holders of Cinda A Shares in exchange for all of the issued shares of Cinda Securities on the basis of the Cinda Exchange Ratio.

From the Closing Date onwards, the Post-Merger Company will assume and succeed all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of each of Dongxing Securities and Cinda Securities, and each of Dongxing Securities and Cinda Securities will be eventually deregistered.

2. BACKGROUND INFORMATION OF THE PROPOSED MERGERS

A. Overview of CICC

CICC is a joint stock company incorporated in the PRC with limited liability, whose H shares and A shares are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 3908.HK) and the SSE (stock code: 601995.SH), respectively. As at the Latest Practicable Date, CICC has issued 4,827,256,868 CICC Shares in total, including 1,903,714,428 CICC H Shares and 2,923,542,440 CICC A Shares, and there are no share options, derivatives, warrants or any other relevant securities which are convertible or exchangeable into CICC Shares. Central Huijin directly holds approximately 40.11% of the total issued shares in CICC as at the Latest Practicable Date.

CICC focuses on serving the overall national development, innovating to support the real economy, actively promoting capital market reform, and fully delivering on the "Five Priorities of Financial Services" (五篇大文章). CICC has established a balanced business structure encompassing investment banking, equities, FICC, asset management, private equity, wealth management and research, with multiple businesses maintaining leading positions for consecutive years. Adhering to its original aspiration and mission of being "Chinese Roots, International Reach", CICC operates over 200 securities business offices across China and maintains overseas branches in places including Hong Kong, New York, London, Singapore, Frankfurt, Tokyo, Vietnam, and Dubai. Through its extensive business network and outstanding cross-border capabilities, CICC provides clients with first-class financial services.

According to CICC's consolidated financial statements prepared in accordance with the International Financial Reporting Standards, CICC's major financial data is as follows:

	As at December 31, 2023 *(RMB) (Audited)*	As at December 31, 2024 *(RMB) (Audited)*	As at December 31, 2025 *(RMB) (Audited)*
Total Assets	624,306,586,684	674,715,821,446	782,826,167,113
Net Assets	104,897,397,951	115,621,670,808	124,388,471,554
	For the year ended December 31, 2023 *(RMB) (Audited)*	**For the year ended December 31, 2024** *(RMB) (Audited)*	**For the year ended December 31, 2025** *(RMB) (Audited)*
Total Revenue	33,791,512,126	31,404,517,663	40,517,919,390
Profit before income tax	6,822,987,487	6,804,924,855	11,712,746,737
Profit for the year	6,163,640,354	5,674,307,914	9,800,383,490

B. Overview of Dongxing Securities

Dongxing Securities is a joint stock company incorporated in the PRC with limited liability, whose A shares are listed and traded on the SSE (stock code: 601198.SH). As at the Latest Practicable Date, Dongxing Securities has issued 3,232,445,520 Dongxing A Shares, and there are no other class of shares and no share options, derivatives, warrants or any other relevant securities which are convertible or exchangeable into Dongxing A Shares. China Orient holds directly and indirectly approximately 45.14% of the total issued shares in Dongxing Securities as at the Latest Practicable Date.

Dongxing Securities, as a full-license comprehensive securities firm, adheres to a dual-engine strategy of pro-cyclical securities business and counter-cyclical distressed asset operations. Dongxing Securities holds comprehensive securities business licenses in the PRC, including securities brokerage, proprietary trading, underwriting and sponsorship, asset management, margin financing and securities lending, investment advisory and other related businesses. Dongxing Securities fully leverages its integrated financial service advantages and promotes the "three-in-one" synergy of investment banking, research, and investment to broaden the depth and scope of services for the real economy, national strategic emerging industries, and new quality productive forces, driving the Dongxing Securities' high-quality development. Dongxing Securities has established a nationwide business presence, operating over 90 securities branches and offices across China, with years of client accumulation and channel advantages in Fujian Province. Dongxing Securities (Hong Kong) Financial Holdings Limited, a wholly-owned subsidiary of Dongxing Securities, serves as the strategic hub for

internationalization and the platform for expanding overseas business and is licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

The principal business of Dongxing Securities and its subsidiaries include securities business, foreign exchange business, sale of public investment funds, provision of brokerage services for futures companies and custodian services for investment funds.

According to Dongxing Securities' consolidated financial statements prepared in accordance with the PRC GAAP as extracted from the annual reports for the years ended December 31, 2023, 2024 and 2025 of Dongxing Securities, Dongxing Securities' major financial data is as follows:

	As at December 31, 2023 *(RMB)* *(Audited)* *(Note)*	**As at December 31, 2024** *(RMB)* *(Audited)* *(Note)*	**As at December 31, 2025** *(RMB)* *(Audited)*
Total Assets	99,279,543,632	105,228,501,471	114,197,900,428
Net Assets	27,108,376,487	28,398,576,561	33,287,738,987
	For the year ended December 31, 2023 *(RMB)* *(Audited)*	**For the year ended December 31, 2024** *(RMB)* *(Audited)*	**For the year ended December 31, 2025** *(RMB)* *(Audited)*
Total Revenue	3,501,502,802	4,272,740,625	4,710,786,056
Profit before taxation and non-controlling interests	942,460,716	1,778,908,960	2,494,913,626
Profit for the year	821,624,267	1,550,523,901	2,103,496,945

Note: The financial information has taken into account adjustments pursuant to the Implementation Q&A on Accounting Treatment of Standard Warehouse Receipt Transactions published by July 8, 2025 and adopted by Dongxing Securities with effect from January 1, 2025 which resulted in retrospective adjustments to certain comparative figures for the years ended December 31, 2023 and 2024.

C. Overview of Cinda Securities

Cinda Securities is a joint stock company incorporated in the PRC with limited liability, whose A shares are listed and traded on the SSE (stock code: 601059.SH). As at the Latest Practicable Date, Cinda Securities has issued 3,243,000,000 Cinda A Shares and there are no other class of shares and no share options, derivatives, warrants or any other relevant securities which are convertible or exchangeable into Cinda A Shares. China Cinda holds directly approximately 78.67% of the total issued shares in Cinda Securities as at the Latest Practicable Date.

Cinda Securities, as a full-license comprehensive securities firm, leverages capital intermediation and strategic clients as key drivers, adhering to the business philosophy of "differentiation, specialization, and professionalism." Cinda Securities holds comprehensive securities business licenses in the PRC and Hong Kong. Subsidiaries of Cinda International, including Cinda International Securities Limited, Cinda International Research Limited, Cinda International Asset Management Limited, Cinda International Capital Limited and Cinda International Futures Limited, are licensed by the SFC to conduct certain regulated activities, and together they are licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. Cinda Securities fully utilizes the synergistic ecosystem of China Cinda and its subsidiaries to continuously strengthen efforts in mergers and acquisitions, corporate restructuring, and financial relief, building a distinctive competitive edge in distressed asset management and special opportunity investment. Through these efforts, Cinda Securities contributes effectively to serving the real economy and preventing and mitigating financial risks. Cinda Securities has established a nationwide business presence, operating over 100 securities branches and offices across China, with a leading network and business advantage in Liaoning Province. Cinda International, a majority-owned subsidiary of Cinda Securities, serves as the platform for expanding its overseas business.

The principal business of Cinda Securities and its subsidiaries include securities brokerage, securities investment advisory services, financial consultancy services related to securities trading and investment, securities underwriting and sponsor services, proprietary trading, securities asset management, margin financing and securities lending, distribution of financial products, sale of public investment funds and provision of brokerage services for futures companies.

According to Cinda Securities' consolidated financial statements prepared in accordance with the PRC GAAP as extracted from the annual reports for the years ended December 31, 2023, 2024 and 2025 of Cinda Securities, Cinda Securities' major financial data is as follows:

	As at December 31, 2023 *(RMB)* *(Audited)*	**As at December 31, 2024** *(RMB)* *(Audited)*	**As at December 31, 2025** *(RMB)* *(Audited)*
Total Assets	77,923,772,045	106,902,404,378	129,950,818,858
Net Assets	18,339,819,657	24,441,355,298	28,753,273,782
	For the year ended December 31, 2023 *(RMB)* *(Audited)*	**For the year ended December 31, 2024** *(RMB)* *(Audited)*	**For the year ended December 31, 2025** *(RMB)* *(Audited)*
Total Revenue	3,483,493,982	3,291,547,424	4,043,872,801
Profit before taxation and non-controlling interests	1,734,593,294	1,536,167,746	2,094,845,574
Profit for the year	1,542,594,896	1,414,685,098	1,951,341,470

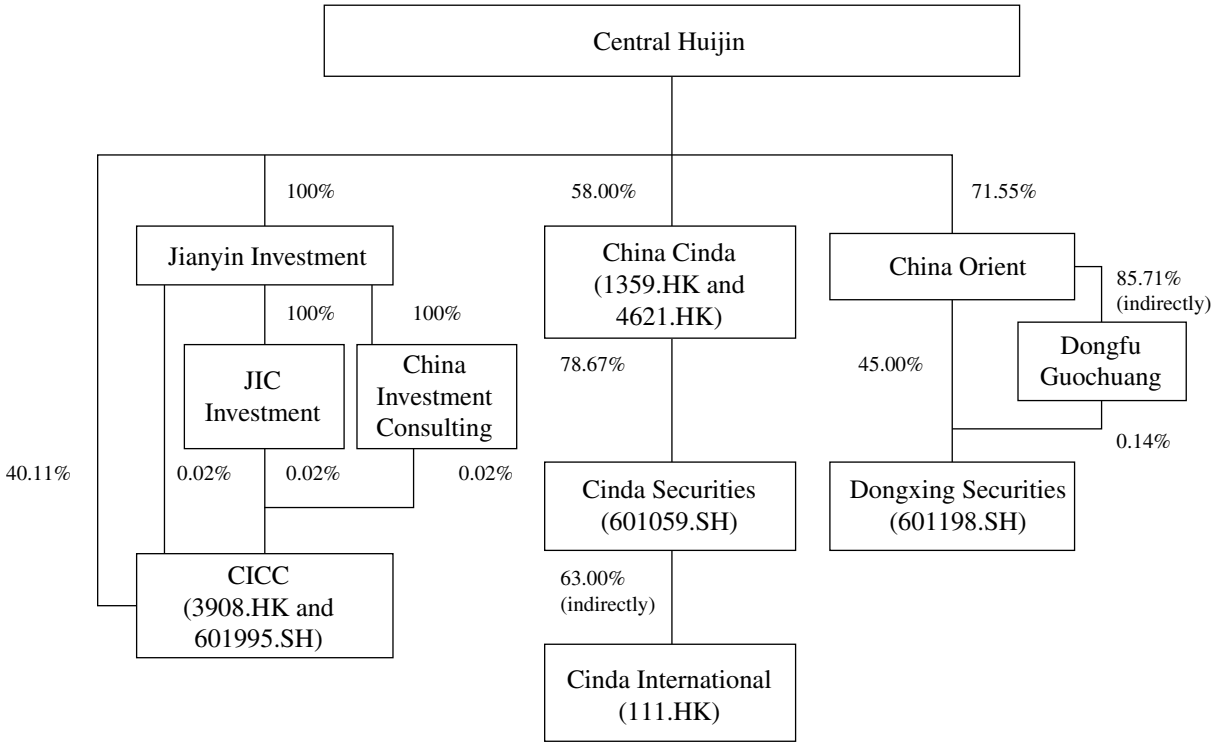
D. Shareholding Structure Chart before and after the Proposed Mergers

CICC, Dongxing Securities and Cinda Securities propose to implement the Proposed Mergers by way of merger by absorption and share exchange. Under the Proposed Mergers,

- CICC will issue CICC A Shares to Dongxing Share-Exchange Shareholders to merge with Dongxing Securities by absorption; and

- CICC will issue CICC A Shares to Cinda Share-Exchange Shareholders to merge with Cinda Securities by absorption.

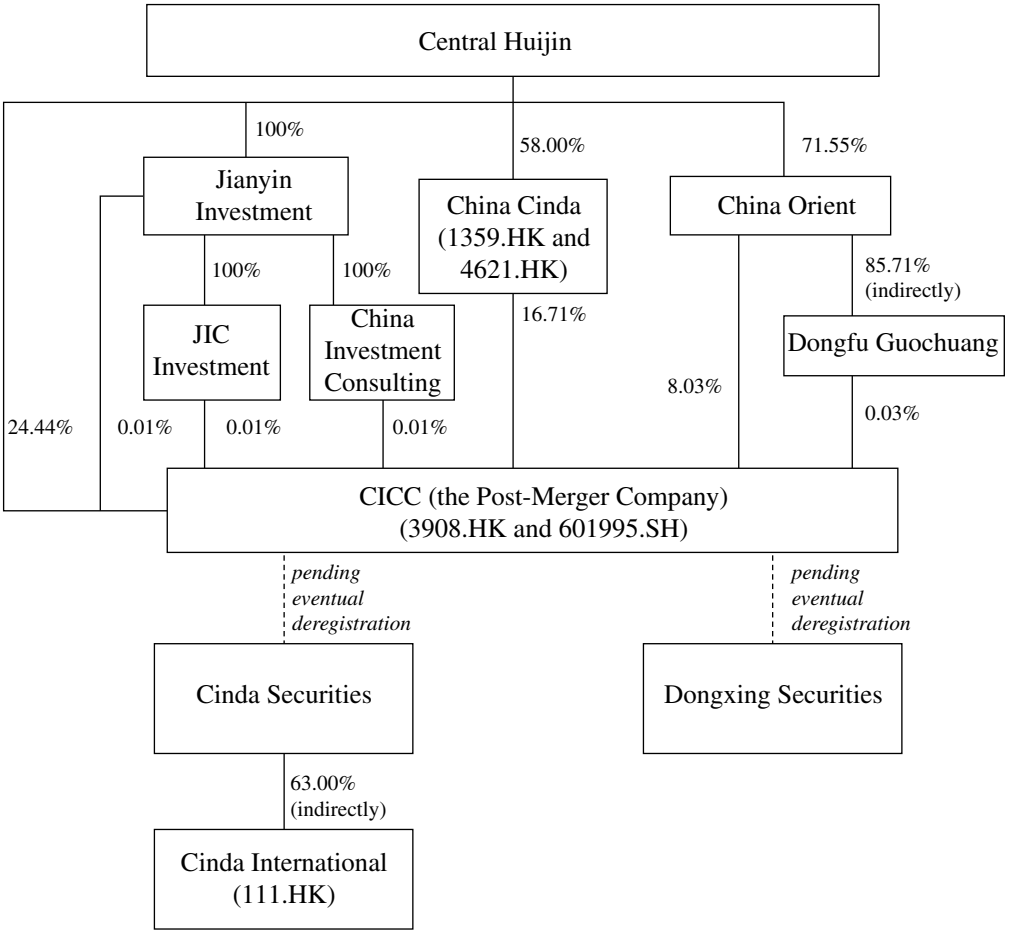
The following diagram sets out the simplified shareholding structures of CICC, Dongxing Securities and Cinda Securities as at the Latest Practicable Date:



Note: the shareholding percentages are approximate figures only and are subject to rounding adjustments.

The following diagram sets out the simplified shareholding structures of CICC (being the Post-Merger Company) immediately upon Closing (assuming each of the CICC 2025 Final Dividend, Cinda 2025 Final Dividend and the Dongxing 2025 Final Dividend are not approved by their respective shareholders and/or are not paid on or before the date of Closing, and there are no other changes in (i) the share capital structure of CICC, Dongxing Securities and Cinda Securities from the date of the Latest Practicable Date up to and including the date of Closing and (ii) the Exchange Ratios due to ex-right or ex-dividend events of any of CICC, Dongxing Securities or Cinda Securities,

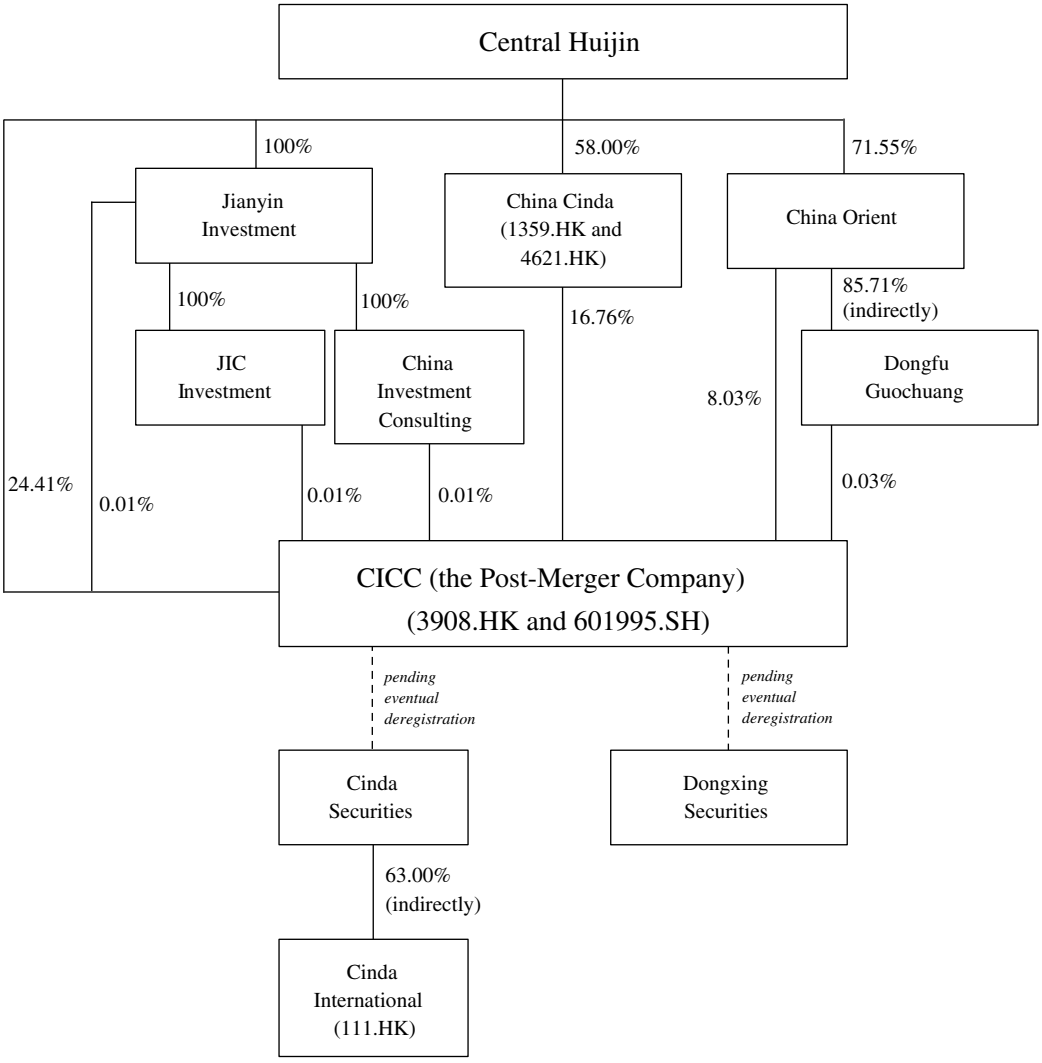
as outlined in the section headed "B. Exchange Ratios and their Basis of Determination" (which will trigger upward or downward adjustment to the number of CICC A Shares to be issued under the Proposed Mergers)):



Note: the shareholding percentages are approximate figures only and are subject to rounding adjustments. The simplified shareholding structure does not take into account the shareholding of the CICC Put Option Providers, Dongxing Put Option Providers or Cinda Put Option Providers as a result of the exercise of the relevant put options (if any) in the Post-Merger Company.

The following diagram sets out the simplified shareholding structures of CICC (being the Post-Merger Company) immediately upon Closing (assuming each of the CICC 2025 Final Dividend, the Cinda 2025 Final Dividend and the Dongxing 2025 Final Dividend are approved by their respective shareholders and paid on or before the date of Closing and the Exchange Ratios are adjusted accordingly, and there are no other changes in (i) the share capital structure of CICC, Dongxing Securities and Cinda Securities from the date of the Latest Practicable Date up to and including the date of Closing and (ii) the Exchange Ratios due to ex-right or ex-dividend events of any of CICC,

Dongxing Securities or Cinda Securities, as outlined in the section headed "B. Exchange Ratios and their Basis of Determination" (which will trigger upward or downward adjustment to the number of CICC A Shares to be issued under the Proposed Mergers)):



Note: the shareholding percentages are approximate figures only and are subject to rounding adjustments. The simplified shareholding structure does not take into account the shareholding of the CICC Put Option Providers, Dongxing Put Option Providers or Cinda Put Option Providers as a result of the exercise of the relevant put options (if any) in the Post-Merger Company.

According to public information, as at the Latest Practicable Date, CICC's public float percentage complies with the applicable requirements under the Hong Kong Listing Rules. Upon Closing, CICC's public float percentage will continue to comply with the applicable requirements under the Hong Kong Listing Rules.

The shareholding structure of CICC: (i) prior to Closing; (ii) immediately upon Closing (assuming each of the CICC 2025 Final Dividend, Cinda 2025 Final Dividend and the Dongxing 2025 Final Dividend are not approved by their respective shareholders and/or are not paid on or before the

date of Closing, and there are no other changes in (a) the share capital structure of CICC, Dongxing Securities and Cinda Securities from the date of the Latest Practicable Date up to and including the date of Closing and (b) the Exchange Ratios due to ex-right or ex-dividend events of any of CICC, Dongxing Securities or Cinda Securities, as outlined in the section headed "B. Exchange Ratios and their Basis of Determination" (which will trigger upward or downward adjustment to the number of CICC A Shares to be issued under the Proposed Mergers)); and (iii) immediately upon Closing (assuming each of the CICC 2025 Final Dividend, the Cinda 2025 Final Dividend and the Dongxing 2025 Final Dividend are approved by their respective shareholders and paid on or before the date of Closing and the Exchange Ratios are adjusted accordingly, and there are no other changes in (i) the share capital structure of CICC, Dongxing Securities and Cinda Securities from the date of the Latest Practicable Date up to and including the date of Closing and (ii) the Exchange Ratios due to ex-right or ex-dividend events of any of CICC, Dongxing Securities or Cinda Securities, as outlined in the

section headed "B. Exchange Ratios and their Basis of Determination" (which will trigger upward or downward adjustment to the number of CICC A Shares to be issued under the Proposed Mergers)) are as follows:

		As at the Latest Practicable Date		Immediately upon Closing (assuming each of the CICC 2025 Final Dividend, the Cinda 2025 Final Dividend and the Dongxing 2025 Final Dividend are not approved by their respective shareholders and/or are not paid on or before the date of Closing)		Immediately upon Closing (assuming each of the CICC 2025 Final Dividend, the Cinda 2025 Final Dividend and the Dongxing 2025 Final Dividend are approved by their respective shareholders and paid on or before the date of Closing and the Exchange Ratios are adjusted accordingly)	
Name of CICC Shareholders	**Class of CICC Shares**	**Number of CICC Shares held**	**Approximate percentage of the total number of CICC Shares in issue (%)**	**Number of CICC Shares held**	**Approximate percentage of the total number of CICC Shares in issue (%)**	**Number of CICC Shares held**	**Approximate percentage of the total number of CICC Shares in issue (%)**
Central Huijin	A Shares	1,936,155,680	40.11	1,936,155,680	24.44	1,936,155,680	24.41
Jianyin Investment *(Note 1)*	A Shares	911,600	0.02	911,600	0.01	911,600	0.01
JIC Investment *(Note 1)*	A Shares	911,600	0.02	911,600	0.01	911,600	0.01
China Investment Consulting *(Note 1)*	A Shares	911,600	0.02	911,600	0.01	911,600	0.01
China Cinda *(Note 2)*	A Shares	–	–	1,323,666,320	16.71	1,329,279,400	16.76
China Orient *(Note 3)*	A Shares	–	–	636,096,792	8.03	636,533,171	8.03
Dongfu Guochuang *(Note 3)*	A Shares	–	–	1,985,123	0.03	1,986,485	0.03
Other CICC A Shareholders *(Note 4)*	A Shares	984,651,960	20.40	2,118,920,551	26.74	2,120,974,063	26.74
CICC H Shareholders	H Shares	1,903,714,428	39.44	1,903,714,428	24.03	1,903,714,428	24.00
Total number of CICC Shares in issue	A Shares and H Shares	4,827,256,868	100%	7,923,273,694	100%	7,931,378,027	100%

Notes:

1. Each being an entity directly or indirectly held as to 100% by Central Huijin as at the Latest Practicable Date. On such basis, Central Huijin is, and upon Closing will be, regarded as interested in the CICC Shares held by such entities under Part XV of the SFO.

2. China Cinda is held as to approximately 58.00% by Central Huijin as at the Latest Practicable Date. On such basis, Central Huijin will be regarded as interested in the CICC Shares held by such entity under Part XV of the SFO upon Closing.

3. China Orient is held as to approximately 71.55% by Central Huijin, and Dongfu Guochuang is in turn an entity indirectly controlled by China Orient as at the Latest Practicable Date. On such basis, Central Huijin will be regarded as interested in the CICC Shares held by such entities under Part XV of the SFO upon Closing.

4. The shareholding of the "Other CICC A Shareholders" immediately upon Closing includes the Dongxing Share-Exchange Shareholders (other than China Orient and Dongfu Guochuang) and the Cinda Share-Exchange Shareholders (other than China Cinda).

5. The shareholding information immediately upon Closing does not take into account the shareholding of the CICC Put Option Providers, the Dongxing Put Option Providers or the Cinda Put Option Providers as a result of the exercise of the relevant put options (if any) in the Post-Merger Company.

6. Percentage figures are subject to rounding adjustments and may not add up to 100%.

In light of the above shareholding structure, the relevant PRC regulatory authorities have confirmed that no mandatory general offer will be triggered on the securities of CICC as a result of the Proposed Mergers.

3. TERMS OF THE PROPOSED MERGERS

A. CICC to issue CICC A Shares in exchange for Dongxing A Shares and Cinda A Shares

The Proposed Mergers will take the form of mergers by absorption by CICC issuing:

(a) CICC A Shares to all the holders of Dongxing A Shares in exchange for all of the issued shares of Dongxing Securities on the basis of the Dongxing Exchange Ratio; and

(b) CICC A Shares to all the holders of Cinda A Shares in exchange for all of the issued shares of Cinda Securities on the basis of the Cinda Exchange Ratio.

Qualified Dongxing Dissenting Shareholders will be entitled to, upon the valid exercise of the Dongxing Put Options, receive cash provided by the Dongxing Put Option Provider(s) for the Dongxing A Shares held by such persons. The Dongxing A Shares (if any) acquired by the Dongxing Put Option Provider(s) will form part of the Dongxing A Shares to be exchanged into CICC A Shares at the Dongxing Exchange Ratio, which will then be held by the Dongxing Put Option Provider(s) following the Dongxing Share Exchange.

Qualified Cinda Dissenting Shareholders will be entitled to, upon the valid exercise of the Cinda Put Options, receive cash provided by the Cinda Put Option Provider(s) for the Cinda A Shares held by such persons. The Cinda A Shares (if any) acquired by the Cinda Put Option Provider(s) will form part of the Cinda A Shares to be exchanged into CICC A Shares at the Cinda Exchange Ratio, which will then be held by the Cinda Put Option Provider(s) following the Cinda Share Exchange.

Please refer to the section headed "D. Shareholding Structure Chart before and after the Proposed Mergers" above for details of the number of new CICC Shares which is proposed to be issued under the Proposed Mergers and the number of CICC Shares in issue immediately upon Closing.

B. Exchange Ratios and their Basis of Determination

Dongxing Exchange Ratio

The Dongxing Exchange Ratio, being 0.4373 CICC A Shares for every Dongxing A Share or (assuming each of the Dongxing 2025 Final Dividend and the CICC 2025 Final Dividend is approved by the respective shareholders and paid on or before the date of Closing) 0.4376 CICC A Shares for every Dongxing A Share (each rounded to four decimal places), has been agreed after arm's length negotiations between CICC and Dongxing Securities in accordance with the requirements under the Measures for the Administration of the Material Asset Restructurings of Listed Companies (《上市公司重大資產重組管理辦法》), and has been determined with reference to: (i) the average trading price of the CICC A Shares for the 20 trading days immediately prior to the date of the Announcement (being RMB37.00 per CICC A Share) as adjusted downward by the CICC 2025 Interim Dividend (being RMB0.09 per CICC A Share, which is declared but was unpaid as at the date of the Merger Agreement); and (ii) the average trading price of the Dongxing A Shares for the 20 trading days immediately prior to the date of the Announcement (being RMB12.81 per Dongxing A Share) plus a 26% premium over such average trading price.

Given that the CICC 2025 Final Dividend (of RMB2.3 per 10 CICC A Share) and the Dongxing 2025 Final Dividend (of RMB0.09 per Dongxing A Share) were declared subsequent to the date of the Merger Agreement, assuming each of the CICC 2025 Final Dividend and the Dongxing 2025 Final Dividend is approved and paid on or before the date of Closing, the Dongxing Exchange Ratio will be adjusted to 0.4376 CICC A Shares for every Dongxing A Share accordingly, in accordance with the paragraph headed "Adjustments to the Exchange Ratios due to ex-right or ex-dividend events" below by further deducting the dividend amount per share under the CICC 2025 Final Dividend from the relevant average trading prices of the CICC A Shares (being RMB36.91 per CICC A Share initially and RMB36.68 per CICC A Share in the event that an adjustment is made in respect of the CICC 2025 Final Dividend) and deducting the dividend amount per share under the Dongxing 2025 Final Dividend from the relevant average trading prices of the Dongxing A Shares (being RMB16.14 per Dongxing A Share initially and RMB16.05 per Dongxing A Share in the event that an adjustment is made in respect of the Dongxing 2025 Final Dividend) respectively for determining the Dongxing Exchange Ratio.

The premium in the Dongxing Exchange Ratio was given to factor in (i) the relative underperformance of the then prevailing trading price of the Dongxing A Shares on the SSE as compared to the price-to-book ratio of other comparable companies, and was determined at 26% (implying a price-to-book ratio of approximately 1.83x (calculated based on the net asset value per share as at December 31, 2024, having taken into account the potential adjustment as a result of the Dongxing 2025 Final Dividend) or approximately 1.75x (calculated based on the net asset value per share as at September 30, 2025, having taken into account the potential adjustment as a result of the Dongxing 2025 Final Dividend)) to bring the implied price-to-book ratio of the Dongxing Exchange Ratio in line with the average price-to-book ratio of comparable companies (as set out in further details in the Valuation Report); (ii) the strength, features and prospects of the operations of the Dongxing Group and its complementary

advantages to the existing businesses of the CICC Group; and (iii) the potential synergies and prospects which may be realized by the Post-Merger Company as a result of the Proposed Mergers.

Cinda Exchange Ratio

The Cinda Exchange Ratio, being 0.5188 CICC A Shares for every Cinda Securities A Share or (assuming each of the Cinda 2025 Final Dividend and the CICC 2025 Final Dividend is approved by the respective shareholders and paid on or before the date of Closing) 0.5210 CICC A Shares for every Cinda Securities A Share (each rounded to four decimal places), has been agreed after arm's length negotiations between CICC and Cinda Securities in accordance with the requirements under the Measures for the Administration of the Material Asset Restructurings of Listed Companies (《上市公司重大資產重組管理辦法》), and has been determined with reference to: (i) the average trading price of the CICC A Shares for the 20 trading days immediately prior to the date of the Announcement (being RMB37.00 per CICC A Share) as adjusted downward by the CICC 2025 Interim Dividend (being RMB0.09 per CICC A Share, which is declared but remains unpaid as at the date of the Merger Agreement); and (ii) the average trading price of the Cinda A Shares for the 20 trading days immediately prior to the date of the Announcement (being RMB19.15 per Cinda A Share).

Given that the CICC 2025 Final Dividend (of RMB2.3 per 10 CICC A Share) and the Cinda 2025 Final Dividend (of RMB0.40 per 10 Cinda A Share) were declared subsequent to the date of the Merger Agreement, assuming each of the CICC 2025 Final Dividend and the Cinda 2025 Final Dividend is approved and paid on or before the date of Closing, the Cinda Exchange Ratio will be adjusted to 0.5210 CICC A Shares for every Cinda A Shares accordingly, in accordance with the paragraph headed "Adjustments to the Exchange Ratios due to ex-right or ex-dividend events" below by further deducting the dividend amount per share under the CICC 2025 Final Dividend from the relevant average trading prices of the CICC A Shares (being RMB36.91 per CICC A Share initially and RMB36.68 per CICC A Share in the event that an adjustment is made in respect of the CICC 2025 Final Dividend) and deducting the dividend amount per share under Cinda 2025 Final Dividend from the relevant trading prices of the Cinda A Shares (being RMB19.15 per Cinda A Share initially and RMB19.11 per Cinda A Share in the event that an adjustment is made in respect of the Cinda 2025 Final Dividend) respectively for determining the Cinda Exchange Ratio.

The Cinda Exchange Ratio was determined taking into account: (i) the then prevailing trading price of the Cinda Securities A Shares on the SSE implied a price-to-book ratio of approximately 3.21x (calculated based on the net asset value per share as at December 31, 2024, having taken into account the potential adjustment as a result of the Cinda 2025 Final Dividend) or approximately 3.04x (calculated based on the net asset value per share as at September 30, 2025, having taken into account the potential adjustment as a result of the Cinda 2025 Final Dividend) which is higher than the average price-to-book ratio of comparable companies (as set out in further details in the Valuation Report); (ii) the strength, features and prospects of the operations of the Cinda Group and its complementary advantages to the existing businesses of the CICC Group; and (iii) the potential synergies and prospects which may be realized by the Post-Merger Company as a result of the Proposed Mergers.

Adjustment to the Exchange Ratios due to ex-right or ex-dividend events

Between (and including) the date of the Announcement and the Closing, (i) if any of CICC, Dongxing Securities or Cinda Securities conducts any ex-right or ex-dividend events of CICC, Dongxing Securities or Cinda Securities (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue); or (ii) there exists any event or circumstances for which the consideration for the Share Exchanges shall be adjusted in accordance with the relevant laws and regulations or requirements of any competent authority, the consideration for the Share Exchanges and the Exchange Ratios shall be adjusted accordingly.

In particular, in the event that any cash dividend is declared by CICC, Dongxing Securities or Cinda Securities, the Exchange Ratios shall be adjusted in accordance with the following mechanisms:

Adjustments to the Dongxing Exchange Ratio due to cash dividend by CICC and/or Dongxing Securities

$$A = (B - C)/(D - E)$$

where:

A = the adjusted Dongxing Exchange Ratio

B = RMB16.14 (being the average trading price of the Dongxing A Shares for the 20 trading days immediately prior to the date of the Announcement (being RMB12.81 per Dongxing A Share) plus a 26% premium over such average trading price)

C = the aggregate dividend amount per Dongxing A Share of any dividend declared and paid by Dongxing Securities between (and including) the date of the Announcement and the Closing (which may include, amongst others, the Dongxing 2025 Final Dividend)

D = RMB36.91 (being the average trading price of the CICC A Shares for the 20 trading days immediately prior to the date of the Announcement (being RMB37.00 per CICC A Share) as adjusted downward by the CICC 2025 Interim Dividend (being RMB0.09 per CICC A Share, which is declared but was unpaid as at the date of the Merger Agreement))

E = the aggregate dividend amount per CICC A Share of any dividend declared and paid by CICC between (and including) the date of the Announcement and the Closing (which may include the CICC 2025 Final Dividend, but excluding the CICC 2025 Interim Dividend)

Adjustments to the Cinda Exchange Ratio due to cash dividend by CICC and/or Cinda Securities

$$F = (G - H)/(D - E)$$

where:

F = the adjusted Cinda Exchange Ratio

G = RMB19.15 (being the average trading price of the Cinda A Shares for the 20 trading days immediately prior to the date of the Announcement)

H = the aggregate dividend amount per Cinda A Share of any dividend declared and paid by Cinda Securities between (and including) the date of the Announcement and the Closing (which may include, amongst others, the Cinda 2025 Final Dividend)

D = RMB36.91 (being the average trading price of the CICC A Shares for the 20 trading days immediately prior to the date of the Announcement (being RMB37.00 per CICC A Share) as adjusted downward by the CICC 2025 Interim Dividend (being RMB0.09 per CICC A Share, which is declared but was unpaid as at the date of the Merger Agreement))

E = the aggregate dividend amount per CICC A Share of any dividend declared and paid by CICC between (and including) the date of the Announcement and the Closing (which may include the CICC 2025 Final Dividend, but excluding the CICC 2025 Interim Dividend)

Other than the aforementioned circumstances, the Exchange Ratio shall not be adjusted.

C. Put Options and Dissenting Shareholders who Exercise Put Options

CICC Dissenting Shareholders

Pursuant to PRC regulatory requirements and the CICC Articles, cash put options will be provided to the CICC Dissenting Shareholders. Subject to the satisfaction or (if capable of being waived) waiver of all the Conditions, the Qualified CICC Dissenting Shareholders will be entitled to sell their CICC Shares to the CICC Put Option Provider(s) at a cash price equal to RMB34.80 per CICC A Share and HK$18.86 per CICC H Share (each subject to any adjustments as set out below). The cash prices have been determined based on the closing price of the CICC A Shares and the CICC H Shares on November 19, 2025 (being the last trading day of the CICC A Shares and the CICC H Shares immediately prior to the signing of the Merger Agreement), as adjusted downward by the CICC 2025 Interim Dividend. In the event that the CICC 2025 Final Dividend is approved by the CICC Shareholders and paid on or before the CICC Put Option Exercise Date, the cash prices for the CICC Put Option will be adjusted by deducting the amount of CICC 2025 Final Dividend per CICC Share in RMB and HK$ from the cash prices of CICC Put Option for the CICC A Shares and CICC H Shares respectively. In the event that such adjustment is made, the cash price for the CICC Put Option for the CICC A Share will be adjusted to RMB34.57 per CICC A Share, and the cash price for the CICC Put Option for the CICC H Share will be further announced based on the RMB : HK$ exchange rate to be adopted for the CICC 2025 Final Dividend.

During the CICC Put Option Adjustment Period, if a CICC Put Option Adjustment Triggering Event occurs in respect of the CICC A Shares and/or the CICC H Shares (as the case may be), CICC shall, within 20 trading days after the initial occurrence of the CICC Put Option Adjustment Triggering Event, convene a board meeting to consider whether any adjustment will be made to the cash prices for the CICC Put Option for the CICC A Shares and/or the CICC H Shares (as the case may be).

If the CICC Board determines that an adjustment shall be made to the cash price for the CICC Put Option, such cash price shall be adjusted to the closing price of the CICC A Shares or the CICC H Shares (as the case may be) on the trading day immediately prior to the CICC Put Option Adjustment Benchmark Date.

The adjustment to the cash prices for the CICC Put Option for the CICC A Shares and the CICC H Shares shall be determined and (if applicable) adjusted separate from and irrespective of each other. In the event that the CICC Board has convened a meeting to consider whether an adjustment shall be made to the cash prices for the CICC Put Option for the CICC A Shares or the CICC H Shares (as the case may be), then regardless of whether any adjustment has been made on that instance, no further adjustment will be made to the cash prices for the CICC Put Option for such CICC Shares upon the occurrence of any further CICC Put Option Adjustment Triggering Event.

The cash price of the CICC Put Option will also be adjusted in the event of any ex-right or ex-dividend events of CICC (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue) between (and including) the date of the Announcement and the CICC Put Option Exercise Date, other than the CICC 2025 Interim Dividend.

The CICC A Shares and CICC H Shares acquired by the CICC Put Option Provider(s) from the CICC Dissenting Shareholders (if any) will be held by the CICC Put Option Provider(s). CICC Dissenting Shareholders shall not otherwise claim CICC Put Options from CICC or other CICC Shareholders who vote in favour of the Proposed Mergers.

The aforementioned adjustment mechanism for the CICC Put Option (including the requirement for the CICC Board to determine whether any adjustment to the cash price of the CICC Put Option will be made) is in line with market practices for companies listed on the SSE. The mechanism for the CICC Board to determine whether or not an adjustment would be made (instead of an automatic adjustment mechanism) allow flexibility for the CICC Board to make an adjustment if it considers that an adjustment is required to bring the cash price in line with the then prevailing market price of the CICC Shares, or not to make an adjustment if it considers that the original cash price would continue to provide a fair exit opportunity for the CICC Dissenting Shareholders. The CICC Board will comprehensively take into account factors such as the then prevailing market circumstances (including the then market volatility at the time of the occurrence of the CICC Put Option Adjustment Triggering Event), the then trading performance of the Shares (including the then prevailing trading price and trading volume of the CICC Shares), the circumstances to which the CICC Put Option Adjustment Triggering Event was initially triggered, whether or not an adjustment is appropriate to avoid

arbitrage opportunities arising from the cash put option price being consistently higher than the then prevailing trading price, and the relevant PRC regulatory requirements (including the principle under the PRC Company Law that dissenting shareholders are entitled to request the company to repurchase their shares at a reasonable price and market precedents for listed companies' merger and acquisition transactions as compiled by the SSE, which generally refer to pricing benchmarks not lower than 80% of the market reference price), the need to provide a fair exit opportunity to the CICC Dissenting Shareholders, and the interests of the CICC Dissenting Shareholders as a whole. As such, the aforementioned adjustment mechanism will allow the CICC Board to better safeguard the interests of the CICC Shareholders (including the CICC Dissenting Shareholders) as a whole.

In respect of the CICC Put Option in respect of CICC A Shares, (i) Shenwan Hongyuan has undertaken to act as the CICC Put Option Provider in respect of the CICC A Shares for a consideration of not exceeding RMB1,000 million; (ii) to the extent the total consideration of CICC Put Option exercised in respect of the CICC A Shares exceeded the amount undertaken by Shenwan Hongyuan, Industrial Securities has undertaken to act as the CICC Put Option Provider in respect of such CICC Put Option exceeding the amount undertaken by Shenwan Hongyuan for a consideration of not exceeding RMB500 million; and (iii) to the extent the total consideration of CICC Put Option exercised in respect of the CICC A Shares exceeded the amount undertaken by Shenwan Hongyuan and Industrial Securities, Jianyin Investment has undertaken to act as the CICC Put Option Provider in respect of such CICC Put Option exceeding the amount undertaken by Shenwan Hongyuan and Industrial Securities.

In respect of the CICC Put Option in respect of CICC H Shares, (i) Shenwan Hongyuan International has undertaken to act as the CICC Put Option Provider in respect of the CICC H Shares for a consideration of not exceeding HK$500 million; (ii) to the extent the total consideration of CICC Put Option exercised in respect of the CICC H Shares exceeded the amount undertaken by Shenwan Hongyuan International, New China Life Insurance (New China Asset Management (Hong Kong) Limited as the trustee) has undertaken to act as the CICC Put Option Provider in respect of such CICC Put Option exceeding the amount undertaken by Shenwan Hongyuan International for a consideration of not exceeding HK$5,300 million; and (iii) to the extent the total consideration of CICC Put Option exercised in respect of the CICC H Shares exceeded the amount undertaken by Shenwan Hongyuan International and New China Life Insurance (New China Asset Management (Hong Kong) Limited as the trustee), Jianyin Investment HK has undertaken to act as the CICC Put Option Provider in respect of such CICC Put Option exceeding the amount undertaken by Shenwan Hongyuan International and New China Life Insurance (New China Asset Management (Hong Kong) Limited as the trustee).

Dongxing Dissenting Shareholders

Pursuant to PRC regulatory requirements and the Dongxing Articles, cash put options will be provided to the Dongxing Dissenting Shareholders. Subject to the satisfaction or (if capable of being waived) waiver of all the Conditions, the Qualified Dongxing Dissenting Shareholders will be entitled to sell their Dongxing A Shares to the Dongxing Put Option Provider(s) at a cash price equal to RMB13.13 per Dongxing A Share (subject to any

adjustments as set out below). The cash amount has been determined based on the closing price of the Dongxing A Shares on November 19, 2025 (being the last trading day of the Dongxing A Shares immediately prior to the signing of the Merger Agreement). In the event that the Dongxing 2025 Final Dividend is approved by the Dongxing A Shareholders and paid on or before the Dongxing Put Option Exercise Date, the cash prices for the Dongxing Put Option will be adjusted by deducting the amount of Dongxing 2025 Final Dividend per Dongxing A Share from the cash prices of Dongxing Put Option. In the event that such adjustment is made, the cash price for the Dongxing Put Option will be adjusted to RMB13.04 per Dongxing A Share.

During the Dongxing Put Option Adjustment Period, if a Dongxing Put Option Adjustment Triggering Event occurs in respect of the Dongxing A Shares, Dongxing Securities shall, within 20 trading days after the initial occurrence of the Dongxing Put Option Adjustment Triggering Event, convene a board meeting to consider whether any adjustment will be made to the cash price for the Dongxing Put Option.

If the Dongxing Board determines that an adjustment shall be made to the cash price for the Dongxing Put Option, such cash price shall be adjusted to the closing price of the Dongxing A Shares on the trading day immediately prior to the Dongxing Put Option Adjustment Benchmark Date.

In the event that the Dongxing Board has convened a meeting to consider whether an adjustment shall be made to the cash prices for the Dongxing Put Option, then regardless of whether any adjustment has been made on that instance, no further adjustment will be made to the cash prices for the Dongxing Put Option upon the occurrence of any further Dongxing Put Option Adjustment Triggering Event.

The cash price of the Dongxing Put Option will also be adjusted in the event of any ex-right or ex-dividend events of Dongxing Securities (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue) between (and including) the date of the Announcement and the Dongxing Put Option Exercise Date.

The Dongxing A Shares acquired by the Dongxing Put Option Provider(s) from the Qualified Dongxing Dissenting Shareholders (if any) will form part of the Dongxing A Shares to be exchanged into CICC A Shares at the Dongxing Exchange Ratio at Closing. Dongxing Dissenting Shareholders shall not otherwise claim Dongxing Put Options from Dongxing Securities or other Dongxing A Shareholders who vote in favour of the Proposed Mergers.

In respect of the Dongxing Put Option, (i) China Orient has undertaken to act as the Dongxing Put Option Provider for a consideration of not exceeding RMB500 million; (ii) to the extent the total consideration of Dongxing Put Option exercised exceeded the consideration undertaken by China Orient, China Galaxy Securities has undertaken to act as the Dongxing Put Option Provider in respect of such Dongxing Put Option exceeding the amount undertaken by China Orient, provided that the consideration payable by China Galaxy Securities in respect of the Dongxing Put Option and Cinda Put Option shall not exceed RMB500 million in aggregate; and (iii) to the extent the total consideration of Dongxing Put Option exercised

exceeded the amount undertaken by China Orient and China Galaxy Securities, Jianyin Investment has undertaken to act as the Dongxing Put Option Provider in respect of such Dongxing Put Option exceeding the amount undertaken by China Orient and China Galaxy Securities.

Cinda Dissenting Shareholders

Pursuant to PRC regulatory requirements and the Cinda Articles, cash put options will be provided to the Cinda Dissenting Shareholders. Subject to the satisfaction or (if capable of being waived) waiver of all the Conditions, the Qualified Cinda Dissenting Shareholders will be entitled to sell their Cinda A Shares to the Cinda Put Option Provider(s) at a cash price equal to RMB17.79 per Cinda A Share. The cash amounts have been determined based on the closing price of the Cinda A Shares on November 19, 2025 (being the last trading day of the Cinda A Shares immediately prior to the signing of the Merger Agreement). In the event that the Cinda 2025 Final Dividend is approved by the Cinda A Shareholders and paid on or before the Cinda Put Option Exercise Date, the cash prices for the Cinda Put Option will be adjusted by deducting the amount of Cinda 2025 Final Dividend per Cinda A Share from the cash prices of Cinda Put Option. In the event that such adjustment is made, the cash price for the Cinda Put Option will be adjusted to RMB17.75 per Cinda A Share.

During the Cinda Put Option Adjustment Period, if a Cinda Put Option Adjustment Triggering Event occurs in respect of the Cinda A Shares, Cinda Securities shall, within 20 trading days after the initial occurrence of the Cinda Put Option Adjustment Triggering Event, convene a board meeting to consider whether any adjustment will be made to the cash prices for the Cinda Put Option.

If the Cinda Board determines that an adjustment shall be made to the cash price for the Cinda Put Option, such cash price shall be adjusted to the closing price of the Cinda A Shares on the trading day immediately prior to the Cinda Put Option Adjustment Benchmark Date.

In the event that the Cinda Board has convened a meeting to consider whether an adjustment shall be made to the cash prices for the Cinda Put Option, then regardless of whether any adjustment has been made on that instance, no further adjustment will be made to the cash prices for the Cinda Put Option upon the occurrence of any further Cinda Put Option Adjustment Triggering Event.

The cash price of the Cinda Put Option will also be adjusted in the event of any ex-right or ex-dividend events of Cinda Securities (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue) between (and including) the date of the Announcement and the Cinda Put Option Exercise Date.

The Cinda A Shares acquired by the Cinda Put Option Provider(s) from the Qualified Cinda Dissenting Shareholders (if any) will form part of the Cinda A Shares to be exchanged into CICC A Shares at the Cinda Exchange Ratio at Closing. Cinda Dissenting Shareholders shall not otherwise claim Cinda Put Options from Cinda Securities or other Cinda A Shareholders who vote in favour of the Proposed Mergers.

In respect of the Cinda Put Option, (i) China Cinda has undertaken to act as the Cinda Put Option Provider for a consideration of not exceeding RMB500 million; (ii) to the extent the total consideration of Cinda Put Option exercised exceeded the consideration undertaken by China Cinda, China Galaxy Securities has undertaken to act as the Cinda Put Option Provider in respect of such Cinda Put Option exceeding the amount undertaken by China Cinda, provided that the consideration payable by China Galaxy Securities in respect of the Dongxing Put Option and Cinda Put Option shall not exceed RMB500 million in aggregate; and (iii) to the extent the total consideration of Cinda Put Option exercised exceeded the amount undertaken by China Cinda and China Galaxy Securities, Jianyin Investment has undertaken to act as the Cinda Put Option Provider in respect of such Cinda Put Option exceeding the amount undertaken by China Cinda and China Galaxy Securities.

Prior to the record date of the CICC Put Option, Dongxing Put Option and Cinda Put Option (which will be decided and announced in due course), CICC Dissenting Shareholders, Dongxing Dissenting Shareholders and Cinda Dissenting Shareholders who have given CICC Shares, Dongxing A Shares or Cinda A Shares respectively as security for margin financing and security lending transactions must transfer those CICC Shares, Dongxing A Shares or Cinda A Shares (as the case may be) from the relevant credit guarantee account of a securities company to their ordinary securities account, in order to exercise any CICC Put Options, Dongxing Put Options and Cinda Put Options (as applicable). CICC Dissenting Shareholders, Dongxing Dissenting Shareholders and Cinda Dissenting Shareholders who have entered into securities repurchase transactions must complete the relevant repurchase procedures prior to the record date of the CICC Put Option, Dongxing Put Option and Cinda Put Option (which will be decided and announced in due course), in order to exercise any CICC Put Options, Dongxing Put Options and Cinda Put Options (as applicable).

Under the Merger Agreement, taxes arising from the exercise of the CICC Put Options, Dongxing Put Options and Cinda Put Options shall be borne by the Qualified CICC Dissenting Shareholders, Qualified Dongxing Dissenting Shareholders, Qualified Cinda Dissenting Shareholders, CICC Put Option Providers, Dongxing Put Option Providers and/or Cinda Put Option Providers in accordance with the requirements under the applicable laws, regulations, competent authorities or securities registration company. In the absence of express requirements under the applicable laws, regulations, competent authorities or securities registration company, the parties will resolve the matter through negotiations with reference to standard market practice.

Each of the CICC Put Option Providers, Dongxing Put Option Providers and Cinda Put Option Providers has undertaken that, amongst others, it will fulfill its relevant obligations as the relevant put option provider and will acquire the relevant dissenting shares pursuant to the terms and conditions of the relevant put options.

Only those CICC Shareholders who vote against each of the resolutions (including each sub-resolution) regarding the Proposed Mergers and the Merger Agreement at the CICC GM and the corresponding class meeting of CICC (i.e. the CICC H Shareholders' Class Meeting or the CICC A Shareholders' Class Meeting) will be eligible to exercise the

CICC Put Option in relation to their CICC H Shares and/or CICC A Shares, subject to satisfaction of the criteria set out in the definition of "Qualified CICC Dissenting Shareholder".

Only those Dongxing A Shareholders who vote against each of the resolutions (including each sub-resolution) regarding the Proposed Mergers and the Merger Agreement at the Dongxing GM will be eligible to exercise the Dongxing Put Option in relation to their Dongxing A Shares, subject to satisfaction of the criteria set out in the definition of "Qualified Dongxing Dissenting Shareholder".

Only those Cinda A Shareholders who vote against each of the resolutions (including each sub-resolution) regarding the Proposed Mergers and the Merger Agreement at the Cinda GM will be eligible to exercise the Cinda Put Option in relation to their Cinda A Shares, subject to satisfaction of the criteria set out in the definition of "Qualified Cinda Dissenting Shareholder".

If the Proposed Mergers are ultimately not implemented, the CICC Dissenting Shareholders, the Dongxing Dissenting Shareholders and the Cinda Dissenting Shareholders shall have no right to exercise the CICC Put Option, Dongxing Put Option or the Cinda Put Option and shall not claim any damages or compensation from CICC, Dongxing Securities or Cinda Securities.

After the record date for the CICC GM, CICC A Shareholders' Class Meeting, CICC H Shareholders' Class Meeting, Dongxing GM and Cinda GM (as the case may be), if the CICC Dissenting Shareholders, the Dongxing Dissenting Shareholders and the Cinda Dissenting Shareholders sell their respective CICC Shares, Dongxing A Shares or Cinda A Shares, the number of CICC Shares, Dongxing A Shares or Cinda A Shares eligible for the CICC Put Option, Dongxing Put Option and Cinda Put Option will reduce correspondingly. If the CICC Dissenting Shareholders, the Dongxing Dissenting Shareholders and the Cinda Dissenting Shareholders subsequently purchase CICC Shares, Dongxing A Shares or Cinda A Shares after the relevant record date for the CICC GM, CICC A Shareholders' Class Meeting, CICC H Shareholders' Class Meeting, Dongxing GM and Cinda GM, the number of shares eligible for the CICC Put Option, the Dongxing Put Option and Cinda Put Option will not increase.

Certain CICC Shareholders, Dongxing Shareholders and Cinda Shareholders are entitled to vote on the resolutions relating to the Proposed Mergers, but are excluded from being eligible to exercise the CICC Put Option, Dongxing Put Option and the Cinda Put Option, respectively. Please refer to the definition of "Qualified CICC Dissenting Shareholder", "Qualified Dongxing Dissenting Shareholder" and "Qualified Cinda Dissenting Shareholder" in the "Definitions" section of this circular for further details. For the avoidance of doubt, the Dongxing A Shares held by such Dongxing Shareholders and the Cinda A Shares held by such Cinda Shareholders will continue to be exchanged into CICC A Shares pursuant to the terms and conditions of the Merger Agreement

subject to the satisfaction or (if capable of being waived) waiver of the conditions thereunder, and any Share Restrictions on the Dongxing A Shares or the Cinda A Shares (as the case may be) will continue to apply on the CICC A Shares so exchanged.

D. Notification to creditors

Under the Merger Agreement, CICC, Dongxing Securities and Cinda Securities agreed to comply with the relevant procedures relating to creditors' notification and announcement in accordance with the Applicable Laws of the PRC. If any creditor of CICC, Dongxing Securities or Cinda Securities requests for early repayment of the indebtedness or requests for any guarantee in relation to such indebtedness within the statutory period, CICC, Dongxing Securities or Cinda Securities (as the case may be) will, in accordance with Applicable Laws, either make or provide or cause a third party to make or provide, early repayment or guarantee to its creditors for such indebtedness. If, within the aforementioned statutory period, the creditors do not request early repayment or provision of guarantee, any indebtedness that remains unpaid will, after the Closing Date, be assumed by the Post-Merger Company.

CICC

As at December 31, 2025, after excluding items such as derivative financial liabilities, funds payable for securities trading on behalf of clients, employee benefits payable, taxes payable, contract liabilities, lease liabilities, provisions, the portions of trading financial liabilities not involving creditors, and certain other liabilities, the outstanding indebtedness of CICC at the parent company level amounted to RMB229.093 billion.

As at December 31, 2025, the outstanding amount of bonds payable at the parent company level of CICC amounted to RMB57.699 billion, representing 25.19% of the aforesaid indebtedness. CICC has convened bondholders' meetings in accordance with the applicable laws and regulations and the rules governing the meetings of holders of such bonds. The relevant bondholders' meetings have passed resolutions agreeing not to require CICC to make early repayment of the indebtedness under the current bonds, nor to require CICC to provide additional guarantees.

As at the Latest Practicable Date, the aggregate amount of indebtedness of CICC that has been duly repaid upon maturity, or in respect of which the notification obligations have been duly performed, or in respect of which creditors have consented that no early repayment or provision of guarantees is required, amounted to RMB227.608 billion, representing 99.35% of the aforesaid outstanding indebtedness.

Dongxing Securities

As at December 31, 2025, after excluding items such as derivative financial liabilities, funds from acting as an agent for securities trading, employee remuneration payable, taxes payable, contract liabilities and lease liabilities, the outstanding amount of indebtedness at the parent company level of Dongxing Securities amounted to RMB52.271 billion.

As at December 31, 2025, the outstanding balance of bonds payable at the parent company level of Dongxing Securities amounted to RMB12.305 billion, representing approximately 23.54% of the aforesaid indebtedness. Dongxing Securities has convened meetings of the bondholders in accordance with the relevant laws and regulations and the rules of the bondholders' meetings of the relevant bonds. The relevant bondholders' meetings have passed resolutions agreeing not to require Dongxing Securities to make early repayment of the indebtedness under the current bonds, nor to require Dongxing Securities to provide additional guarantees.

As at the Latest Practicable Date, the aggregate amount of indebtedness of Dongxing Securities that has been duly repaid upon maturity, or for which notification obligations have been fulfilled, or for which creditors' consent has been obtained such that no early repayment or provision of guarantees is required, amounted to RMB52.076 billion, representing approximately 99.63% of the aforesaid outstanding indebtedness.

Cinda Securities

As at December 31, 2025, after excluding items such as contract liabilities, funds from acting as an agent for securities trading, employee remuneration payable, taxes payable, lease liabilities, provisions and deferred tax liabilities, the outstanding amount of indebtedness at the parent company level of Cinda Securities amounted to RMB68.217 billion.

As at December 31, 2025, the aggregate outstanding balance of corporate bonds at the parent company level of Cinda Securities amounted to RMB18.445 billion, representing approximately 27.04% of the aforesaid indebtedness. Cinda Securities has convened meetings of the bondholders in accordance with the relevant laws and regulations and the rules of the bondholders' meetings of the relevant bonds. The relevant bondholders' meetings have passed resolutions agreeing not to require Cinda Securities to make early repayment of the indebtedness under the current bonds, nor to require Cinda Securities to provide additional guarantees.

As at the Latest Practicable Date, the aggregate amount of indebtedness of Cinda Securities that has been duly repaid upon maturity, for which notification obligations have been fulfilled, and for which creditors' consent has been obtained such that no early repayment or provision of guarantees is required, amounted to RMB66.732 billion, representing approximately 97.82% of the aforesaid outstanding indebtedness.

E. Arrangements for employees

From the Closing Date onwards, the employment contracts of all employees of CICC (including those of its branches and business offices) will continue with the Post-Merger Company and the employment contracts of all employees of Dongxing Securities (including those of its branches and business offices) and Cinda Securities (including those of its branches and business offices) will be assumed by and continue with the Post-Merger Company. All rights and obligations

of Dongxing Securities (including those of its branches and business offices) and Cinda Securities (including those of its branches and business offices) as employers of their existing employees shall be transferred to and borne by the Post-Merger Company.

As at the Latest Practicable Date, CICC, Dongxing Securities and Cinda Securities have separately convened an employees' representative meeting, which considered and approved the employee settlement plan in connection with the Proposed Mergers.

The arrangements for employees involved in the Proposed Mergers comply with all relevant laws, regulations and regulatory documents, do not contravene any applicable legal or regulatory requirements and will not have any material adverse impact on the Post-Merger Company.

F. Liabilities for breach of the Merger Agreement

According to the Merger Agreement, if the Merger Agreement is terminated as a result of the grounds as set out in paragraphs (a) and (b) under the section headed "Termination" below, then none of the parties shall be liable for breach of the Merger Agreement. Following termination, the parties shall act in accordance with the principle of restitution, execute all necessary documents and take all required actions to assist in restoring the status quo as at the date of the Merger Agreement.

On the other hand, if the Merger Agreement is terminated as a result of the grounds as set out in paragraph (c) under the section headed "Termination" below, the non-breaching party shall be entitled to terminate the Merger Agreement unilaterally by written notice. In such circumstances, the breaching party shall be liable for breach of contract and shall compensate the non-breaching party for all actual losses incurred as a result of such breach.

G. Costs and taxes in relation to the Proposed Mergers

All costs and taxes incurred by CICC, Dongxing Securities and Cinda Securities as a result of the Proposed Mergers shall be borne by the relevant party incurring such costs and taxes in accordance with the provisions of the relevant laws, regulations, normative documents and contracts, unless otherwise agreed by the parties.

4. PRINCIPAL TERMS OF THE MERGER AGREEMENT

CICC, Dongxing Securities and Cinda Securities entered into the Cooperation Agreement on November 19, 2025 in relation to the Proposed Mergers. Further to the Cooperation Agreement, on December 17, 2025, CICC, Dongxing Securities and Cinda Securities entered into the conditional Merger Agreement which sets forth detailed terms and conditions for implementing the Proposed Mergers. In addition to the terms set out in section headed "3. Terms of the Proposed Mergers" above, the principal terms and conditions of the Merger Agreement include:

Parties

(a) CICC

(b) Dongxing Securities

(c) Cinda Securities

Overview of the Proposed Mergers

The Proposed Mergers will be implemented by CICC merging with Dongxing Securities and Cinda Securities by way of merger by absorption and share exchange, namely: (1) CICC will issue CICC A Shares to the Dongxing Share-Exchange Shareholders holding Dongxing A shares and will issue CICC A Shares to the Cinda Share-Exchange Shareholders holding Cinda A shares; (2) CICC will apply to have the CICC A Shares to be issued under the Proposed Mergers listed and traded on the SSE; (3) the Dongxing A Shares and the Cinda A Shares will be delisted and cancelled; (4) from the Closing Date onwards, the Post-Merger Company will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of Dongxing Securities and Cinda Securities.

The Proposed Mergers will be effective as provided for by the PRC Company Law and shall be in compliance with the Hong Kong Listing Rules.

Consideration

CICC will:

- issue new CICC A Shares at the Dongxing Exchange Ratio in exchange for all the Dongxing A Shares in issue upon Closing, and
- issue new CICC A Shares at the Cinda Exchange Ratio in exchange for all the Cinda A Shares in issue upon Closing.

Application will be made to the SSE for the CICC A Shares to be issued under the Proposed Mergers to be listed and traded on the SSE.

The Exchange Ratios will not be adjusted other than in the events as set out in the section headed "B. Exchange Ratios and their Basis of Determination" above.

Treatment of fractions of shares

The number of CICC A Shares obtained by Dongxing Share-Exchange Shareholders and Cinda Share-Exchange Shareholders shall be in whole numbers. If amount of Dongxing A Shares or Cinda A Shares held by a Dongxing A Shareholder or Cinda A Shareholder multiplied by the Share Exchange Ratio is not a whole number, such shareholders will be ranked in the order of the value of the remaining fraction after the decimal point from high to low, and one additional CICC A Share will be given to each such Dongxing A Shareholder or a Cinda A Shareholder (as the case may be) in that order until the number of shares actually exchanged is equal to the total number of shares proposed to be issued. If the number of shareholders with the same fraction is more than the number of remaining shares to be issued, shares will be allocated randomly by a computerised system until the number of shares actually exchanged is equal to the total number of shares proposed to be issued.

Such treatment of fraction of shares is in line with the market practice of the SSE and the CICC Board is of the view that such treatment is fair and reasonable.

Put options for dissenting shareholders

Please refer to the section headed "3. Terms of the Proposed Mergers – Put Options and Dissenting Shareholders who Exercise Put Options" for details.

Conditions to the Merger Agreement becoming effective – Effectiveness Conditions

The Merger Agreement shall become effective upon satisfaction of all of the following conditions (none of which shall be capable of being waived):

(a) the Proposed Mergers and the Merger Agreement having been approved and authorized at each of the CICC GM, the CICC H Shareholders' Class Meeting and the CICC A Shareholders' Class Meeting in accordance with the Applicable Laws;

(b) the Proposed Mergers and the Merger Agreement having been approved at the Dongxing GM in accordance with the Applicable Laws;

(c) the Proposed Mergers and the Merger Agreement having been approved at the Cinda GM in accordance with the Applicable Laws;

(d) the Proposed Mergers having been approved at the shareholders' meeting of China Orient;

(e) the Proposed Mergers having been approved at the shareholders' meeting of China Cinda;

(f) all requisite prior approvals by any Governmental Authority under the applicable PRC laws and regulations in respect of the Proposed Mergers having been obtained;

(g) the approval, filing and/or registration with or by SSE and CSRC in respect of the Proposed Mergers having been obtained and remaining in effect; and

(h) the confirmation by the Hong Kong Stock Exchange that it has no further comment on the announcement(s) (if required) and circular issued by CICC in respect of the transactions contemplated under the Merger Agreement.

Condition to implementation of the Merger Agreement

Provided that the Merger Agreement has become effective, Closing shall be subject to satisfaction or appropriate waiver from CICC, Dongxing Securities and Cinda Securities of the following condition:

(a) the necessary approvals, permissions, filings or registrations which may be required in connection with the Proposed Mergers under the Applicable Laws, including any such necessary approvals, filings or registrations with or by the relevant regulatory authorities in connection with the licences and permits of any member of the CICC Group, Dongxing Group and Cinda Group, having been obtained (or as the case may be, completed) and remaining in effect.

Termination

The Merger Agreement may be terminated in any of the following circumstances:

(a) if a Governmental Authority makes any permanent injunctions, laws, regulations, rules or orders that restricts or prohibits the completion of the Proposed Mergers and such restriction or prohibition is final and not capable of being appealed, either CICC,

Dongxing Securities or Cinda Securities will be entitled to terminate the Merger Agreement by written notice;

(b) if the Merger Agreement cannot be performed for a continuous period of 60 days due to any force majeure event, either CICC, Dongxing Securities or Cinda Securities will be entitled to terminate the Merger Agreement by written notice. The party affected by the force majeure event shall notify the other party within 10 business days of its occurrence and provide any available evidence; or

(c) if one party commits a material breach of the Merger Agreement and such material breach is not remedied within 30 days following delivery of written notice from a non-defaulting party to the defaulting party requesting the defaulting party to take immediate remedial measures in response to the breach, a non-defaulting party will be entitled to unilaterally terminate the Merger Agreement by written notice.

Arrangements during the Transitional Period

During the Transitional Period, except for matters that have been agreed in advance, each of CICC, Dongxing Securities and Cinda Securities shall maintain stability in their assets, businesses, employees and operations and operate independently. Each of CICC, Dongxing Securities and Cinda Securities will not make any significant decisions that are inconsistent with its ordinary course of business nor engage in any activities that may have a material adverse effect on their operations and financial condition.

During the Transitional Period, except for matters for which CICC, Dongxing Securities and Cinda Securities have agreed and with the prior written consent of each of CICC, Dongxing Securities and Cinda Securities, each of CICC, Dongxing Securities and Cinda Securities shall not increase or decrease its respective total share capital or issue bonds which are convertible into shares or make any adjustments to their respective share capital. From the date of the Announcement up to and including the Latest Practicable Date, no event which requires the giving of the aforementioned consent has occurred.

Arrangements for profit distribution and accumulated profits during the Transitional Period	Other than the CICC 2025 Interim Dividend, the CICC 2025 Final Dividend, the Dongxing 2025 Final Dividend and the Cinda 2025 Final Dividend, as well as any other profit distribution plan approved by each of CICC, Cinda Securities and Dongxing Securities and the shareholders' meeting of the relevant company during the Transitional Period, any accumulated profits of CICC, Cinda Securities and Dongxing Securities which remain undistributed as at the Closing Date shall be for the benefit of the shareholders of the Post-Merger Company as a whole according to their shareholding ratio. After the Closing Date, the Post-Merger Company will consider and make decisions on dividend-related matters by taking into account factors including net profits for the year and cashflow requirements.

As at the Latest Practicable Date, save for the CICC 2025 Final Dividend, the Dongxing 2025 Final Dividend, the Cinda 2025 Final Dividend, each of CICC, Dongxing Securities and Cinda Securities has not declared any dividend that has not been paid.

As at the Latest Practicable Date, save that the Hong Kong Stock Exchange has confirmed it has no further comment on this circular, none of the Conditions have been fulfilled or (if capable of being waived) waived.

Lock-up Undertakings

Central Huijin has undertaken not to dispose or entrust the management right of, or allow CICC to repurchase, the CICC Shares directly held by it prior to the Proposed Mergers during the lock-up period of 36 months commencing from the Share Exchange, other than transfers as permitted under any applicable laws. In addition, Central Huijin has indicated that it will not dispose of any CICC Shares directly held by it (and any CICC Shares subsequently derived from such CICC Shares during such period) from the date of the Announcement up to and including the completion of the Proposed Mergers.

Each of China Orient, Dongfu Guochuang and China Cinda has undertaken not to dispose or entrust the management right of, or allow CICC to repurchase, the CICC Shares to be obtained by it under the Proposed Mergers, together with any CICC Shares subsequently derived from such CICC Shares (e.g. as a result of any share dividend or capitalization of reserves by CICC) during the lock-up period of 36 months commencing from the Share Exchange, other than transfers as permitted under any applicable laws.

In addition, each of China Orient and Dongfu Guochuang has indicated that it will not dispose of any Dongxing A Shares directly held by it (and any Dongxing A Shares subsequently derived from such Dongxing A Shares during such period) from the date of the Announcement up to and including the completion of the Proposed Mergers, and China Cinda has indicated that it will not dispose of any

Cinda A Shares directly held by it (and any Cinda A Shares subsequently derived from such Cinda A Shares during such period) from the date of the Announcement up to and including the completion of the Proposed Mergers.

5. CICC'S SPECIFIC MANDATE TO ISSUE CICC A SHARES UNDER THE PROPOSED MERGERS

On December 17, 2025, the CICC Board resolved to seek, at each of the CICC GM, CICC H Shareholders' Class Meeting and CICC A Shareholders' Class Meeting that it be granted an unconditional specific mandate enabling it, when the Proposed Mergers are given effect and as required by the Proposed Mergers, to determine and implement the issuance of not more than 3,096,016,826 CICC A Shares which is subject to upward or downward adjustment as a result of any adjustment to the Exchange Ratios due to ex-right or ex-dividend events of any of CICC, Dongxing Securities or Cinda Securities, as outlined in the section headed "B. Exchange Ratios and their Basis of Determination"; as set out below, taking into account the adjustments as a result of the CICC 2025 Final Dividend, the Dongxing 2025 Final Dividend and the Cinda 2025 Final Dividend, the number of CICC A Shares to be issued by CICC for the Proposed Mergers is 3,104,121,159), and to have full authority to deal with any and all matters necessary or appropriate for the issuance of the CICC A Shares and to deal with any details of the issue, registration and transfer of relevant shares as well as matters relating to listing on the SSE (including the right to adjust the proposed price and numbers of CICC A Shares to be issued to the extent allowed and in accordance with the Applicable Laws or requirements or requests by the applicable Governmental Authorities). On May 18, 2026, the CICC Board resolved that the number of CICC A Shares to be issued pursuant to the aforementioned unconditional specific mandate shall be adjusted to not more than 3,104,121,159 CICC A Shares (which is subject to upward or downward adjustment as a result of any adjustment to the Exchange Ratios due to ex-right or ex-dividend events of any of CICC, Dongxing Securities or Cinda Securities, as outlined in the section headed "B. Exchange Ratios and their Basis of Determination") in light of the fact that the CICC 2025 Final Dividend, the Dongxing 2025 Final Dividend and the Cinda 2025 Final Dividend are declared and adjustments to the Exchange Ratios may be made.

The CICC A Shares to be issued by CICC in accordance with the Proposed Mergers will rank *pari passu* with the relevant existing CICC Shares, except for any existing restrictions on the rights in respect of any Dongxing A Shares or Cinda A Shares which will remain effective on such shares to be issued by CICC.

6. REASONS FOR, AND PURPOSES AND BENEFITS OF THE PROPOSED MERGERS

(1) Accelerating the Construction of a First-Class Investment Bank through Mergers and Acquisitions

Optimizing industry resource allocation through integration and strengthening the capabilities of leading institutions are key trends driving China's securities industry toward high-quality development and enhancing its global influence and discourse power in capital markets. Over the past three decades, CICC has cultivated core competitive strengths in professional expertise, client base, brand reputation and international talent, providing a foundation for its high-quality growth. To

further unlock its overall effectiveness in the aforementioned areas and enhance its comprehensive financial service capabilities and risk resilience, CICC urgently needs to strengthen its capital base to support its development as a first-class investment bank.

Through the Proposed Mergers, the Post-Merger Company will strengthen its resource integration capabilities, leverage economies of scale, expand customer reach, optimize regional presence and enhance resource synergies, thereby enabling more effective capital allocation to drive important strategic initiatives and development in key businesses, enhancing industry competitiveness and market leadership and accelerating progress toward its strategic objective of becoming a first-class investment bank with international competitiveness.

(2) Significantly Strengthening Support for National Strategies and the Real Economy

The Proposed Mergers will unlock synergies across investment banking, investment, research, wealth management, and cross-border finance, supported by robust networks, client bases, and capital resources, achieving complementary advantages and efficient allocation. This will allow the Post-Merger Company to deliver comprehensive, high-quality financial services to a broader range of clients and play a greater role in advancing national strategies and real economy.

(a) Enhancing Capital Capacity to Fuel Technological Innovation and High-Standard Opening-Up

CICC possesses industry-leading expertise in investment banking, private equity, and research. With enhanced capital strength, the Post-Merger Company will further improve its ability in value discovery, resources allocation and risk pricing in technology-driven sectors. It will invest more in technology-focused funds and equity investments, mobilizing innovation capital and fostering patient capital to drive new quality productive forces and support high-quality technological self-reliance. At the same time, building on its comprehensive service capabilities across both onshore and offshore capital markets as well as its strengths in internationalized businesses, the Post-Merger Company will be able to enhance its capital capacity in supporting PRC enterprises' "going global" initiatives and cross-border investment, financing and transactional services, increase the inflow of overseas long-term capital, and better contribute to strengthening the domestic circulation and facilitating the domestic and international dual circulation.

(b) Expanding Regional Coverage and Customer Reach to Deepen Real Economy Support

Dongxing Securities and Cinda Securities have strong operational foundations across multiple key regions and are highly complementary to CICC's network presence. Following the Proposed Mergers, CICC ranks among the leading companies in terms of the number of operating outlets, with significantly strengthened presence in Beijing, Fujian, Liaoning, Guangdong, Zhejiang, Jiangsu and other strategic regions, and the number of retail clients and investment advisors will significantly increase, laying a solid foundation for enhancing real economy service efficiency. By expanding regional coverage and customer base, the Post-Merger Company will extend its professional investment management, equity and bond

financing, mergers and acquisitions, and other investment and investment banking capabilities and product portfolio to a broader customer base. This enables the Post-Merger Company to achieve greater impact in supporting modern industrial system development and promoting balanced regional growth. Through integrating advanced advisory-based investment capabilities, asset allocation frameworks and digital capabilities with specialized and diversified product offerings, the Post-Merger Company will deliver premium wealth management services to a broader customer base, allowing it to leverage on its one stop service advantages across transactions, financing and products, enhancing customers' overall operating performance, tapping the growth potential of its margin financing and securities lending business, achieving quality improvement and volume growth in its retail brokerage business, and elevating its capacity for inclusive financial services.

(c) Enhancing synergies with financial asset management resources to empower the prevention and mitigation of financial risks

Following the Proposed Mergers, CICC will leverage the financial asset management company, as a significant shareholder, as a key resource linkage to mobilise a comprehensive suite of professional service capabilities, industry chain resources and capital market instruments. It will capitalise on its differentiated strengths in distressed asset management and special situation investments, and further expand and deepen the synergistic development model between capital markets and non-performing asset businesses. By providing comprehensive and specialised support to financial asset management companies in areas such as asset revitalisation, debt restructuring, fund investment management and securitisation product innovation, CICC will effectively support the prevention and mitigation of financial risks and serve as a stabilising force in maintaining financial stability.

(3) Enhancing Resilience in Operations and Development and the Ability to Generate Sustainable Long-Term Returns for Shareholders

The Proposed Mergers will allow the Post-Merger Company to integrate financial resources, streamline operations, enhance operational capabilities, transform its scale advantages into the driving force for high-quality development, enhancing quality and improving efficiency in revenue structure, capital allocation, and profitability.

(a) Enhancement of Operational Resilience

The business portfolios of CICC, Dongxing Securities and Cinda Securities are highly complementary. In terms of revenue structure, based on the audited financial information for the year ended December 31, 2025[1], the net fee and commission income ratios of CICC, Dongxing Securities, and Cinda Securities were 53.28%, 35.66%, and 44.24%, respectively, while the wealth management (or securities and futures brokerage) business segment income ratios were 33.32%, 41.60%, and 46.00%, respectively. Overall, CICC maintains a balanced mix of light and heavy capital income, and its institutional business are strong. By combining

[1] Such audited financial information are prepared in accordance with the Chinese Accounting Standards for Business Enterprises.

resources, the Post-Merger Company will record a significant increase in key metrics such as capital size, scale of the outlet network, number of retail clients, and number of investment advisors, and will further strengthen and expand capital-based and retail businesses, better respond to market volatility and meeting client needs, and better leverage the role of wealth management as "stabilizer", thereby facilitating improvement in stability in the overall operating results.

(b) Improvement of Capital Efficiency

CICC demonstrates strong capital efficiency, maintaining a consistently high financial leverage ratio within the industry. Based on the audited financial information for the year ended December 31, 2025[1], the operational leverage ratios[2] of CICC, Dongxing Securities, and Cinda Securities were 5.35x, 2.81x and 3.60x, respectively. Integrating capital resources of the relevant parties will allow the Post-Merger Company to expand its business scope and improve capital utilization efficiency through prudent balance sheet growth, and in the meantime, to also leverage professional expertise and innovation to extend capital allocation to other business scopes, offering clients more diversified and efficient financial tools for investment and risk management, enhance service capabilities while maintaining risk control, and achieve more competitive capital returns.

(c) Boosting Long-Term Value Returns

The Post-Merger Company will boost net assets per capita and capitalize on synergies in regional market penetration, professional services, and capital deployment. This will drive incremental business growth for the three companies beyond their current operations and unlock revenue growth potential. Meanwhile, enhanced managerial resource integration and technology investment will enable the Post-Merger Company to optimize its cost structure and reduce the operating expense ratio. This optimization of overall profitability will in turn create better long-term value to shareholders.

Taking into account the above reasons for and benefits of the Proposed Mergers for CICC, the CICC Directors (excluding Mr. Lu Zhengfei, who is also an independent non-executive director of China Cinda and has abstained from voting at the board meeting of CICC convened to consider and approve the Proposed Mergers and its related matters) consider that the terms of the Merger Agreement and the Proposed Mergers are fair and reasonable and in the interests of CICC and the CICC Shareholders as a whole.

Post-Merger Synergies and Integration Management Measures

Following the completion of the Proposed Mergers, CICC will assume all assets, liabilities, businesses, personnel, contracts, qualifications and all other rights and obligations of Dongxing Securities and Cinda Securities. By fully integrating the resources of the three parties, the Proposed Mergers is expected to further enhance CICC's development potential. In terms of overall strengths,

[2] Operating leverage ratio = (total assets – accounts payable to brokerage clients and to underwriting clients)/total equity attributable to shareholders of the parent company.

based on the pro forma consolidated financial statements[1] and simulated calculations of the principal risk control indicators of the Post-Merger Company, the Post-Merger Company's operating revenue for the year 2025 would increase from RMB28.5 billion to RMB37.2 billion following the Proposed Mergers, with its industry ranking improving from fifth to third. As at the end of 2025, the net capital of the parent company would increase from RMB48.1 billion to RMB103.3 billion, with its industry ranking rising from twelfth to fourth, thereby laying a solid foundation for long term high quality development. In terms of business synergies, CICC will fully leverage its professional service capabilities, product offerings and international brand advantages to achieve synergies with the advantageous businesses and client resources of Dongxing Securities and Cinda Securities. This will enable continuous optimisation of its business layout and a comprehensive enhancement of its ability to serve national strategies. In terms of regional expansion, CICC's network layout will be further optimised and enhanced. Based on data as at December 31, 2025, the number of operating outlets of CICC following the merger would increase from 247 to 441[2], and its industry ranking would improve from fourteenth to third. By leveraging the long established client base and distribution advantage of Dongxing Securities and Cinda Securities, CICC's competitiveness in key regions such as Beijing, Fujian, Liaoning, Guangdong, Zhejiang, and Jiangsu and its comprehensive service capability radiating into surrounding areas are expected to be significantly strengthened, thereby materially enhancing its ability to promote coordinated regional economic development. In terms of client base, the number of retail clients served and client acquisition capabilities will increase significantly. Based on data as at December 31, 2025, following the Proposed Mergers, the number of CICC's retail clients[3] would increase from 9.99 million to over 15 million, the number of investment advisers[4] would increase from 3,866 to 5,756, and AUM of products[5] would increase from over RMB460 billion to over RMB500 billion.

Through the Proposed Mergers, CICC will strengthen its resource integration capabilities, enhance the quality and effectiveness of scaled operations, and achieve significant synergies in areas of wealth management, capital allocation, investment banking and asset management.

1. Such financial statements were prepared according to the PRC GAAP and the appropriate PRC laws and regulations.
2. CICC's operating outlets include the branch companies and securities branches of CICC, as well as the branch companies and securities branches of CICC Wealth Management.
3. The number of retail clients is calculated based on the number of retail client accounts in normal status as at the relevant period end. Among them, Dongxing Securities has approximately 2.27 million retail client accounts, and Cinda Securities has approximately 2.79 million retail client accounts. The post merger figures have not yet eliminated overlapping clients.
4. The number of investment advisers includes both personnel holding investment advisory qualifications and other marketing personnel, but excludes brokers. As at the end of 2025, Dongxing Securities had 870 investment advisers, while Cinda Securities had 1,020 investment advisers.
5. As at the end of 2025, the AUM of product holdings of Dongxing Securities was approximately RMB27.2 billion, and the AUM of product holdings of Cinda Securities was approximately RMB17.0 billion.

(a) Increased capital allocation headroom

For a prolonged period, CICC has faced a shortfall in capital scale, with the net capital of the parent company ranking at the lowest end among comparable peers in the industry. Regulatory indicators such as capital leverage ratio and proprietary securities scale have remained under sustained pressure[1], resulting in capital constraints on the expansion of multiple businesses. At the same time, wealth management business is conducted by its subsidiary, CICC Wealth Management, and net capital cannot be flexibly allocated across entities between the parent and subsidiary, which has limited the ability of CICC Wealth Management's margin financing and securities lending business to meet growing client demand and constrained cross-business asset allocation[2], leading to relatively low efficiency in matching business needs with regulatory limits. Through the Proposed Mergers with Dongxing Securities and Cinda Securities, and the subsequent exploration of further integration of wealth management businesses at the parent company level through feasible means, the Proposed Mergers will significantly enhance the net capital scale of the Post-Merger Company, enable centralized coordination and consolidation of group resources, optimize core risk control indicators, broaden asset allocation and business development headroom, and improve the effectiveness and efficiency of dynamic capital allocation in support of strategic deployment, market opportunities and client demand.

In the secondary market, the Post-Merger Company will leverage its mature capital management experience and professional asset allocation capabilities to expand asset scale through prudent balance sheet growth and enhance capital utilization efficiency. In particular, by capitalising on its professional advantages in off-exchange client-driven businesses, cross-border and international businesses, the merged company is expected to unlock business growth potential and enhance its ability to provide integrated, comprehensive services to clients. In the primary market, CICC has accumulated industry-leading professional capabilities in investment banking, private equity investment, alternative investment and industry research, with relatively high returns on capital deployed in these areas. Following the Proposed Mergers, the merged company will possess stronger resource allocation capabilities and will be able to fully leverage its strengths in value discovery, resource allocation and risk pricing for technology-driven assets. Relying on national-level large-scale investment funds, the merged company will strengthen upstream project sourcing and value incubation, precisely identify high-potential, high-quality early-stage projects, provide high-quality enterprises with full-value-chain empowerment ranging from investment and investment banking to investment research, increase support for fund formation and equity investment in the technology and innovation sectors, and further enhance returns on long-term capital allocation.

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1 As of the end of 2025, CICC had net capital of RMB48.1 billion, a capital leverage ratio of 12.18%, and its non-equity securities and related derivatives held accounted for 338% of its net capital.

2 As at the end of 2025, CICC Wealth Management had net capital of RMB23.3 billion. Its margin financing (including securities lending) amounted to 260% of its net capital. The equity securities and related derivatives accounted for 4% of its net assets, while non-equity securities and related derivatives accounted for 201% of its net capital.

(b) A stronger wealth management foundation

CICC conducts its wealth management business through CICC Wealth Management. In recent years, CICC Wealth Management has continuously strengthened its three core capability pillars of asset allocation, professional investment research and client services, and has established advisory-based investment service systems with strong brand recognition, including "China 50", "Micro 50" and "mutual fund 50". Its revenue from the distribution of financial products and the scale of product holdings both rank among the leading players in the industry. Following the Proposed Mergers, CICC will integrate, through feasible means, the retail brokerage businesses of CICC Wealth Management, Dongxing Securities and Cinda Securities, and further deepen its transformation in wealth management.

First, to consolidate advisory-based investment strengths and achieve steady growth of clients' wealth. Following the Proposed Mergers, the Post-Merger Company's retail client base and investment advisory workforce will increase significantly, which will be conducive to expanding the brand influence of CICC Wealth Management and broadening client reach, thereby accelerating the scaled development of the wealth management business. In 2025, the average financial product distribution income per investment advisor of CICC was approximately RMB360,000. As at the end of 2025, the average product holdings per investment advisor of CICC was approximately RMB120 million. By leveraging CICC Wealth Management's advisory-based investment service system, AI-enabled online wealth management tools and investment advisor assistant tools, the merged company is expected to optimise the overall operating performance of clients of Dongxing Securities and Cinda Securities, enhance the conversion of wealth-related income and increase value per client.

Second, to overcome capital constraints and unlock growth potential in the margin financing and securities lending business. At present, the development of CICC Wealth Management's margin financing and securities lending business is subject to net capital constraints. Following the Proposed Mergers, the merged company will expand capital leverage headroom and ease constraints under indicators such as single-client concentration and credit limits, thereby enlarging business scale and client coverage and effectively enhancing market competitiveness. At the same time, by further leveraging one-stop services across trading, financing and products to improve client retention and activation, the merged company will be able to fully tap the margin financing and securities lending conversion potential of a larger post-merger retail brokerage client base and improve synergistic revenue generation efficiency.

Third, to strengthen innovation-driven service empowerment and enhance the quality and effectiveness of trading-related income generation. CICC Wealth Management has established innovative trading service systems such as "Stock 50" and "ETF 50", providing differentiated and high value-added trading services to professional client segments, thereby effectively enhancing client stickiness and increasing client asset scale. Following the Proposed Mergers, the merged company will further expand client penetration of innovative trading service systems and technological capabilities, which will help optimise the trading experience

and income conversion of clients of Dongxing Securities and Cinda Securities, leverage economies of scale, and achieve higher-quality incremental growth in the retail brokerage business.

(c) Broader scope for shareholder synergies

Following the Proposed Mergers, China Cinda and China Orient, both being large state-owned financial institutions with strong overall capabilities, distinctive professional strengths and a proven track record in serving the real economy, will directly hold 16.76% and 8.03% of the shares of CICC, respectively, becoming the substantial shareholders of the Post-Merger Company. CICC will leverage the synergies across its business lines, including investment banking, fixed income, asset management, private equity investment and fund management, to provide one-stop financial services across asset identification, acquisition, optimisation, securitisation and exit, and actively advance forward-looking business deployment in the asset-centric investment banking field.

In light of the substantial synergy demand arising from China Orient's and China Cinda's trillion-renminbi-scale asset base in areas such as the acquisition and disposal of traditional non-performing assets, distressed enterprise rescue, bankruptcy reorganisation, revitalisation of existing assets and special situation investments, the merged company will be able to leverage its integrated "investment – investment banking – investment research" capabilities to deepen comprehensive business collaboration with its shareholders. This will include expanding diversified cooperation in securities underwriting, mergers and acquisitions and restructuring, financial advisory services, asset securitisation, capital market trading, integrated research support and fund investment management. The Post-Merger Company will establish a synergistic development model between capital markets and non-performing asset businesses, jointly build a high-quality asset pool, continuously expand business scale, and enhance asset operation and management capabilities, thereby driving the transformation of investment banking from a traditional "transaction-driven" intermediary to an "asset-driven" value creator and co-operator.

(d) More resilient earnings and return generation capability

Following the Proposed Mergers, CICC's capital strength will be significantly enhanced. The Post-Merger Company will leverage its advantages in capital operation capabilities to fully unlock incremental balance sheet capacity, seize market opportunities and client demand, and increase the allocation of high-quality assets, thereby releasing capital-driven business growth potential and promoting a steady increase in leverage. Through synergistic empowerment of comprehensive fee-based businesses arising from regional presence, client base and shareholder resources, as well as through optimisation of the asset liability structure and gradual enhancement of net interest income, the merged company is expected to achieve a more competitive return on total assets. At the same time, as post-merger revenue scale expands, effective control of operating costs is expected to generate a pronounced operating leverage effect, driving a reduction in the operating expense ratio and an

improvement in net profit margins. These multiple layers of synergies are expected to enable the merged company to achieve superior return on equity, enhance profitability and earnings resilience, and create higher-quality long-term value returns for shareholders.

Accordingly, the Proposed Merger will enable CICC to enhance its overall strength, realise complementary advantages, optimise its business layout, and effectively strengthen its core competitiveness in customer resources, capital strength, resource synergies and comprehensive service capabilities. It also aligns with the requirements for high-quality development of the financial industry and supports the building of a first-class investment bank with international competitiveness.

As disclosed above, from the Closing Date of the Proposed Mergers onwards, CICC will assume and succeed to all assets, liabilities, businesses, personnel, contracts, qualifications and all other rights and obligations of Dongxing Securities and Cinda Securities. Following the Closing Date, CICC will complete the relevant registration procedures for changes in registered capital and other related industrial and commercial registrations, while Dongxing Securities and Cinda Securities will be deregistered as legal entities.

The Post-Merger Company will, in accordance with corporate governance requirements and based on overall operating objectives and strategic planning, implement comprehensive integrated management and control over its businesses, assets, finance, personnel and institutions, with a view to facilitating full integration of the businesses of the parties to the Proposed Mergers, improving operational efficiency and enhancing the core competitiveness of the Post-Merger Company. At the same time, the Post-Merger Company will strictly adhere to risk management and compliance standards, and will continue to uphold and further consolidate the "all staff, whole process, full coverage and looking through" risk control compliance system and operating mechanism, with a view to forming a centralised and effective business management and risk control support system, achieving unified decision making, management and resource allocation, and ensuring the smooth and orderly development of the business and the stable operation of the risk control system.

(a) Business Integration

Upon completion of the Proposed Mergers, the Post-Merger Company will follow the principle of alignment and integration by business lines, taking CICC's strategic planning, business model, operating framework and information systems as the foundation to achieve comprehensive integration. Through optimising and adjusting the organisational structure, business layout and allocation of resources, the Post-Merger Company will ensure the smooth assumption of the businesses of Dongxing Securities and Cinda Securities, give full play to the respective strengths of the parties to the Proposed Mergers, enhance the quality and efficiency of customer resource conversion, and promote team integration and synergistic business development.

Upon completion of the Proposed Mergers, the Post-Merger Company will commence the internal integration and restructuring of business lines. In respect of institutional businesses, it is planned that the investment banking business, investment and trading and proprietary securities investment business, and asset management business of Dongxing Securities and Cinda Securities will be integrated, on a business line by business line basis,

into the corresponding business divisions of CICC. Differentiated business features will be retained, and the complementary advantages of capabilities and resources will be fully utilised. The Post-Merger Company will also strengthen strategic cooperation with shareholders that are financial asset management companies, leverage complementary strengths and business synergies, and make forward looking arrangements in areas such as asset revitalisation and restructuring, thereby promoting the implementation of asset investment banking and industrial investment banking strategies. In respect of wealth management business, the Post-Merger Company will explore feasible approaches at the CICC level to integrate the retail brokerage businesses of CICC Wealth Management, Dongxing Securities and Cinda Securities. Leveraging the expanded network coverage, customer base and investment advisory resources following the Proposed Mergers, the Post-Merger Company will capitalise on the advisory-based investment service professionalism and brand influence of CICC Wealth Management, accelerate the scaled development of the wealth management business, improve efficiency in the use of capital, and enhance its comprehensive wealth management service capabilities.

(b) Asset Integration

Upon completion of the Proposed Mergers, CICC will assume and succeed to all assets of Dongxing Securities and Cinda Securities, and the existing assets of the parties to the Proposed Mergers will be brought under the unified management system of the Post-Merger Company. Based on its overall development strategy, taking into account the development needs and existing strengths of each business line, the Post-Merger Company will further optimise asset allocation and enhance resource allocation efficiency.

(c) Financial Integration

Upon completion of the Proposed Mergers, the Post-Merger Company will establish a unified financial management system, improve financial internal control systems covering liquidity management, net capital management and other areas, and ensure financial compliance. At the same time, the Post-Merger Company will further integrate their financial resources, promote centralised and efficient operations, and optimise operating costs. Relying on CICC's capital operation capabilities and the net capital reserves of Dongxing Securities and Cinda Securities, the Post-Merger Company will realise resource synergies. Through prudent balance sheet expansion to scale up asset allocation, the Post-Merger Company aims to maintain a stable and moderately increasing leverage level under strict risk control, improve capital utilisation and fund management efficiency, support strategic deployment and business development, and enhance long-term shareholder returns.

(d) Personnel and Institutional Integration

With respect to personnel integration, the Post-Merger Company will adhere to the principle of employee stability as a priority, and based on business and operational management needs, will steadily advance the integration of teams from the merging parties.

By giving full play to the respective human resources advantages and management experience, the Post-Merger Company will enhance complementarities and synergies and improve post-merger management capability and efficiency.

With respect to branches, upon completion of the Proposed Mergers, the branches of Dongxing Securities and Cinda Securities will, where feasible, be taken over by CICC and renamed so as to ensure business continuity and stability of client services. Subsequently, necessary institutional consolidation and layout optimisation will be implemented on a regional basis to improve management and operational efficiency.

With respect to subsidiaries, upon completion of the Proposed Mergers, the equity interests held by Dongxing Securities and Cinda Securities in their subsidiaries will be assumed by CICC. Thereafter, in accordance with regulatory requirements and the company's strategic development needs, specific integration plans will be formulated, and the relevant subsidiaries will be integrated or disposed of within the prescribed timeframe.

Risk Factors

Shareholders should also note that the Post-Merger Company may be subject to the following risks in light of the fact that each of CICC, Dongxing Securities and Cinda Securities operate in the securities industry and the structure of the Proposed Mergers:

(a) ***Macroeconomic risks:*** The Post-Merger Company's businesses mainly include investment banking, equities, FICC (fixed-income, commodities and currency), asset management, private equity investment, wealth management, research and other business activities, and its operational performance and profitability are subject to macroeconomic conditions and monetary policies, laws and regulations applicable to the financial and securities industries, market volatility, upward and downward trends of the industry, fluctuations in currency and interest rate, changes in foreign exchange policies and exchange rate and other factors. In addition, inherent risks of securities market have direct impact on business of the Post-Merger Company, including fluctuations in market prices, overall investment environment, fluctuations in market capitalization and trading volume, working capital supply and credit conditions in securities industry. Meanwhile, global political situations and economic conditions may have impact on Chinese financial market, which in turn will have certain impact on the business operations of the Post-Merger Company.

(b) ***Compliance management risks:*** In recent years, PRC regulatory authorities have imposed increasingly stringent requirements on compliance and due diligence obligations on securities firms. If any of parties to the Proposed Mergers and their branches and employees failed to, in the past business operations prior to the Proposed Mergers, or the Post-Merger Company and its branches and employees fail to, in the future business operations after the Proposed Mergers, comply with the laws and regulations, relevant requirements imposed by regulatory authorities and industry requirements, or perform their duties of due diligence as required by relevant requirements, the Post-Merger Company may be held accountable and be subject to

administrative penalties or regulatory measures by relevant regulator, and may even be subject to material litigation arbitration and liability for damage. In this case, the Post-Merger Company's business operations, financial conditions or reputation may be adversely affected.

In the past three years, the administrative penalties imposed on the CICC Group in relation to its past business operations are as follows: On December 20, 2024, CSRC issued an administrative penalty decision against two sponsor representatives of CICC in relation to the initial public offering (IPO) project of Shanghai Sierxin Technology Co., Ltd. ("**Sierxin**"). The CSRC identified that CICC, in providing sponsorship services for Sierxin's STAR Market IPO, had included false statements in documents such as the sponsor's recommendation letter, and that CICC had failed to perform its duties with due diligence during the sponsorship process for Sierxin's STAR Market IPO. CICC was ordered to make corrections, given a warning, had its sponsorship business income of RMB2.0 million confiscated, and was imposed a fine of RMB6.0 million. The sponsor representatives of the Sierxin project were each given a warning and fined RMB1.5 million respectively.

Such administrative penalty will not have a material adverse impact on the Proposed Mergers. Save for the administrative penalty disclosed above, in the past three years, neither the CICC Group nor its incumbent directors or senior management have been subject to any other administrative penalties imposed by the CSRC.

In the past three years, the Dongxing Group and the Cinda Group, as well as their respective incumbent directors and senior management, have not been subject to any administrative penalties imposed by the CSRC. The details of administrative regulatory measures imposed by the CSRC or disciplinary actions taken by stock exchanges against the Dongxing Group, the Cinda Group, and their respective incumbent directors and senior management are set out in the table below:

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
1.	Dongxing Securities	The Gansu Office of the CSRC	November 23, 2023	Decision on Taking the Measure of Issuing a Warning Letter to Dongxing Securities Co., Ltd. ([2023] No. 15) (《關於對東興證券股份有限公司採取出具警示函措施的決定》([2023]15號))	The "22 Lanlv 02" (22蘭旅02) and "22 Lanlv 03" (22蘭旅03) corporate bonds non-publicly issued by Lanzhou Huanghe Ecological Tourism Development Group Co., Ltd. (蘭州黃河生態旅遊開發集團有限公司), in the aggregate amount of RMB646 million, were not used for the purposes specified in the offering memorandum during the period from September 2022 to February 2023. Dongxing Securities, as the trustee of "22 Lanlv 02" and "22 Lanlv 03", failed to perform its duties and discharge its responsibilities in accordance with the bond management entrustment agreement, in breach of Article 60 of the Administrative Measures for the Issuance and Transactions of Corporate Bonds (Zheng Jian Hui Ling No. 180).	Warning letter[3]
2.	Dongxing Securities	CSRC	January 5, 2024	Decision on Taking the Measure of Issuing a Warning Letter against Dongxing Securities ([2024] No. 8) (《關於對東興證券股份有限公司採取出具警示函措施的決定》([2024]8號))	Dongxing Securities, as the bond trustee of Tahoe Group Co., Ltd. (hereinafter referred to as "Tahoe Group"), failed to strictly comply with the applicable standards of professional conduct during its tenure as bond trustee. In particular, it did not maintain necessary attention to Tahoe Group's failure to disclose certain material debt defaults and litigation matters; it failed to disclose such debt defaults and litigation matters, as well as the basic circumstances and handling results of interim trustee management reports for the relevant year, in the 2019 annual trustee management report; and it	Warning Letter[4]

3. The corporate bonds involved in the regulatory measure are "22 Lanlv 02" and "22 Lanlv 03", with an aggregate issuance amount of RMB660 million. The above bonds were fully redeemed on 25 July 2024.

4. The corporate bonds involved in the regulatory measure are "16 Taihe 02" and "16 Taihe 03" (subsequently renamed "H6 Taihe 02" and "H6 Taihe 03"), with an aggregate issuance amount of RMB4.5 billion. The issuer, Taihe Group, first defaulted on 6 July 2020. The above bonds subsequently incurred a substantive default on 25 May 2021, with an aggregate outstanding principal amount of RMB1.50 billion in default.

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
					failed to periodically monitor and disclose the operation of the dedicated accounts for the proceeds of bond issuance. Dongxing Securities was deficient in the due performance of its duties and responsibilities in the course of trustee management and failed to supervise and urge Tahoe Group to make truthful, accurate, complete, and timely disclosure of relevant information. Such conduct violated Article 7, Articles 49 and 50 of the *Administrative Measures for the Issuance and Trading of Corporate Bonds (2015 Revision)*, as well as Article 6, Articles 58 and 59 of the *Administrative Measures for the Issuance and Trading of Corporate Bonds (2021 Revision)*.	
3.	Dongxing Futures Co., Ltd. ("**Dongxing Futures**", a subsidiary of Dongxing Securities)	The Shanghai Office of the CSRC	April 12, 2024	Decision on Taking the Regulatory Measure of Ordering Rectification against Dongxing Futures Co., Ltd. (Hu Zheng Jian Jue [2024] No. 146) (《關於對東興期貨有限責任公司採取責令改正監管措施的決定》(滬證監決[2024]146號))	Dongxing Futures failed to promptly discover the defects in certain secondary trading systems of the company and take corresponding measures, and had deficiencies in the monitoring and management of the virtual private network (VPN) with access to the production environment, in breach of paragraph 1 of Article 98 of the Administrative Measures for the Supervision of Futures Companies (Zheng Jian Hui Ling No. 155) (《期貨公司監督管理辦法》(證監會令第155號)), as well as paragraph 2 of Article 18 and paragraph 1 of Article 22 of the Administrative Measures for Network and Information Security of the Securities and Futures Industry (Zheng Jian Hui Ling No. 218).	Ordering rectification

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
4.	Fuzhou Business Office of Dongxing Futures (東興期貨福州營業部)	The Fujian Office of the CSRC	October 31, 2024	Decision on Taking the Measure of Issuing a Warning Letter to the Fuzhou Business Office of Dongxing Futures Co., Ltd. ([2024] No. 87) (《關於對東興期貨有限責任公司福州營業部採取出具警示函措施的決定》([2024]87號))	Certain employees of the Fuzhou Business Office of Dongxing Futures engaged in the act of providing specific futures investment advice for clients without having obtained the futures investment consulting qualification, reflecting deficiencies in the internal controls of the Business Office, in breach of Article 51 of the Administrative Measures for the Supervision of Futures Companies (Zheng Jian Hui Ling No. 155).	Warning letter
5.	Dongxing Fund Management Co., Ltd. ("**Dongxing Fund Management**", a subsidiary of Dongxing Securities)	The Beijing Office of the CSRC	December 18, 2024	Decision on Taking the Administrative Regulatory Measure of Ordering Rectification against Dongxing Fund Management Co., Ltd. ([2024] No. 300) (《關於對東興基金管理有限公司採取責令改正行政監管措施的決定》([2024]300號))	Dongxing Fund had the following issues: first, it failed to file the appointments of two persons who actually performed senior management duties; second, its compensation incentives were not standardized; third, the enforcement of internal accountability was inadequate; fourth, its investment declaration information was incomplete and the company verification was inadequate; fifth, its submission of personnel appointment information was incomplete; and sixth, its corporate governance was not standardized. The above circumstances breached paragraph 1 of Article 3, paragraphs 1 and 3 of Article 44, and Article 45 of the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, and paragraph 2 of Article 62 and paragraph 1 of Article 34 of the Measures for the Supervision and Administration of Mutual Fund Managers (《公開募集證券投資基金管理人監督管理辦法》), respectively.	Ordering rectification

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
6.	Kunming Business Office of Dongxing Futures (東興期貨昆明營業部)	The Yunnan Office of the CSRC	December 31, 2024	Decision on Taking the Administrative Regulatory Measure of Issuing a Warning Letter to the Kunming Business Office of Dongxing Futures Co., Ltd. ([2024] No. 032) (《關於對東興期貨有限責任公司昆明營業部採取出具警示函行政監管措施的決定》([2024]032號))	The Kunming Business Office of Dongxing Futures had the following issues in the course of conducting business: First, for clients trading through Dongxing Futures' mobile APP, the trading system only recorded the MAC address of Dongxing Futures' mobile trading gateway, and failed to extract relevant information of clients' trading devices (such as mobile phone numbers or unique device identifiers) and to effectively monitor clients' trading behavior. Second, client follow-up visits were inadequate, and anti-money laundering and other warning leads were not effectively verified and handled. Third, the entry and update of information in the investor suitability management system were not timely. Fourth, the scripts used in suitability follow-up visits were not sufficiently standardized. Fifth, there were deficiencies in internal management, such as deficiencies in equipment management and client information management, and inaccuracies in certain publicly disclosed information. The above conduct constituted a breach of Article 56 of the Administrative Measures for the Supervision of Futures Companies (Zheng Jian Hui Ling No. 155), and Article 13 of the Administrative Measures on Suitability for Securities and Futures Investors (Zheng Jian Hui Ling No. 202).	Warning letter
7.	Dongxing Securities	The Beijing Office of the CSRC	January 10, 2025	Decision on Taking the Measure of Issuing a Warning Letter to Dongxing Securities ([2025] No. 8) (《關於對東	Dongxing Securities had the following issues in the course of conducting its margin financing and securities lending business: first, by delaying the implementation of, or arbitrarily removing, withdrawal restrictions on clients' credit accounts, it provided	Ordering rectification

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
				興證券股份有限公司採取責令改正行政監管措施的決定》([2025]8號))	operational convenience through its system for clients to cash out funds. Second, it failed to impose effective restrictions on shareholders holding more than 5% of the shares in listed companies who transferred collateral and funds out of their credit accounts, thereby allowing clients to engage in financing-related cash-out activities. The above conduct violated Article 6(iii) of the *Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies* (China Securities Regulatory Commission Order No. 166) and Article 4(v) of the *Measures for the Administration of Margin Financing and Securities Lending Business of Securities Companies* (China Securities Regulatory Commission Order No. 117).	
8.	Dongxing Securities	The Beijing Office of the CSRC	April 2, 2026	Decision on Taking the Measure of Issuing a Warning Letter to Dongxing Securities ([2026] No. 43) (《關於對東興證券股份有限公司採取出具警示函行政監管措施的決定》([2026]43號))	During the issuance of the "24 Shimen 01", "Hangtou 01 Preferred", and "Hangtou 01 Subordinated" bond projects, Dongxing Securities exhibited a number of deficiencies, including inadequate due diligence, failure to prudently verify the accuracy of the offering documents, errors in trustee management reports and working papers, insufficient information disclosure, and weak compliance and internal control oversight.	Warning Letter[5]

5. The projects involved in the regulatory measure include: (1) the corporate bond "24 Shimen 01" (with an issuance amount of RMB 420 million and an issuer of Shimen County Urban Construction Investment and Development Co., Ltd.), which is currently performing normally with respect to principal and interest payments; and (2) the asset-backed special plan "Hangtou 01 Senior" and "Hangtou 01 Subordinated" (with an aggregate issuance amount of RMB 633 million and an original equity holder of Shenzhen Jiuyu Supply Chain Management Co., Ltd.), which was fully redeemed on 9 January 2026.

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
9.	Cinda Securities	The Beijing Office of the CSRC	June 2, 2023	Decision on Taking the Regulatory Measure of Ordering Rectification against Cinda Securities Co., Ltd. ([2023] No. 94) (《關於對信達證券股份有限公司出具責令改正監管措施的決定》([2023]94號))	In the course of conducting its asset management business, Cinda Securities was found to have the following issues: (1) inadequate internal control management and insufficient compliance management in its asset management business; (2) irregular investment operations of Cinda Securities' asset management products, imprudent investment decisions, inadequate due diligence and risk assessment of investment targets, unlawful investment in beneficial rights (income rights) without sufficient legal basis, and failure to fulfil active management responsibilities in the investment operation of certain asset management products. The above circumstances violated Article 5, Article 46, and Article 61 of the Rules Governing the Private Asset Management Business of Securities and Futures Operators (《證券期貨經營機構私募資產管理業務管理辦法》), Article 3 of the Rules Governing the Compliance of Securities Firms and Securities Investment Fund Management Companies (《證券公司和證券投資基金管理公司合規管理辦法》), and Article 18 of the Regulations on the Operation and Management of Private Placement Asset Management Programs of Securities and Futures Operators (《證券期貨經營機構私募資產管理計劃運作管理規定》).	Taking the administrative regulatory measure of ordering rectification against Cinda Securities
10.	Northeast Branch of Cinda Futures Co., Ltd. ("**Cinda Futures**", a subsidiary of Cinda Securities)	The Zhejiang Office of the CSRC	December 18, 2023	Decision on Taking the Regulatory Measure of Ordering Rectification against the Northeast Branch of Cinda Futures Co., Ltd. ([2023] No. 214)	The Northeast Branch of Cinda Futures failed to properly manage practitioner qualifications, and in September 2022, a former employee sold Cinda Future's asset management products without having obtained the fund qualification certificate.	Taking the administrative regulatory measure of ordering rectification against the Northeast Branch of Cinda Futures, and recording the matter

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
				(《關於對信達期貨有限公司東北分公司採取責令改正監管措施的決定》([2023]214號))	The above circumstances violated Article 30 and Article 62 of the Measures for the Supervision and Administration of Distributors of Publicly Offered Securities Investment Funds (《公開募集證券投資基金銷售機構監督管理辦法》).	into the integrity records of the securities and futures market
11.	Tianjin Branch of Cinda Securities	The Tianjin Office of the CSRC	December 22, 2023	Decision on Taking the Measure of Issuing a Warning Letter to Tianjin Branch of Cinda Securities Co., Ltd. (Jin Zheng Jian Cuo Shi [2023] No. 36) (《關於對信達證券股份有限公司天津分公司採取出具警示函措施的決定》(津證監措施[2023]36號))	The Tianjin Branch of Cinda Securities was found to have issues including inaccurate information disclosure, inadequate management of brokers, and marketing activities conducted by technical personnel. These problems reflected imperfect internal control and insufficient compliance management within the branch. The above conduct violated Article 12 of the Interim Provisions on Securities Investment Advisory Business (《證券投資顧問業務暫行規定》), item 5, paragraph 2 of Article 6 of the Interim Provisions on the Administration of Securities Brokers (《證券經紀人管理暫行規定》), item 1 of Article 4 of the Provisions on Strengthening the Management of Securities Brokerage Business (《關於加強證券經紀業務管理的規定》), and Article 3 of the Rules Governing the Compliance of Securities Firms and Securities Investment Fund Management Companies.	Taking the supervisory and administrative measure of issuing a warning letter to Tianjin Branch of Cinda Securities
12.	First State Cinda Fund Management Co., Ltd. ("**FS Cinda Fund**")	The Shenzhen Office of the CSRC	March 15, 2024	Decision of the Shenzhen Office of the CSRC on Taking the Measure of Issuing a Warning Letter to First State Cinda Fund	Certain open-ended funds managed by FS Cinda Fund held cash or government bonds with a maturity within one year that amounted to less than five percent of the net asset value of the funds, which	Taking the administrative regulatory measure of issuing a warning letter to FS Cinda Fund[1]

1. The regulatory measure concerns a breach of Article 28 of the Measures for the Administration of the Operation of Publicly Offered Securities Investment Funds. The fund involved is the Xinao Performance-Driven Mixed Securities Investment Fund (信澳業績驅動混合型證券投資基金), which completed the requisite adjustment on the third day following the first occurrence of an insufficient cash ratio.

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
				Management Co., Ltd. ([2024] No.48) (《深圳證監局關於對信達澳亞基金管理有限公司採取警示函措施的決定》([2024]48號))	violated Article 28 of the Administrative Measures for the Operation of Publicly Offered Securities Investment Funds (《公開募集證券投資基金運作管理辦法》).	
13.	Shanghai Investment Consulting Branch of Cinda Securities (信達證券上海投資諮詢分公司)	The Shanghai Office of the CSRC	November 5, 2024	Decision on Taking the Measure of Issuing a Warning Letter to Shanghai Investment Consulting Branch of Cinda Securities Co., Ltd. (Hu Zheng Jian Jue [2024] No. 365) (《關於對信達證券股份有限公司上海投資諮詢分公司採取出具警示函措施的決定》(滬證監決[2024]365號))	When inviting external experts to participate in consulting services other than securities investment consulting services, Shanghai Investment Consulting Branch of Cinda Securities had issues including inadequate management and failure to strictly regulate the professional conduct of relevant practitioners. The above circumstances did not comply with paragraph 2 of Article 32, and item 2 of Article 34 of the Practicing Norms for Release of Securities Research Reports, and violated item 4 of Article 6 of the Rules Governing the Compliance of Securities Firms and Securities Investment Fund Management Companies.	Taking the administrative regulatory measure of issuing a warning letter to Shanghai Investment Consulting Branch of Cinda Securities
14.	Cinda Securities	The Beijing Office of the CSRC	December 18, 2024	Decision on Taking the Administrative Regulatory Measure of Issuing a Warning Letter to Cinda Securities Co., Ltd. ([2024] No. 299) (《關於對信達證券股份有限公司採取出具警示函行政監管措施的決定》([2024]299號))	Cinda Securities was found to have the following issues: First, the real-name management of accounts was not in place. For certain clients who indicated during telephone follow-ups that the accounts were not operated or used by themselves, Cinda Securities failed to take measures such as re-identifying their identities, analysing and identifying suspicious transactions, and implementing anti-money laundering controls. Second, the protection of client rights and interests was inadequate. The handling of complaints and reports was perfunctory, with the processes for handling complaints	Taking the administrative regulatory measure of issuing a warning letter to Cinda Securities

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
					and reports not aligning with the relevant policies. The head office did not manage investor complaints in a unified manner as required by its policies, and had insufficient grasp over complaint matters at its branches. Third, personnel management was inadequate. Cinda Securities did not establish a monitoring system for employees' illegal trading of stocks, resulting in insufficient timeliness and effectiveness in monitoring and preventing violations such as stock trading by employees.	
15.	Cinda Securities	The Shenzhen Office of the CSRC	January 20, 2025	Decision of the Shenzhen Office of the CSRC on Taking the Measure of Ordering Rectification against Cinda Securities Co., Ltd. ([2025] No. 16) (《深圳證監局關於對信達證券股份有限公司採取責令改正措施的決定》([2025]16號))	As the manager of the Cinda – Shenzhen Yitian Holiday Plaza Asset-Backed Special Plan (信達-深圳益田假日廣場資產支持專項計劃), Cinda Securities failed to disclose the information of the special plan completely, failed to effectively supervise and inspect the cash flow status of the underlying assets, failed to identify defects in the cash collection and management of the underlying assets, failed to effectively prevent the risks of the assets of the special plan being mixed with other assets, being embezzled or misappropriated, and failed to maintain the safety of the assets of the special plan. The above circumstances violated items 6 and 7 of Article 13, and Article 42 of the Administrative Provisions on Asset	Taking the regulatory measure of ordering rectification against Cinda Securities[2]

2. The regulatory measure concerns an asset plan with an issuance size of RMB6.8 billion. The underlying property is Shenzhen Yitian Holiday Plaza (深圳益田假日廣場). The original maturity date of the asset plan was September 15, 2023, which has been extended to September 15, 2026. Shenzhen Yitian Group Co., Ltd. (深圳市益田集團股份有限公司) acts as the original equity holder, the primary credit enhancement provider, the repurchase obligor, and the asset service provider of the special plan. In April 2024, Shenzhen Yitian Group Co., Ltd. was ordered by the court to undergo bankruptcy reorganisation and remains in the reorganisation process, leading to an adverse change to the credit enhancement capacity of the asset plan.

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
					Securitization of Securities Companies and Subsidiaries of Fund Management Companies.	
16.	Wuxi First Finance Street Securities Business Office of Cinda Securities (信達證券無錫金融一街證券營業部)	The Jiangsu Office of the CSRC	March 24, 2025	Decision of the Jiangsu Office of the CSRC on Taking the Administrative Regulatory Measure of Issuing a Warning Letter to Wuxi First Finance Street Securities Business Office of Cinda Securities Co., Ltd. ([2025] No. 45) (《江蘇證監局關於對信達證券股份有限公司無錫金融一街證券營業部採取出具警示函行政監管措施的決定》([2025]45號))	The conduct of certain employees at the Wuxi First Finance Street Securities Business Office of Cinda Securities, such as providing clients with answers to risk assessment questions, requesting clients to fill in false information in the account opening materials, and recommending private fund products to investors without fully and accurately understanding the their suitability, reflected the issues of imperfect internal control and inadequate compliance management at the office, and violated Article 3 and item 4 of Article 6 of the Rules Governing the Compliance of Securities Firms and Securities Investment Fund Management Companies.	Taking the administrative regulatory measure of issuing a warning letter to Wuxi First Finance Street Securities Business Office of Cinda Securities, and recording the matter into the integrity records of the securities and futures market
17.	Wenzhou Oujiang Road Securities Business Office of Cinda Securities (信達證券溫州甌江路證券營業部)	The Zhejiang Office of the CSRC	January 4, 2026	Decision on Taking the Measure of Issuing a Warning Letter to Wenzhou Oujiang Road Securities Business Office of Cinda Securities Co., Ltd. ([2026] No. 1) (《關於對信達證券股份有限公司溫州甌江路證券營業部採取出具警示函措施的決定》([2026]1號))	The Wenzhou Oujiang Road Securities Business Office of Cinda Securities was found to have the following issues: First, there were insufficient measures to control two financing beyond standards, resulting in clients engaging in such operations; second, it failed to effectively monitor clients' abnormal trading activities, leading to inadequate risk management; third, some staff' business activities were not properly documented, and the office failed to manage its staff effectively and conduct adequate compliance monitoring. The above circumstances reflected the risk management of the business office was inadequate and the compliance and internal control were imperfect, which	Taking the administrative regulatory measure of issuing a warning letter to Wenzhou Oujiang Road Securities Business Office of Cinda Securities, and recording the matter into the integrity records of the securities and futures market

No.	Subject of Regulatory Measure	Regulatory Authority	Date of Regulatory Measure	Document Number of Regulatory Measure	Reason for Regulatory Measure	Outcome of Regulatory Measure
					violated Article 3, Article 4, and item 3 of Article 6 of the Rules Governing the Compliance of Securities Firms and Securities Investment Fund Management Companies, the item 2 of Article 4 of the Administrative Measures for Margin Financing and Securities Lending Business of Securities Companies, and paragraph 2 of Article 23 of the Measures for the Administration of Securities Brokerage Business.	

(c) ***Litigation and arbitration risks:*** The parties to the Proposed Mergers are securities firms with a wide range of business operations and wide geographical coverage, any of parties to the Proposed Mergers may be subject to legal proceedings or arbitration made by clients or other third parties in connection with their business activities, products design, and sales, underwriting and sponsorship due to involvement of contract disputes, work negligence, and third-party liability during operations, and may be subject to compensation for losses or breach liability based on the judgment or outcome of arbitration. New litigation and arbitration may be made by clients or other third parties against the Post-Merger Company for the reasons of contract disputes, work negligence and third-party liability of parties to the Proposed Mergers in the past business operations before the Proposed Mergers or the Post-Merger Company in the future business operations after the Proposed Mergers. In case of large amount involved, relevant litigation and arbitration may have adverse impact on the business development and operation results of the Post-Merger Company. As at the Latest Practicable Date, each of Dongxing Securities and Cinda Securities is a party to litigation with an amount exceeding RMB50 million. Details of such litigation can be located in the overseas regulatory announcement of CICC published on the same date as this circular.

(d) ***Post-Merger integration risks:*** The purpose of the Proposed Mergers is to integrate strength and resources of the parties and realise synergies. However, the Proposed Mergers involved two merged parties, with large amount of assets, wide business scopes and aspects. If the parties encounter obstacles in the integration process, the intended synergies between the parties to the Proposed Mergers may not be fully realized following the Proposed Mergers, which will result in slow business growth, lower capital efficiency, uncertain personnel structure, poor management efficiency and other potential risks.

7. RESOLUTIONS TO BE APPROVED AT THE 2026 FIRST ESM AND (AS APPLICABLE) THE 2026 FIRST A SHAREHOLDERS' CLASS MEETING AND THE 2026 FIRST H SHAREHOLDERS' CLASS MEETING

(a) Proposal regarding the compliance of the Proposed Mergers with the relevant laws and regulations applicable to a material asset restructuring by listed companies (《關於本次交易符合上市公司重大資產重組相關法律法規規定的議案》)

Pursuant to the relevant provisions of Article 12 of the MAR Measures and based on the audited financial statements for the year 2025 of CICC, Dongxing Securities and Cinda Securities, as well as the transaction value of the Proposed Mergers, the Proposed Mergers constitutes a major asset restructuring of CICC.

Based on PRC Company Law, the PRC Securities Law, the MAR Measures, the Supervisory Guidelines for Listed Companies No. 9 – Supervisory Requirements for the Planning and Implementation of Major Asset Restructurings by Listed Companies, the Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 6 – Major Asset Restructurings, the Shanghai Stock Exchange Review Rules for Major Asset Restructurings of Listed Companies and other relevant laws and regulations, following a self-assessment and substantiation of CICC's actual circumstances and related matters, it has been confirmed that the Proposed Mergers complies with the provisions of the aforementioned laws and regulations governing major asset restructurings of listed companies.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(b) Proposal regarding the Plan on the Proposed Mergers by CICC with Dongxing Securities and Cinda Securities (《關於中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司方案的議案》)

In accordance with the PRC laws and regulations, CICC has compiled the Plan on the Proposed mergers by CICC with Dongxing Securities and Cinda Securities which sets out the major terms of the Proposed Mergers. The major terms of the Proposed Mergers are summarised in the section headed "3. Terms of the Proposed Mergers" and "4. Principal Terms of the Merger Agreement" in this circular above.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and the 2026 First H Shareholders' Class Meeting. The relevant resolution has a validity period of 12 months from its passing date.

(c) Proposal regarding the Report (Draft) on CICC merging and absorbing Dongxing Securities and Cinda Securities and its summary (《關於<中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司報告書(草案)>及其摘要的議案》)

In connection with the Proposed Mergers, CICC has prepared the Report (Draft) on CICC merging and absorbing Dongxing Securities and Cinda Securities and its summary in accordance with Article 45 of the MAR Measures and Guidelines No. 26 on Information Disclosure Content and Format for Public Securities Offerings: Major Asset Restructurings of Listed Companies (《公開發行證券的公司信息披露內容與格式準則第26號—上市公司重大資產重組》). The full text of the MAR Report and its summary are published in Chinese on the website of the Shanghai Stock Exchange and will be contained in the overseas regulatory announcement of CICC which is expected to be published on the website of the Hong Kong Stock Exchange on the same day as the date of publication of this circular.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(d) Proposal regarding the execution of the conditional Merger Agreement (《關於簽署附條件生效的<中金公司與東興證券和信達證券換股吸收合併協議>的議案》)

The key terms of the Merger Agreement have been set out in the section headed "4. Principal Terms of the Merger Agreement" above.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and the 2026 First H Shareholders' Class Meeting.

(e) Proposal regarding the Proposed Mergers constituting a material asset restructuring in accordance with the PRC laws and regulations (《關於本次交易構成重大資產重組的議案》)

Pursuant to the relevant requirements under Article 12 of the MAR Measures, and based on the audited financial reports of CICC, Dongxing Securities and Cinda Securities for 2025 and the transaction consideration of the Proposed Mergers, the Proposed Mergers constitutes a material asset restructuring for CICC, with specific calculations as follows (unit: RMB100 million):

Item	Total assets	Operating income	Net assets
Dongxing Securities	1,141.98	47.11	332.40
Cinda Securities	1,299.51	40.44	280.70
Transaction consideration		1,138.54	
CICC	7,828.26	284.81	1,220.58
Dongxing Securities and Cinda Securities/CICC	31.19%	30.74%	50.23%
Transaction consideration/CICC	14.54%	–	93.28%
Whether the material asset restructuring thresholds are met	No	No	Yes

Note: In the table above, net assets represent the total equity attributable to the shareholders of the parent company as shown in the audited consolidated financial statements for the most recent financial year. The transaction consideration for Dongxing Securities and Cinda Securities is determined respectively as the A-share exchange price × the number of A-share exchange shares of Dongxing Securities and Cinda Securities.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(f) Proposal regarding the Proposed Mergers not constituting a related party transaction of CICC in accordance with the PRC laws and regulations (《關於本次交易不構成關聯交易的議案》)

The "actual controller" (as such term is defined under the PRC laws and regulations) of each of the parties to the Proposed Mergers (CICC, Dongxing Securities and Cinda Securities) is Central Huijin. Acting under the authorization of the State Council, Central Huijin makes equity investments in key state-owned financial enterprises and, to the extent of its capital contributions, exercises the rights and performs the obligations of an investor on behalf of the state in accordance with the law, with a view to preserving and increasing the value of state-owned financial assets. Central Huijin does not engage in any other commercial operations and does not interfere with the day-to-day business operations of the key state-owned financial enterprises it controls. Pursuant to Article 265(4) of the PRC Company Law, enterprises controlled by the State do not constitute related parties solely by virtue of being under common State control. Accordingly, CICC and Dongxing Securities and Cinda Securities do not constitute related parties as a result of common shareholding under Central Huijin. Under applicable laws, regulations and normative documents, the Proposed Mergers does not constitute a related party transaction of CICC in accordance with the PRC laws and regulations.

For the avoidance of doubt, the Proposed Mergers also does not constitute a connected transaction of CICC under the Hong Kong Listing Rules.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(g) Proposal regarding the compliance of the Proposed Mergers with Articles 11, 43 and 44 of the MAR Measures (《關於本次交易符合<上市公司重大資產重組管理辦法>第十一條、第四十三條、第四十四條規定的議案》)

Pursuant to the MAR Measures, the Proposed Mergers' compliance with Articles 11, 43 and 44 of the MAR Measures is assessed as follows:

1. Compliance with relevant requirements under Article 11 of the MAR Measures

i. The Proposed Mergers comply with national industrial policies and the provisions of laws and administrative regulations on environmental protection, land administration, anti-monopoly, foreign investment and outbound investment.

ii. The Proposed Mergers will not result in CICC failing to meet the conditions for stock listing.

iii. The pricing of the assets involved in the Proposed Mergers is fair, and there is no circumstance that would prejudice the lawful rights and interests of CICC and its shareholders.

iv. The major assets involved in the Proposed Mergers have clear ownership; subject to satisfaction of the relevant legal procedures and conditions precedent, there are no legal obstacles to the transfer or change of ownership of such assets, and the treatment of related creditor's rights and debts is lawful.

v. The Proposed Mergers is conducive to enhancing CICC's ability to continue as a going concern, and will not lead to a situation where, after the Proposed Mergers, CICC's principal assets are cash or where it has no specific business operations.

vi. The Proposed Mergers are conducive to enabling CICC to maintain independence from its actual controller and its associates in terms of business, assets, finance, personnel and organisation, and complies with the relevant requirements of the CSRC on the independence of listed companies.

vii. The Proposed Mergers are conducive to CICC maintaining a sound and effective corporate governance structure.

2. Compliance with relevant requirements under Article 43 of the MAR Measures

i. CICC's financial and accounting report for the most recent year has been issued with an unqualified audit opinion by a certified public accountant.

ii. Neither CICC nor its incumbent directors or senior management are under investigation by judicial authorities for suspected crimes or under investigation by the CSRC for suspected violations of laws or regulations.

iii. The Proposed Mergers satisfy other conditions prescribed by the CSRC.

3. Compliance with relevant requirements under Article 44 of the MAR Measures

The Proposed Mergers are conducive to improving the quality of CICC's assets, enhancing its ability to continue as a going concern and will not cause any material adverse change in its financial position. It will not result in new material adverse horizontal competition, nor in related party transactions that would seriously affect CICC independence or be manifestly unfair. The assets to be acquired as part of the Proposed Mergers are operating assets with clear ownership, and the transfer of ownership can be completed within the agreed time limit.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(h) Proposal regarding the compliance of the Proposed Mergers with the requirements under Article 4 of Guideline No. 9 for the Supervision of Listed Companies – Regulatory Requirements for Planning and Implementing Material Asset Restructuring by Listed Companies (《關於本次交易符合<上市公司監管指引第9號—上市公司籌劃和實施重大資產重組的監管要求>第四條規定的議案》)

Pursuant to the Guideline No. 9 for the Supervision of Listed Companies – Regulatory Requirements for Planning and Implementing Material Asset Restructuring by Listed Companies, the compliance of the Proposed Mergers with Article 4 is assessed as follows:

1. Dongxing Securities and Cinda Securities are non-bank financial institutions mainly engaged in securities business, and, as of the date hereof, their relevant principal businesses have obtained approvals, authorisations, filings or licences from the CSRC and its local offices and other competent regulators. Save as disclosed above, their principal businesses do not involve other approval matters relating to project initiation, environmental protection, industry access, land use, planning or construction. CICC has disclosed in the MAR Report and its summary the decision-making and approval procedures already performed and still to be performed for the Proposed Mergers, and has given special risk warnings on the possibility that such approvals may not be obtained.

2. From the Closing Date, the Post-Merger Company will assume and succeed all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of Dongxing Securities and Cinda Securities. After the Closing Date, CICC will complete the relevant changes in industrial and commercial registration in respect of its registered capital and other matters, and Dongxing Securities and Cinda Securities will have their legal person status deregistered. Prior to the Proposed Mergers, there was no circumstance of false capital contribution or any situation affecting the lawful existence of Dongxing Securities or Cinda Securities, nor any other restriction or prohibition on the Proposed Mergers.

3. The Proposed Mergers are conducive to improving the integrity of CICC's assets and to enabling CICC to continue to maintain independence in respect of personnel, procurement, production, sales and intellectual property.

4. The Proposed Mergers are conducive to enhancing CICC's ability to continue as a going concern and will not result in any material adverse change in its financial position. It is conducive to CICC in highlighting its principal business and enhancing its risk resistance capability, in strengthening its independence, and will not result in new material adverse horizontal competition or related party transactions that seriously affect independence or are manifestly unfair.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(i) Proposal regarding the Proposed Mergers not constituting a listing by restructuring as stipulated in Article 13 of the MAR Measures (《關於本次交易不構成<上市公司重大資產重組管理辦法>第十三條規定的重組上市的議案》)

Upon completion of the Proposed Mergers, Dongxing Securities and Cinda Securities will cease to be listed and will be deregistered as legal persons. The details as to the Proposed Mergers do not constitute a backdoor listing (listing by restructuring) under Article 13 of the MAR Measures, and the matters submitted for decision-making, are hereby reported as follows:

During the 36 months preceding the Proposed Mergers, there has been no change in the control of CICC under the PRC laws and regulations. The Proposed Mergers will not result in any change of control of CICC, and Central Huijin will remain the "controlling shareholder" and "actual controller" of CICC in each case within the meaning of and under the PRC laws and regulations.

Accordingly, the Proposed Mergers do not constitute a backdoor listing as contemplated under Article 13 of the Administrative Measures for Major Asset Restructurings.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(j) Proposal regarding the completeness and compliance of the statutory procedures and the effectiveness of the legal document submitted in relation to the Proposed Mergers (《關於本次交易履行法定程序的完備性、合規性及提交的法律文件的有效性的議案》)

The completeness and legality of the statutory procedures and the effectiveness of the legal document submitted in relation to the Proposed Mergers are assessed as follows:

1. Completeness and compliance of statutory procedures

(i) During negotiations between CICC and the relevant parties and their formation of preliminary intentions for the Proposed Mergers, CICC and the relevant parties adopted necessary and adequate confidentiality measures and strictly confined the scope of access to sensitive information relating to the Proposed Mergers.

(ii) CICC, in a timely manner, recorded the insiders with knowledge of inside information during the stages of discussion, planning, feasibility analysis and consultation in relation to the Proposed Mergers, as well as the process of such planning; maintained a register of insiders with access to inside information; and prepared a memorandum on the progress of material matters, which, after being signed and confirmed by the relevant personnel, was submitted to the SSE.

(iii) On November 20, 2025, CICC published the Announcement on Suspension of Trading in Relation to Planning of a Material Asset Restructuring (Announcement No. Lin 2025-039), and trading in its shares was suspended from the open of trading on November 20, 2025.

(iv) On November 27, 2025, December 4, 2025 and December 11, 2025, CICC published Announcements on Progress of Suspension of Trading in Relation to Planning of a Material Asset Restructuring (Announcement Nos. Lin 2025-040, Lin 2025-041 and Lin 2025-042).

(v) On December 17, 2025, CICC held the 13th meeting of the third session of the CICC Board, at which it considered the Proposal on the Pre-plan for the Proposed Mergers of Dongxing Securities and Cinda Securities by CICC and its Summary and other related proposals. The special meeting of independent directors of the third session of the CICC Board considered the Proposed Mergers and expressed its review opinions.

(vi) On December 17, 2025, CICC, Dongxing Securities and Cinda Securities entered into the conditional Merger Agreement.

(vii) On January 16, 2026, February 14, 2026, March 14, 2026, April 11, 2026 and May 9, 2026, CICC published the Progress Announcement of CICC on the Material Asset Restructuring (Announcement Nos. Lin 2026-001, Lin 2026-010, Lin 2026-013, Lin 2026-019 and Lin 2026-023).

(viii) On May 18, 2026, CICC held the 18th meeting of the third session of the CICC Board, at which it considered the proposal on the Report (Draft) on CICC merging and absorbing Dongxing Securities and Cinda Securities and its Summary and other related proposals. At the special meeting of independent directors of the third session, the Proposed Mergers were reviewed and review opinions were issued.

(ix) As at the date of this circular, CICC has obtained the confirmation by the Hong Kong Stock Exchange that it has no comment on this circular.

(x) As of the date of this circular, the remaining decision-making and approval procedures for the Proposed Mergers include but are not limited to:

(A) Approval by the shareholders' meeting of China Orient

(B) Approval by the shareholders' meeting of China Cinda

(C) Approval at the shareholders' meeting, the A shareholders' class meeting and the H shareholders' class meeting of CICC.

(D) Approval at the shareholders' meeting of Dongxing Securities.

(E) Approval at the shareholders' meeting of Cinda Securities.

(F) Review and approval by the Shanghai Stock Exchange and approval/verification/registration by the CSRC.

(G) Any other approvals, filings or licences that may be required from other competent regulators or under applicable laws and regulations.

2. Validity of the legal documents submitted

Pursuant to the PRC Company Law, the PRC Securities Law, the Administrative Measures for the Material Asset Restructuring of Listed Companies, Guideline No. 9 for the Supervision of Listed Companies – Regulatory Requirements for Planning and Implementing Material Asset Restructuring by Listed Companies, the Guidelines for the Content and Format of Information Disclosure No. 26 – Material Asset Restructuring of Listed Companies, the SSE Listing Rules and other applicable laws, regulations, rules, normative documents and the CICC Articles, with respect to the legal documents to be submitted by CICC for matters relating to the Proposed Mergers, the CICC Board and all directors of CICC hereby state and warrant that CICC and all directors guarantee the truthfulness, accuracy and completeness of the contents of the legal documents submitted in connection with the Proposed Mergers and will bear corresponding legal liability for false records, misleading statements or material omissions therein.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(k) Proposal regarding the non-existence of the relevant circumstances prohibiting participation in material asset restructuring of listed companies in respect of the relevant entities under the Proposed Mergers (《關於本次交易相關主體不存在不得參與任何上市公司重大資產重組情形的議案》)

Based on confirmations from the relevant parties, none of the relevant entities prescribed under Article 12 of the Guidelines on the Supervision of Listed Companies No. 7 – Regulation of Abnormal Stock Trading Related to Major Asset Restructurings and Article 30 of the the Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 6 – Major Asset Restructurings, including the listed companies involved in the Proposed Mergers, their directors and senior management is subject to investigation or inquiry for suspected insider trading related to the Proposed Mergers. Furthermore, none of such entities has, within the last 36 months, been subject to administrative penalties imposed by the CSRC or criminal liability pursued by judicial authorities for suspected insider trading related to a material asset restructuring. Accordingly, none of the entities is subject to the disqualifications set forth in Article 12 of the Guidelines on the Supervision of Listed Companies No. 7 — Regulation of Abnormal Stock Trading Related to Major Asset Restructurings and Article 30 of the the Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 6 – Major Asset Restructurings, which would otherwise render them ineligible to participate in any material asset restructuring of a listed company.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(l) the Proposal regarding the approval of the pro-forma financial information in relation to the Proposed Mergers and the related documents (《關於批准本次交易相關的備考合併財務報表相關文件的議案》)

The pro forma consolidated financial statements have been prepared on a going concern basis. These statements have been prepared in accordance with the PRC GAAP promulgated by the China Securities Regulatory Commission and are intended for use solely in connection with the Proposed Mergers.

The pro forma consolidated financial statements comprise only the pro forma consolidated balance sheets as of December 31, 2024 and December 31, 2025, the pro forma consolidated income statements for the years ended December 31, 2024 and December 31, 2025, and the related notes thereto. The pro forma consolidated financial statements have been prepared based on (i) the audited consolidated financial statements of CICC for the years ended December 31, 2024 and December 31, 2025, as audited by Ernst & Young Hua Ming LLP; (ii) the audited consolidated financial statements of Dongxing Securities for the years ended December 31, 2024 and December 31, 2025, as audited by

KPMG Huazhen LLP; and (iii) the audited consolidated financial statements of Cinda Securities for the years ended December 31, 2024 and December 31, 2025, as audited by BDO China Shu Lun Pan Certified Public Accountants LLP, using the following methods:

1. In preparing the pro forma consolidated financial statements, it is assumed that the transaction was completed as of January 1, 2024, meaning that the continuing corporate structure resulting from the transaction had been in existence since January 1, 2024.

2. Against the backdrop of deepening reforms of state-owned financial institutions, and based on the principle of substance over form, CICC has accounted for the transaction as a business combination under common control. Accordingly, from the beginning of the earliest period presented in the pro forma consolidated financial statements (January 1, 2024), the assets and liabilities of Dongxing Securities and Cinda Securities are included in the pro forma consolidated financial statements at their carrying amounts in the financial statements of the ultimate controlling party. The difference between the carrying amount of the net assets acquired and the par value of the shares issued has been recognized in capital reserve.

3. Given the specific purpose of these pro forma consolidated financial statements, shareholders' equity in the pro forma consolidated balance sheets is presented as "equity attributable to shareholders of the parent" and "non-controlling interests," without disaggregating such amounts into "share capital," "other equity instruments," "capital reserve," "other comprehensive income," "surplus reserve," "general risk reserve," "retained earnings," and other line items. The pro forma consolidated financial statements do not include a pro forma consolidated cash flow statement, a pro forma consolidated statement of changes in shareholders' equity, or the separate pro forma financial statements of CICC. Furthermore, certain note disclosures, including those related to financial instrument risks, segment reporting, and offsetting of financial assets and financial liabilities, have not been provided, and the disclosures for certain note items have been appropriately condensed.

4. In accordance with the Guidelines No. 26 for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public, the audited financial statements of Dongxing Securities and Cinda Securities for the years ended December 31, 2024 and December 31, 2025 have been prepared using accounting policies consistent with those of CICC.

5. The pro forma consolidated financial statements reflect the elimination, based on the assumed business structure following the transaction, of material transactions and balances between CICC and its subsidiaries, Dongxing Securities and its subsidiaries, and Cinda Securities and its subsidiaries for the relevant periods and as of the balance sheet dates.

6. Transaction costs and various taxes and fees that may arise from this material asset restructuring have not been reflected in the pro forma consolidated financial statements.

7. The accounting policies adopted in the preparation of these pro forma consolidated financial statements are formulated in accordance with the requirements of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC.

Except for the assumptions described above, the pro forma consolidated financial statements do not consider the effects of any other matters that may be associated with the Proposed Mergers. The basis of preparation of these pro forma consolidated financial statements has inherent limitations that may affect the reliability of the information, and they may not truly reflect the consolidated financial position of the Post-Merger Company as of December 31, 2024 and December 31, 2025, or its consolidated results of operations for the years ended December 31, 2024 and December 31, 2025, had the Proposed Mergers been completed on January 1, 2024. The unaudited pro forma financial information of the Enlarged CICC Group and the related report issued by Ernst & Young are set out in Appendix V of this circular.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(m) Proposal regarding the confirmation of the Valuation Report (《關於確認<興業證券股份有限公司關於中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司之估值報告>的議案》)

To complete the Proposed Mergers, and in accordance with the requirements of the Administrative Measures for Major Asset Restructuring of Listed Companies and the Guidelines No. 26 for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public - Major Asset Restructuring of Listed Companies and other applicable laws and regulations, Industrial Securities, serving as the valuation institution for the Proposed Mergers, has issued the Valuation Report. The Valuation Report is set out in Appendix I of this circular.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(n) the Proposal regarding the independence of the valuer, the reasonableness of the assumptions used in the Valuation Report, the relevance of the methodology and the purpose of the Valuation Report and the fairness of the appraised value (《關於估值機構的獨立性、估值假設前提的合理性、估值方法與估值目的的相關性以及估值定價的公允性的議案》)

1. Independence of the valuation institution

It is proposed that CICC engage Industrial Securities as the independent financial adviser and valuation institution of the Proposed Mergers. Except for the business relationship arising from the provision of services for the Proposed Mergers, it is proposed that Industrial Securities and the valuation personnel have no other related-party relationships with any parties involved in the Proposed Mergers, nor do there exist any actual or potential interests or conflicts that may affect their provision of services, and they maintain independence.

2. Reasonableness of the valuation assumptions

It is proposed that the relevant valuation assumptions and restrictive conditions set by the valuation institution comply with relevant national laws, regulations and provisions, follow generally adopted market practices or standards, are consistent with the actual circumstances of the valuation targets, and no facts contrary to such assumptions have been identified, so the assumptions are reasonable.

3. Relevance between the valuation methods and the valuation purpose

It is proposed that the purpose of the valuation is to provide a reference to the CICC Board in analysing whether the pricing of the Proposed Mergers is fair and reasonable and whether it prejudices the interests of CICC and its shareholders; the scope of assets actually valued is consistent with the entrusted scope; the analytical methods adopted during the valuation process to analyze the reasonableness of the transaction consideration are in line with market practice and the actual circumstances of the Proposed Mergers; the work complies with relevant state laws, regulations and industry standards, the valuation procedures accordingly adopted during the valuation process follow the principles of independence, objectivity, scientific rigor and fairness; the valuation methods are appropriate and the reference data is reliable; and the results objectively and fairly reflect the condition of the valuation targets as of the benchmark date, so the valuation methods are relevant to the valuation purpose.

4. Fairness of the valuation pricing

It is proposed that in performing the valuation, Industrial Securities in accordance with relevant laws, regulations and provisions and adhering to the principles of independence, objectivity, scientific rigor and fairness, has implemented necessary valuation procedures; the valuation and pricing are fair, the conclusions are reasonable, and there is no circumstance prejudicing the interests of CICC or its shareholders, in particular the lawful rights and interests of minority shareholders.

Accordingly, the valuer engaged for the Proposed Mergers is independent, the valuation assumptions are reasonable, the valuation methods are relevant to the purpose, the valuation basis and pricing are fair, and the valuation conclusions are reasonable.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(o) Proposal regarding the dilution of immediate returns, remedial measures and undertakings of relevant parties in connection with the Proposed Mergers (《關於本次交易攤薄即期回報、填補措施及相關主體承諾的議案》)

As set out in the pro forma financial information of the Enlarged CICC Group prepared in accordance with the PRC GAAP, the earnings per share of the Post-Merger Company for the years ended December 31, 2024 and 2025 would decrease, on the basis as stated therein and assuming the completion of the Proposed Mergers on the relevant date as stated therein.

Based on such pro forma financial information, the earnings per share for the relevant year would decrease, but the asset scale and size of operations of the Post-Merger Company would increase significantly, and the operational capability and risk resilience would strengthen significantly.

To address the risk of diluted immediate returns after the completion of the Proposed Mergers, and to continuously enhance CICC's ability to create shareholder value and safeguard shareholders' interests, CICC has formulated the following measures to compensate for the potential dilution of immediate returns:

1. Accelerate Business Synergies and Enhance the Profitability of the Post-Merger Company

After the completion of the Proposed Mergers, the Post-Merger Company will expedite integration efforts, fully leveraging the synergies among the parties to the Proposed Mergers in terms of investment banking, investment, research, wealth management, and cross-border financial capabilities, as well as key resources such as networks, clients, and capital. Complementary strengths and efficient resource allocation will enable the provision of comprehensive and high-quality financial services to a broader client base. Through resource integration and centralized operations, the Post-Merger Company will optimize its business structure and profit model, strengthen operational resilience and sustainable profitability, and ultimately enhance shareholder returns. The Post-Merger Company will fully leverage its professional strengths in capital allocation to enhance the efficiency of the use of capital following the Proposed Mergers, and will, in principle, maintain a stable but moderately increasing leverage level. Through prudent balance sheet expansion, the Post-Merger Company will expand its asset base, seize market opportunities and respond to client needs, support the Post-Merger Company's long-term strategic positioning, create competitive businesses and unlock growth potential, thereby enhancing long-term, sustainable financial returns for shareholders.

2. Strengthen Corporate Management and Improve Operational Efficiency

Upon completion of the Proposed Mergers, the Post-Merger Company will optimize its corporate management structure, improve overall management capabilities, reduce operating costs, and enhance profitability. By implementing refined management, improving assessment and incentive mechanisms, and enhancing process controls across various business lines, the Post-Merger Company will increase operational efficiency and management effectiveness, accelerating the development of a world-class investment bank with international competitiveness. In addition, the Post-Merger Company will reasonably utilize various financing tools, optimize its capital structure, improve capital efficiency, reduce costs, and enhance profitability to strengthen shareholder returns.

3. Improve Corporate Governance and Strengthen the Long-Term Foundation for Standardized Operations

After the Proposed Mergers, the Post-Merger Company will strictly comply with *the Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Shanghai Stock Exchange Listing Rules*, and other applicable laws, regulations, and standards, as well as, continuously strengthen a corporate governance framework centred on the Post Merger Company's Articles of Association. The Post-Merger Company will establish a governance structure with clearly defined powers and responsibilities, standardized operations and effective supervision, and will strictly follow decision-making procedures for major matters in accordance with applicable laws and regulations. The Post-Merger Company will align with the relevant requirements under the guideline on strengthening regulation, forestalling risks and promoting the high-quality development of the capital market issued by the State Council in April 2024 (i.e. the "**New Nine National Measures**"), further deepen the standardized development of its corporate governance framework and emphasize the principle of prioritizing investor interests. The Post-Merger Company will enhance penetrating management in key areas such as major investments, risk prevention and control and compliant operations, and will continue to optimize its internal control and risk management systems. The Post-Merger Company will improve safeguard mechanisms for directors of the Post-Merger Company in the performance of their duties, strengthen the diversity of the board of directors of the Post-Merger Company, and give full play to the role of independent directors in participating in decision-making, providing oversight and checks and balances, and offering professional advice, thereby enhancing the scientific decision-making and standardized operation of the board of directors of the Post-Merger Company. The Post-Merger Company will also focus on supporting the effective performance by the audit committee of the Post-Merger Company's board of directors of its key functions, including financial supervision, internal control supervision and oversight of directors' performance, and will continuously optimize its governance structure. In addition, the Post-Merger Company will conduct information disclosure in accordance with applicable laws and regulations, provide convenient mechanisms for shareholders to express opinions and demands and to attend shareholders' meetings, enhance the sense of participation of minority shareholders, safeguard the legitimate rights and interests of shareholders, in particular minority shareholders, and lay a solid corporate governance foundation for high-quality development.

4. Strictly Implement the Cash Dividend Policy and Strengthen Investor Return Mechanisms

After the completion of the Proposed Mergers, the Post-Merger Company will , in accordance with the relevant requirements such as the *Regulatory Guidelines No. 3 for Listed Companies – Cash Dividends*, the *Shanghai Stock Exchange Self-Regulation Guidelines No. 1 – Standardized Operation* and the New Nine National Measures, and taking into account its strategic positioning and operational development needs, plan and allocate capital in a forward-looking manner. While strengthening the foundation for long-term development, the Post-

Merger Company will continuously optimize its dividend mechanisms, maintain a reasonable and stable dividend level, and provide investors with long-term, predictable and sustainable cash returns, thereby effectively enhancing investors' sense of return.

All the directors and senior management of CICC has provided the following undertakings in connection with the dilution of immediate returns arising from the Proposed Mergers:

"1. We will not transfer benefits to any other entity or individual without compensation or on unfair terms, nor will we adopt any other means that may prejudice the interests of the Company;

2. We will exercise restraints over our on-the-job consumption behaviour;

3. We will not use the Company's assets to engage in investment or consumption activities unrelated to the performance of our duties;

4. We will actively promote the linkage between the implementation of the remuneration system formulated by the Board of Directors or the remuneration committee and the implementation of the Company's measures to mitigate the dilution of returns;

5. Where the Company establishes an equity incentive scheme (if any), we will actively support the linkage between the exercise conditions of such equity incentive scheme and the implementation of the Company's measures to mitigate the dilution of returns; and

6. From the date of issuance of this undertaking to the completion of the implementation of the Transaction, if the regulatory authorities issue further detailed requirements regarding the measures to mitigate the dilution of immediate returns and the related undertakings, and where the above undertakings fail to satisfy such detailed requirements, we hereby undertake to issue supplementary undertakings in accordance with the relevant requirements at that time."

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(p) Proposal regarding the shareholders' return plan of CICC for 2026-2028 (《關於中國國際金融股份有限公司未來三年(2026-2028年度)股東回報規劃的議案》)

To improve the profit distribution policy and decision-making mechanism of CICC, provide investors with reasonable returns and promote a long-term, rational investment philosophy amongst investors, CICC, in accordance with the PRC Company Law, the PRC Securities Law, the Guidelines on the Supervision of Listed Companies No. 3 – Cash Dividends of Listed Companies, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardised Operation, other applicable laws, regulations and normative documents and the related requirements under the CICC Articles, and having fully considered its actual circumstances of CICC, has formulated the following Shareholders' Return Plan for 2026-2028 (the "**Plan**"):

1. Basic principles

The formulation of the Plan shall comply with applicable laws, regulations and the requirements under the CICC Articles, attach importance to reasonable investor returns, and balance such returns with CICC's actual operating conditions for the year and sustainable development. The Plan shall fully consider and take into account the opinions of shareholders (especially minority shareholders) and independent directors.

2. Main factors considered in formulating the Plan

In light of CICC's strategic development plans and sustainable development needs, CICC has formulated the Plan after comprehensively considering factors such as its actual business development and cash flow, reasonable shareholder demands, the social cost of capital, the external financing environment, as well as fully considering the macroeconomic conditions and characteristics of the industry it is in.

3. Specific plans for shareholders' return arrangements for 2026-2028

i. Forms of profit distribution

CICC may distribute profits in cash, shares, a combination of both or other methods permitted by law.

ii. Conditions and ratios for cash dividends

Absent material investment plans or major cash expenditures, and provided that post-dividend risk indicators meet regulatory requirements and normal funding needs, in any consecutive three-year period the total cash dividends shall be not less than 30% of the average annual distributable profits for such three years.

iii. Frequency of profit distribution

In principle, CICC shall distribute profits once a year, and the CICC Board may, in light of profitability and funding needs, propose interim distributions.

iv. Conditions for share dividends

Where operations are sound and the CICC Board considers that the share price does not match the share capital size and that share dividends are in the overall interests of all shareholders, CICC may, after paying cash dividends, propose a share dividend plan, having considered growth prospects, dilution of net assets per share and other factors.

4. Decision-making and supervision mechanisms

Any profit distribution plan shall be formulated by the CICC Board, which shall fully discuss its reasonableness and submit a special resolution to the general meeting for approval before implementation. Before the general meeting considers the plan, CICC shall proactively communicate, through multiple types of channels, with shareholders, especially minority shareholders, fully listen to their opinions and demands and respond in a timely manner.

If, due to special circumstances, CICC cannot declare the year's profit distribution in accordance with the established cash dividend policy or minimum ratio, it shall disclose the specific reasons in the annual report. The plan shall be approved by shareholders representing at least two-thirds of the voting rights held by shareholders attending the general meeting.

5. Adjustment procedures

In the event of force majeure such as war or natural disasters or material changes in CICC's external operating environment which materially impact CICC's operations or material changes in CICC's operations or financial position, changes in relevant laws, regulations or regulatory rules, or where the CICC Board deems it necessary, CICC may adjust its cash dividend policy. Any adjustment shall be fully justified by the CICC Board and submitted as a special resolution to the general meeting for approval by shareholders representing at least two-thirds of the voting rights held by shareholders attending the meeting.

6. Implementation

After CICC's general meeting resolves on the profit distribution plan or the CICC Board resolves on dividend matters pursuant to the authorization of the general meeting, the distribution of dividends (or shares) shall be completed within two months.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM.

(q) Proposal regarding the authorization to the CICC Board and its authorized person(s) to deal with matters in connection with the Proposed Mergers (《關於提請股東會授權董事會及其授權人士全權辦理本次交易相關事宜的議案》)

To ensure the smooth implementation of matters relating to the Proposed Mergers, in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Administrative Measures for Material Asset Restructurings of Listed Companies* and other applicable laws and regulations, as well as the CICC Articles, the board of directors proposes that the general meeting authorise the board of directors, and that the board of

directors further authorise CICC's management, to fully handle all matters relating to the Proposed Mergers within the scope permitted by relevant laws and regulations, including but not limited to the following:

1. To make necessary revisions and adjustments to the specific transaction plan for the Proposed Mergers based on the requirements of relevant regulatory authorities or approval authorities and CICC's actual circumstances, without contravening the principles of the resolutions passed by the general meeting (except for matters that are required under applicable laws, regulations and the CICC Articles to be resubmitted to the general meeting for approval), and to execute any relevant supplemental agreements (if required);

2. To handle all approvals, registrations, filings, verifications, consents, notifications and other procedures relating to the Proposed Mergers within the scope of the resolutions of CICC's general meeting; to prepare, execute, perform, amend, submit and complete all documents relating to the Proposed Mergers (including but not limited to relevant transaction agreements and application documents); to make corresponding supplements or adjustments to the application documents in accordance with the requirements of relevant regulatory or approval authorities; to handle all information disclosure matters relating to the Proposed Mergers (including but not limited to the finalisation and publication of any announcements or circulars of the stock exchange); to respond to feedback or enquiries from relevant regulatory or approval authorities; to ratify any documents submitted to, procedures carried out with, or communications made with relevant authorities prior to the approval of this resolution; to adjust the share exchange price and share exchange ratio due to any ex-rights or ex-dividend events occurring to the CICC Shares between the date of publication of the board resolution and the implementation date of the share-exchange absorption merger, or pursuant to applicable laws, regulations or regulatory requirements, and to handle the relevant procedures;

3. To determine, announce and implement the arrangements for the exercise of put option by the CICC Dissenting Shareholders in connection with the Proposed Mergers; to make corresponding adjustments to the exercise price of such put option in the event of any ex-rights or ex-dividend events occurring to the CICC Shares between the pricing reference date for the share exchange and the Closing, or in the event of adjustments to put options (if any, and where the adjustment to the exercise price as a result thereof is subject to the CICC Board approval), or pursuant to applicable laws, regulations or regulatory requirements;

4. To amend the relevant provisions of the CICC Articles based on the outcome of the Proposed Mergers; to complete the registrations and filings with the relevant tax, market regulation and other competent authorities; to apply for the business qualifications and licences required for CICC's operations after changes to its business scope (if required); and to handle the transfer, registration, delivery, change and other procedures relating to assets, liabilities, business, equity interests, personnel and all other rights and obligations, including the execution of the relevant legal documents;

5. To handle the specific implementation and execution of creditor protection arrangements in connection with the Proposed Mergers;

6. To handle the specific implementation and execution of the share exchange arrangement under the Proposed Mergers;

7. To handle the registration of the shares to be issued by CICC as a result of the Proposed Mergers with the securities registration and clearing institutions and their listing and trading on the SSE;

8. To appoint independent financial advisers, financial advisers, legal advisers, auditors, valuation agencies and other intermediary institutions in connection with the Proposed Mergers; and

9. To take all other actions and handle all other matters which it deems necessary or appropriate in connection with the implementation of the Proposed Mergers on behalf of CICC.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and the 2026 First H Shareholders' Class Meeting. The relevant resolution has a validity period of 12 months from its passing date.

(r) Proposal regarding granting the CICC Board the specific mandate to issue CICC A Shares under the Proposed Mergers (《關於提請股東會授予董事會就本次交易增發公司A股特別授權的議案》)

Please refer to the section headed "5. CICC's Specific Mandate to issue CICC A Shares under the Proposed Mergers", the CICC Board has resolved to seek an unconditional specific mandate to issue CICC A Shares in connection with the Proposed Mergers.

The above proposal was considered and approved by the CICC Board, and is hereby proposed for Shareholders' consideration and approval at the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and the 2026 First H Shareholders' Class Meeting.

The relevant resolution has a validity period of 12 months from its passing date.

8. EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

CICC has not conducted any equity fundraising activities in the 12 months immediately preceding the Latest Practicable Date.

9. ARTICLES OF ASSOCIATION OF THE POST-MERGER COMPANY

Following Closing, the Post-Merger Company will implement a series of measures to establish a new corporate governance and management structure, development strategy and corporate culture in accordance with Applicable Laws and the specific circumstances of the Proposed Mergers. The Post-Merger Company will adopt new articles of association after Closing, to be in line with the Post-Merger Company's corporate governance and management structure. Further announcements will be made as and when appropriate in accordance with the Hong Kong Listing Rules.

10. FINANCIAL EFFECT OF THE PROPOSED MERGERS ON CICC

After the Proposed Mergers, CICC will assume and succeed to all assets, liabilities, business, employees, contracts, qualifications and all other rights and obligations of Dongxing Securities and Cinda Securities.

The Proposed Mergers will result in an increase in the total assets, operating revenue and profit scale of the Post-Merger Company, while its asset-liability ratio is expected to decrease. The Post-Merger Company's continuous operating capability and risk resistance will be further enhanced with its comprehensive competitiveness further increased. The Post-Merger Company will accelerate the completion of integration and fully leverage the synergies among the parties to the Proposed Merger's professional capabilities in areas such as investment banking, investment, research, wealth management and cross-border finance, as well as key resources such as branch networks, clients and capital. Through complementary strengths and efficient allocation, the Post-Merger Company will provide a broader range of clients with comprehensive and high-quality financial services and, through resource integration and intensified operations, improve capital allocation efficiency, optimize its profit model, enhance resilience in operational development and sustainable profitability, and increase shareholder returns.

For the purposes of illustrating the financial effects of the Proposed Mergers, pro forma financial information of the Enlarged CICC Group under the IFRS in accordance with Rule 4.29 of the Hong Kong Listing Rules, is included in Appendix V to this circular. The statement has been prepared for illustrative purposes only and because of its nature, they may not give a true picture of the Post-Merger Company's financial position on the completion of the Proposed Mergers.

In addition, based on CICC's audited financial statements for the financial years ended 2024 and 2025 and the reviewed pro forma consolidated financial statements prepared in accordance with the PRC GAAP, a comparison of CICC's assets and liabilities as well as income and profit before the Proposed Mergers with those of the Post-Merger Company after the Proposed Mergers is set out below:

Unit: RMB100,000,000 (other than the basic earnings per share and the percentage figures)

Item	December 31, 2025/the year ended December 31, 2025			December 31, 2024/the year ended December 31, 2024		
	Before the Proposed Mergers (actual)	After the Proposed Mergers (pro forma)	Change year-on-year	Before the Proposed Mergers (actual)	After the Proposed Mergers (pro forma)	Change year-on-year
Total assets	7,828.26	10,268.83	31.18%	6,747.16	8,867.33	31.42%
Total liabilities	6,584.38	8,404.94	27.65%	5,590.94	7,183.33	28.48%
Total equity	1,243.88	1,863.89	49.84%	1,156.22	1,684.00	45.65%
Total equity attributable to shareholders of the parent company	1,220.58	1,833.28	50.20%	1,153.48	1,674.47	45.17%
Operating revenue	284.81	371.73	30.52%	213.33	288.04	35.02%
Profit before income tax	117.13	162.85	39.04%	68.05	101.19	48.71%
Profit for the year attributable to shareholders of the parent company	97.91	137.69	40.63%	56.94	86.03	51.08%
Basic earnings per share (RMB per share)	1.88	1.63	-13.30%	1.04	0.99	-4.81%
Asset-liability ratio	80.94%	78.00%	Decrease by 2.94%	79.86%	77.38%	Decrease by 2.48%

Note: Asset-liability ratio = (Total liabilities – accounts payable to brokerage clients and to underwriting clients)/ (Total assets – accounts payable to brokerage clients and to underwriting clients).

11. IMPACT OF THE PROPOSED MERGERS ON THE RISK CONTROL INDICATORS OF THE POST-MERGER COMPANY

The impact of the Proposed Mergers on the principal risk control indicators of the Post-Merger Company in accordance with the PRC laws and regulations is set out in the table below:

Unit: RMB100,000,000

Item	As at December 31, 2025			
	Before the Proposed Mergers (actual)	After the Proposed Mergers (simulated)	Early warning Threshold	Regulatory Standard
Net capital	481.43	1,032.57		
Risk coverage ratio	183.03%	285.73%	≥120%	≥100%
Capital leverage ratio	12.18%	19.32%	≥9.6%	≥8%
Liquidity coverage ratio	259.74%	242.96%	≥120%	≥100%
Net stable funding ratio	134.07%	149.17%	≥120%	≥100%
Equity securities and related derivatives held/net capital	46.33%	35.85%	≤80%	≤100%
Non-equity securities and related derivatives held/net capital	338.37%	267.99%	≤400%	≤500%

Note: The data of the principal risk control indicators after the Proposed Mergers are simulated based on the audited financial data of the parties to the Proposed Mergers for the year ended 2025 and in accordance with the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies.

Upon completion of the Proposed Mergers, the net capital of the Post Merger Company is expected to increase by more than 100%. In addition, Dongxing Securities and Cinda Securities have ample headroom in their off balance sheet resource utilisation, resulting in material improvements in key risk control indicators such as the capital leverage ratio, net stable funding ratio and proprietary securities scale. This will support the Post-Merger Company in increasing asset allocation, optimising its liability structure, achieving growth in business income and reducing financing costs, and releasing synergies from efficient capital management.

12. IMPLICATIONS UNDER THE HONG KONG LISTING RULES FOR CICC

The highest relevant percentage ratio for transaction classification under the Hong Kong Listing Rules in respect of the Proposed Mergers and the issue and exchange of CICC A Shares pursuant to the Proposed Mergers is more than 25% but less than 100%. As a result, the Proposed Mergers will constitute a major transaction for CICC under Rule 14.06(3) of the Hong Kong Listing Rules. Further, pursuant to Rule 13.36 of the Hong Kong Listing Rules, the issue of the CICC A Shares pursuant to the Proposed Mergers will be pursuant to a specific mandate which requires approval by special resolution by a majority of not less than two-thirds of the votes cast by way of poll by the CICC Shareholders at the CICC GM. Pursuant to the Hong Kong Listing Rules, any CICC Shareholder who has a material interest in the Proposed Mergers (and its close associates under the Hong Kong Listing Rules) is required to abstain from voting on the resolutions to approve the Proposed Mergers at the 2026 First ESM.

For completeness, in accordance with the requirements under the CICC Articles, the issuance of CICC A Shares under the Proposed Mergers will also be subject to approval at the 2026 First A Shareholders' Class Meeting and 2026 First H Shareholders' Class Meeting.

As set out in the section headed "D. Shareholding Structure Chart before and after the Proposed Mergers", as at the Latest Practicable Date, each of Dongxing Securities and Cinda Securities is held as to approximately 45.14% and 78.67% by China Orient (and Dongfu Guochuang) and China Cinda respectively, and each of China Orient and China Cinda is in turn held as to approximately 71.55% and 58.00% by Central Huijin. As Central Huijin is a PRC Governmental Body within the meaning of Rule 19A.04 of the Hong Kong Listing Rules, each of China Orient and China Cinda is a third party independent of CICC and its connected persons, and is not a connected person of CICC for the purposes of the Hong Kong Listing Rules. Accordingly, to the best of the CICC Directors' knowledge, information and belief, and having made all reasonable enquiries, the respective ultimate beneficial owners of each of Dongxing Securities and Cinda Securities are independent of CICC and its connected persons as at the Latest Practicable Date.

As at the Latest Practicable Date, to the best of the CICC Directors' knowledge, information and belief, and having made all reasonable enquiries, no connected person of CICC for the purposes of the Hong Kong Listing Rules holds any Dongxing A Shares or Cinda A Shares and CICC will take appropriate measures (including providing appropriate reminders to connected persons of CICC) to monitor that this will remain the case up to Closing.

Waiver from strict compliance with Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules

Pursuant to Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules, CICC is required to include in this circular an accountants' report on each of Dongxing Securities and Cinda Securities prepared in accordance with Chapter 4 of the Hong Kong Listing Rules. The accounts on which such report is based must relate to a financial period ended 6 months or less before this circular is issued and must be prepared using accounting policies which should be materially consistent with those of CICC.

CICC has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement for an accountants' report on each of Dongxing Securities and Cinda Securities under Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules, on the following grounds:

(a) each of Dongxing Securities and Cinda Securities, being a company listed on the SSE, is required to and has published its financial information on a regular basis under the listing rules of the SSE, with its financial disclosure subject to supervision by the relevant regulatory authorities. In addition, each of Dongxing Securities and Cinda Securities will disclose their audited accountants' report for the years ended December 31, 2024 and 2025 in their announcements published on the SSE in connection with the Proposed Mergers. Such information are readily available online and would be included in this circular by CICC in order to ensure sufficient information will be provided to the CICC Shareholders to make a properly informed assessment of Dongxing Securities and Cinda Securities;

(b) the accountants' report for the years ended December 31, 2023, 2024 and 2025 published under the listing rules of the SSE and/or in connection with their shareholders' document to convene (as the case may be) the Dongxing GM and the Cinda GM were prepared by auditors with international name and reputation and registered with a recognized body of accountants; and

(c) if CICC were to engage a reporting accountant and complete an audit on Dongxing Securities and Cinda Securities, it would require substantial time and costs on the part of CICC and would be disproportionately costly and burdensome, with minimal benefit to CICC Shareholders given the reasons as set out above and the alternative disclosure that would be included in this circular as set out below.

Alternative Disclosure

CICC has included the following information in this circular as alternative disclosure to an accountants' report required under Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules:

(a) the respective annual audited consolidated financial statements of Dongxing Securities and Cinda Securities for the year ended December 31, 2023 as extracted from their respective annual reports for the same year, which is set out in Appendices II and III to this circular;

(b) the respective audited consolidated financial statements of Dongxing Securities and Cinda Securities for the years ended December 31, 2024 and December 31, 2025, as extracted from their respective announcements published in connection with the Proposed Mergers, which is set out in Appendices II and III to this circular; and

(c) a statement of reconciliation of the respective financial information of Dongxing Securities and Cinda Securities for the differences between their accounting policies under the PRC GAAP and CICC's accounting policies under IFRS, which has been reviewed by CICC's auditors, which is set out in Appendices II and III to this circular.

13. TAXATION AND INDEPENDENT ADVICE

CICC Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposed Mergers or the exercise of the CICC Put Option. None of CICC or any of their respective directors, officers or associates or any other person involved in the Proposed Mergers accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons in respect of the Proposed Mergers or other implications of any exercise of the CICC Put Option.

Hong Kong Stamp Duty

The Share Exchange involves only the issuance and exchange of CICC A Shares for Dongxing A Shares and Cinda A Shares and does not involve the transfer of Hong Kong-listed shares or shares in Hong Kong-incorporated companies. Accordingly, no Hong Kong stamp duty will be payable as a result of the issuance of the CICC A Shares or the cancellation of the Dongxing A Shares and Cinda A Shares pursuant to the Stamp Duty Ordinance, Chapter 117 of the Laws of Hong Kong.

For the Qualified CICC Dissenting Shareholders who exercise their CICC Put Options in respect of any CICC H Shares held, the seller's Hong Kong ad valorem stamp duty arising in connection with transfer of the CICC H Shares will be payable by the relevant Qualified CICC

Dissenting Shareholders who validly exercised the CICC Put Option at a rate of 0.1% of (i) the consideration payable by the CICC Put Option Providers in respect of the relevant exercise of CICC Put Option; or (ii) the market value of the relevant CICC H Shares in respect of which the CICC Put Option is being exercised, whichever is higher (rounded up to the nearest HK$1.00).

14. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical facts included in this circular, are or may be forward-looking statements. Forward-looking statements include, but are not limited to, those using words such as "seek", "expect", "envisage", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect CICC's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements as a result of a number of factors, including, without limitation:

(a) the satisfaction or (if capable of being waived) waiver of the Conditions to the Proposed Mergers;

(b) any changes in the political, economic, legal and social conditions in countries in which CICC, Dongxing Securities, Cinda Securities and their respective subsidiaries operate or other countries which have an impact on the business activities or investments of CICC, Dongxing Securities, Cinda Securities and their respective subsidiaries;

(c) any changes in interest rates, the monetary and interest rate policies of the countries in which CICC, Dongxing Securities, Cinda Securities and their respective subsidiaries operate;

(d) any changes in inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which CICC, Dongxing Securities, Cinda Securities and their respective subsidiaries operate and globally; and

(e) any changes in competition and the pricing environments in the countries in which CICC, Dongxing Securities, Cinda Securities and their respective subsidiaries operate and regional or general changes in asset valuations.

Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to CICC or persons acting on behalf of it are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date. Subject to the requirements of Applicable Laws, CICC does not undertake any obligation to update publicly or revise any forward-looking statements contained in this circular.

15. NOTICE TO CICC SHAREHOLDERS

This circular appears for information purposes only and is not intended to and does not constitute, or form part of, any offer to sell or an invitation or solicitation of an offer to acquire, purchase or subscribe for any securities of CICC, Dongxing Securities or Cinda Securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities of CICC, Dongxing Securities or Cinda Securities in any jurisdiction in contravention of applicable law or regulation. This circular does not constitute a prospectus or a prospectus equivalent document. In particular, this circular is not an offer of securities for sale or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The CICC A Shares to be issued under the Proposed Mergers have not been, and will not be, registered under the U. S. Securities Act or under the securities law of any state, district or other jurisdiction of the United States. The CICC Shares may not be offered, sold, transferred or delivered, directly or indirectly, in any other jurisdiction where to do so would violate the laws of that jurisdiction or would require registration thereof in such jurisdiction. Any person resident outside the PRC wishing to receive the CICC A Shares is responsible for fully observing and complying with the laws of the relevant country, jurisdiction or territory, including obtaining any government or other consents that may be required and observing any other formalities in such country, jurisdiction or territory.

The Proposed Mergers will involve the cancellation of the securities of two joint stock limited companies incorporated in the PRC with limited liability by means of mergers by absorption provided under the laws of the PRC. The Proposed Mergers is subject to PRC and Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this circular has been prepared in accordance with the IFRS or the PRC GAAP and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

16. WARNING

The Effectiveness Conditions must be satisfied before the Merger Agreement becomes effective. In addition, Closing is subject to the Conditions to implementation of the Merger Agreement being satisfied or (if capable of being waived) waived. CICC Shareholders, investors and potential investors in the securities of CICC should be aware that the Proposed Mergers is subject to the Conditions set out in this circular being satisfied or (if capable of being waived) waived, and there is no assurance that any or all Conditions can be satisfied or (if capable of being waived) waived, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. CICC Shareholders, investors and potential investors in the securities of CICC should therefore exercise caution when dealing in CICC Shares or any other securities of CICC. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

III. THE 2026 FIRST ESM AND THE 2026 FIRST H SHAREHOLDERS' CLASS MEETING

The forms of proxy of the 2026 First ESM and the 2026 First H Shareholders' Class Meeting are enclosed herewith.

If you intend to appoint a proxy to attend the 2026 First ESM and/or the 2026 First H Shareholders' Class Meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for CICC H Shareholders) not less than 24 hours before the time appointed for holding (as the case may be) the 2026 First ESM and/or the 2026 First H Shareholders' Class Meeting (that is, not later than 2:00 p.m. (for the 2026 First ESM) and 3:00 p.m. (for the 2026 First H Shareholders' Class Meeting) on Sunday, June 7, 2026 (Beijing time)) or any adjournment thereof in person or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2026 First ESM and/or the 2026 First H Shareholders' Class Meeting or any adjournment thereof if you so wish, but in such event the relevant form(s) of proxy shall be deemed to be revoked.

IV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a shareholders' meeting must be taken by poll. As such, the chairman of the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and/or the 2026 First H Shareholders' Class Meeting will exercise the power under the Articles of Association to demand a poll for all the resolutions proposed at the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and/or the 2026 First H Shareholders' Class Meeting.

As at the Latest Practicable Date, Central Huijin directly holds 1,936,155,680 CICC A Shares, representing approximately 40.11% of the total issued shares of CICC. For the sake of good corporate governance, Central Huijin will abstain from voting on the relevant resolutions at each of the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and (where applicable) the 2026 First H Shareholders' Class Meeting.

Save as disclosed in this circular, to the best of the CICC's knowledge, information and belief having made all reasonable enquiries, there is no CICC Shareholder who has a material interest in the Proposed Mergers and is required to abstain from voting on the relevant resolutions approving the Proposed Mergers at each of the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and the 2026 First H Shareholders' Class Meeting.

V. RECOMMENDATION

The CICC Board has convened meetings on December 17, 2025 and May 18, 2026 to consider matters in relation to the Proposed Mergers, at which all CICC Directors eligible to attend and vote on the resolutions unanimously approved the resolutions in connection with the Proposed Mergers. Mr. Lu Zhengfei, who is also a director of China Cinda, has voluntarily abstained from voting on the relevant board resolutions approving the Proposed Mergers and its related matters. In addition, at the special meeting of the independent director of the third session of the CICC Board as disclosed in the paragraph headed "7. Resolutions to be approved at the 2026 First ESM and (as applicable) the 2026 First A Shareholders' Class

Meeting and the 2026 First H Shareholders' Class Meeting" above, the special meeting of the independent directors of the third session of the CICC Board concluded that the terms of the Merger Agreement and the Proposed Mergers are fair and reasonable, and in the interest of CICC and the CICC Shareholders as a whole.

The CICC Board considers that all the resolutions proposed at the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and the 2026 First H Shareholders' Class Meeting are in the interests of CICC and its Shareholders as a whole. As such, the CICC Board recommends you to vote in favor of all the resolutions proposed at the 2026 First ESM, the 2026 First A Shareholders' Class Meeting and the 2026 First H Shareholders' Class Meeting.

Yours faithfully,
By order of the Board
China International Capital Corporation Limited
Secretary to the Board
Liang Dongqing

China International Capital Corporation Limited

中國國際金融股份有限公司

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

(Stock Code: 03908)

NOTICE OF 2026 FIRST EXTRAORDINARY SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the 2026 First Extraordinary Shareholders' Meeting (the "**2026 First ESM**") of China International Capital Corporation Limited ("**CICC**") will be held at Meeting Rooms 3004 and 3005, 30/F, China Life Finance Centre, No. 23 Zhenzhi Road, Chaoyang District, Beijing, the PRC on Monday, June 8, 2026 at 2:00 p.m. for the following purpose. Unless otherwise defined, terms used in this notice shall have the same meanings as those used in the circular of CICC dated May 18, 2026, which contains details of the following resolutions.

SPECIAL RESOLUTIONS

1. To consider and approve the Proposal regarding the compliance of the Proposed Mergers with the relevant laws and regulations applicable to a material asset restructuring by listed companies

2. To consider and approve the Proposal regarding the Plan on the Proposed Mergers by CICC with Dongxing Securities and Cinda Securities:

   2.01 Parties to the Proposed Mergers;

   2.02 Method of the Proposed Mergers;

   2.03 Class and par value of the CICC Shares to be issued upon Share Exchanges;

   2.04 Share Exchanges targets and Record Date for Dongxing Share Exchange and Record Date for Cinda Share Exchange;

   2.05 Price and ratio of the issue of the Share Exchanges;

   2.06 Number of CICC Shares to be issued under the Share Exchanges;

   2.07 Listing venue of the CICC Shares to be issued under the Share Exchanges;

   2.08 Arrangements for Dongxing Share-Exchange Shareholders and Cinda Share-Exchange Shareholders who holds shares with Share Restrictions;

   2.09 Protection mechanism for the interests of CICC Dissenting Shareholders;

2.10 Protection mechanism for the interests of Dongxing Dissenting Shareholders and Cinda Dissenting Shareholders;

2.11 Disposal of creditors' rights and debts involved in the Proposed Mergers;

2.12 Transfer of assets;

2.13 Arrangements for employees;

2.14 Arrangements for the Transitional Period;

2.15 Arrangements for profit distribution and accumulated profits;

2.16 Validity period of the resolutions.

3. To consider and approve the Proposal regarding the Report (Draft) on CICC merging and absorbing Dongxing Securities and Cinda Securities and its summary

4. To consider and approve the Proposal regarding the execution of the conditional Merger Agreement

5. To consider and approve the Proposal regarding the Proposed Mergers constituting a material asset restructuring in accordance with the PRC laws and regulations

6. To consider and approve the Proposal regarding the Proposed Mergers not constituting a related party transaction of CICC in accordance with the PRC laws and regulations

7. To consider and approve the Proposal regarding the compliance of the Proposed Mergers with Articles 11, 43 and 44 of the MAR Measures

8. To consider and approve the Proposal regarding the compliance of the Proposed Mergers with the requirements under Article 4 of Guideline No. 9 for the Supervision of Listed Companies – Regulatory Requirements for Planning and Implementing Material Asset Restructuring by Listed Companies

9. To consider and approve the Proposal regarding the Proposed Mergers not constituting a listing by restructuring as stipulated in Article 13 of the MAR Measures

10. To consider and approve the Proposal regarding the completeness and compliance of the statutory procedures and the effectiveness of the legal document submitted in relation to the Proposed Mergers

11. To consider and approve the Proposal regarding the non-existence of the relevant circumstances prohibiting participation in material asset restructuring of listed companies in respect of the relevant entities under the Proposed Mergers

12. To consider and approve the Proposal regarding the approval of the pro-forma financial information in relation to the Proposed Mergers and the related documents

13. To consider and approve the Proposal regarding the confirmation of the Valuation Report

14. To consider and approve the Proposal regarding the independence of the valuer, the reasonableness of the assumptions used in the Valuation Report, the relevance of the methodology and the purpose of the Valuation Report and the fairness of the appraised value

15. To consider and approve the Proposal regarding the dilution of immediate returns, remedial measures and undertakings of relevant parties in connection with the Proposed Mergers

16. To consider and approve the Proposal regarding the shareholders' return plan of CICC for 2026-2028

17. To consider and approve the Proposal regarding the authorization to the CICC Board and its authorized person(s) to deal with matters in connection with the Proposed Mergers

18. To consider and approve the Proposal regarding granting the CICC Board the specific mandate to issue CICC A Shares under the Proposed Mergers

By order of the Board
China International Capital Corporation Limited
Secretary to the Board
Liang Dongqing

Beijing, the PRC
May 18, 2026

As at the date of this notice, the Executive Directors of CICC are Mr. Chen Liang and Mr. Wang Shuguang; the Non-executive Directors of CICC are Ms. Zhang Wei, Mr. Kong Lingyan and Ms. Tian Ting; and the Independent Non-executive Directors of CICC are Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Zhou Yu.

Notes:

1. Pursuant to the Hong Kong Listing Rules, any vote of CICC Shareholders at a shareholders' meeting must be taken by poll. As such, all resolutions set out in the notice of the 2026 First ESM will be voted by poll. Results of the poll voting will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and CICC's website (www.cicc.com) after the 2026 First ESM.

2. Any Shareholder is entitled to attend the 2026 First ESM. Any Shareholder entitled to attend and vote at the 2026 First ESM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A proxy need not be a CICC Shareholder.

3. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the H Share registrar of CICC, Computershare Hong Kong Investor Services Limited (for CICC H Shareholders), not less than 24 hours before the time appointed for holding the 2026 First ESM (that is, not later than 2:00 p.m. on Sunday, June 7, 2026 (Beijing time)) or any adjournment thereof. Computershare Hong Kong Investor Services Limited is located at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude a CICC Shareholder from attending and voting in person at the 2026 First ESM or any adjournment thereof should he/she/it so wish, but in such event the form of proxy shall be deemed to be revoked.

4. The H share register of members of CICC will be closed, for the purpose of determining the entitlement of holders of H Shares to attend the 2026 First ESM, from Wednesday, June 3, 2026 to Monday, June 8, 2026 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the 2026 First ESM, all share certificates, together with the instruments of transfers, must be lodged for registration with CICC's H share registrar, Computershare Hong Kong Investor Services Limited (for CICC H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, June 2, 2026. The holders of H Shares whose names appear on the H Share register of members of CICC on Monday, June 8, 2026 are entitled to attend and vote at the 2026 First ESM or any adjournment thereof.

5. Where there are joint holders of any CICC Shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the 2026 First ESM in respect of such CICC Shares.

6. CICC Shareholder or his/her/its proxy shall produce proof of identity when attending the 2026 First ESM:

   (1) Legal representatives of legal person Shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person Shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives or the board of directors or other governing body of the legal person Shareholders according to laws.

   (2) Individual Shareholders who attend the meeting in person shall produce their identity cards or other effective documents or proof of identity. Proxies of individual Shareholders shall produce effective proof of identity and form of proxy.

7. The 2026 First ESM will adopt a combination of both onsite voting and online voting (online voting only applicable to holders of CICC A Shares) in terms of the mechanism for voting at the meeting.

8. The 2026 First ESM is expected to be held for less than half a day. CICC Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

9. Computershare Hong Kong Investor Services Limited is located at Shops 1712-1716, 17/F and 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

10. The board office of CICC is located at 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC.

    Tel: 86 (10) 6505 1166 (Ext. 1433)
    Fax: 86 (10) 6505 1156

China International Capital Corporation Limited
中國國際金融股份有限公司

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

(Stock Code: 03908)

NOTICE OF 2026 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2026 First H Shareholders' Class Meeting (the "**2026 First H Shareholders' Class Meeting**") of China International Capital Corporation Limited ("**CICC**") will be held at Meeting Rooms 3004 and 3005, 30/F, China Life Finance Centre, No. 23 Zhenzhi Road, Chaoyang District, Beijing, the PRC on Monday, June 8, 2026 at 3:00 p.m. for the following purpose. Unless otherwise defined, terms used in this notice shall have the same meanings as those used in the circular of CICC dated May 18, 2026, which contains details of the following resolutions.

SPECIAL RESOLUTIONS

1. To consider and approve the Proposal regarding the Plan on the Proposed Mergers by CICC with Dongxing Securities and Cinda Securities:

   1.01 Parties to the Proposed Mergers;

   1.02 Method of the Proposed Mergers;

   1.03 Class and par value of the CICC Shares to be issued upon Share Exchanges;

   1.04 Share Exchanges targets and Record Date for Dongxing Share Exchange and Record Date for Cinda Share Exchange;

   1.05 Price and ratio of the issue of the Share Exchanges;

   1.06 Number of CICC Shares to be issued under the Share Exchanges;

   1.07 Listing venue of the CICC Shares to be issued under the Share Exchanges;

   1.08 Arrangements for Dongxing Share-Exchange Shareholders and Cinda Share-Exchange Shareholders who holds shares with Share Restrictions;

   1.09 Protection mechanism for the interests of CICC Dissenting Shareholders;

   1.10 Protection mechanism for the interests of Dongxing Dissenting Shareholders and Cinda Dissenting Shareholders;

1.11 Disposal of creditors' rights and debts involved in the Proposed Mergers;

1.12 Transfer of assets;

1.13 Arrangements for employees;

1.14 Arrangements for the Transitional Period;

1.15 Arrangements for profit distribution and accumulated profits;

1.16 Validity period of the resolutions.

2. To consider and approve the Proposal regarding the execution of the conditional Merger Agreement

3. To consider and approve the Proposal regarding the authorization to the CICC Board and its authorized person(s) to deal with matters in connection with the Proposed Mergers

4. To consider and approve the Proposal regarding granting the CICC Board the specific mandate to issue CICC A Shares under the Proposed Mergers

By order of the Board
China International Capital Corporation Limited
Secretary to the Board
Liang Dongqing

Beijing, the PRC
May 18, 2026

As at the date of this notice, the Executive Directors of CICC are Mr. Chen Liang and Mr. Wang Shuguang; the Non-executive Directors of CICC are Ms. Zhang Wei, Mr. Kong Lingyan and Ms. Tian Ting; and the Independent Non-executive Directors of CICC are Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Zhou Yu.

Notes:

1. Pursuant to the Hong Kong Listing Rules, any vote of CICC Shareholders at a shareholders' meeting must be taken by poll. As such, all resolutions set out in the notice of the 2026 First H Shareholders' Class Meeting will be voted by poll. Results of the poll voting will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and CICC's website (www.cicc.com) after the 2026 First H Shareholders' Class Meeting.

2. Pursuant to Article 123 of the CICC Articles, resolutions of a shareholders' class meeting shall be passed by two-thirds or more of the voting rights represented at the shareholders' class meeting.

3. Any Shareholder is entitled to attend the 2026 First H Shareholders' Class Meeting. Any Shareholder entitled to attend and vote at the 2026 First H Shareholders' Class Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A proxy need not be a CICC Shareholder.

4. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the H Share registrar of CICC, Computershare Hong Kong Investor Services Limited (for CICC H Shareholders), not less than 24 hours before the time appointed for holding the 2026 First H Shareholders' Class Meeting (that is, not later than 3:00 p.m. on Sunday, June 7, 2026 (Beijing time)) or any adjournment thereof. Computershare Hong Kong Investor Services Limited is located at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude a CICC Shareholder from attending and voting in person at the 2026 First H Shareholders' Class Meeting or any adjournment thereof should he/she/it so wish, but in such event the form of proxy shall be deemed to be revoked.

5. The H share register of members of CICC will be closed, for the purpose of determining the entitlement of holders of H Shares to attend the 2026 First H Shareholders' Class Meeting, from Wednesday, June 3, 2026 to Monday, June 8, 2026 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the 2026 First H Shareholders' Class Meeting, all share certificates, together with the instruments of transfers, must be lodged for registration with CICC's H share registrar, Computershare Hong Kong Investor Services Limited (for CICC H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, June 2, 2026. The holders of H Shares whose names appear on the H Share register of members of CICC on Monday, June 8, 2026 are entitled to attend and vote at the 2026 First H Shareholders' Class Meeting or any adjournment thereof.

6. Where there are joint holders of any CICC Shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the 2026 First H Shareholders' Class Meeting in respect of such CICC Shares.

7. CICC Shareholder or his/her/its proxy shall produce proof of identity when attending the 2026 First H Shareholders' Class Meeting:

   (1) Legal representatives of legal person shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives or the board of directors or other governing body of the legal person shareholders according to laws.

   (2) Individual shareholders who attend the meeting in person shall produce their identity cards or other effective documents or proof of identity. Proxies of individual shareholders shall produce effective proof of identity and form of proxy.

8. The 2026 First H Shareholders' Class Meeting will adopt onsite voting in terms of the mechanism for voting at the meeting.

9. The 2026 First H Shareholders' Class Meeting is expected to be held for less than half a day. CICC Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

10. Computershare Hong Kong Investor Services Limited is located at Shops 1712-1716, 17/F and 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

11. The board office of CICC is located at 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC.

    Tel: 86 (10) 6505 1166 (Ext. 1433)
    Fax: 86 (10) 6505 1156

Set out in this appendix is the Valuation Report prepared for inclusion in the MAR Report in accordance with the applicable PRC laws and regulations and extracted in this circular for reference. The financial information set out in this appendix are prepared in accordance with PRC GAAP.

VALUATION REPORT PREPARED BY INDUSTRIAL SECURITIES CO., LTD. IN RESPECT OF CHINA INTERNATIONAL CAPITAL CORPORATION LIMITED MERGING WITH DONGXING SECURITIES CO., LTD. AND CINDA SECURITIES CO., LTD. BY WAY OF ABSORPTION AND SHARE EXCHANGE

兴业证券股份有限公司
INDUSTRIAL SECURITIES CO., LTD.

May 2026

STATEMENT

I. The targets analysed in this report are China International Capital Corporation Limited ("CICC"), Dongxing Securities Co., Ltd. ("Dongxing Securities") and Cinda Securities Co., Ltd. ("Cinda Securities"). The relevant data is derived from publicly available information.

II. This report is issued by Industrial Securities Co., Ltd. ("Industrial Securities") for the reference of the board of directors (the "Board") of CICC in accordance with the requirements of regulations and normative documents such as the Measures for the Administration of the Material Asset Restructurings of Listed Companies (《上市公司重大資產重組管理辦法》) (the "MAR Measures"), and the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 26 – Material Asset Restructurings of Listed Companies (《公開發行證券的公司信息披露內容與格式準則第26號－上市公司重大資產重組》). This report does not constitute any advice, recommendation or compensation to any third party.

III. The analysis, judgments and conclusions herein are subject to the assumptions and qualifications made in the report, and users should give full consideration to the assumptions, qualifications and their impact on the conclusions contained herein.

IV. Although this report has been prepared on the basis of and in reliance on the accuracy and completeness of the publicly available information contained herein, Industrial Securities' use of any such information does not represent its independent verification or consent. This report does not constitute any warranty as to its accuracy, completeness or appropriateness.

V. This report does not contain any analysis on the business, operations and financial position of the parties to the Proposed Mergers, nor does it express any opinions, forecasts or assurances on any future strategic or commercial decisions or development prospects of the parties to the Proposed Mergers, or express any opinion on any other matter. This report is based on the financial, economic, market and other conditions as of the date contained in the report and these conditions are subject to change at any time. Industrial Securities shall not be liable for any risk or loss that may arise from any investment decision (including but not limited to buying, selling and holding) made by investors based on this report.

VI. The investment objectives, financial position, tax status, risk appetite or individual circumstances of any particular investor have not been taken into account in the preparation of this report. As different investors have different investment objectives and portfolios, investors should promptly consult their respective stockbrokers, attorneys, accountants, tax advisors or other professional advisors with respect to their portfolios if the specific advice is required.

VII. Industrial Securities has not commissioned or authorized any other institution or individual to provide information not contained in this report and make any interpretation or explanation hereof. Without the prior written consent of Industrial Securities, this report or any of its

contents may not be reproduced, distributed or excerpted in any form, at any time, for any purpose. For any ambiguity that may exist in this report, only Industrial Securities is authorized to interpret it.

VIII. This report is only used for China International Capital Corporation Limited merging with Dongxing Securities Co., Ltd. and Cinda Securities Co., Ltd. by way of absorption and share exchange (the "Transaction") and shall not be used for any other purposes. The conclusions of this report shall be considered in conjunction with this report and other disclosure documents for the Transaction. Industrial Securities hereby reminds investors to read carefully the relevant announcements disclosed in connection with the Transaction and consult the relevant documents.

IX. Unless otherwise defined herein, the terms used herein shall have the meanings assigned to them in the Report on China International Capital Corporation Limited merging with Dongxing Securities Co., Ltd. and Cinda Securities Co., Ltd. by way of Absorption and Share Exchange.

X. Differences between certain totals and the sum of direct additions, or between some indicators of proportionality and the results of direct calculations of the relevant values, if any, in this report are due to rounding. The financial data and financial indicators quoted herein, unless otherwise stated, refer to financial data in the consolidated statements and financial indicators calculated on the basis of such financial data.

CHAPTER 1 BACKGROUND INFORMATION

I. PROFILES OF THE PARTIES TO THE PROPOSED MERGERS

CICC focuses on serving the overall national development, innovating to support the real economy, actively promoting capital market reform, and fully delivering on the "Five Priorities of Financial Services" (五篇大文章). CICC has established a balanced business structure encompassing investment banking, equities, fixed income, asset management, private equity, wealth management, research, etc., with multiple businesses maintaining leading positions for consecutive years. Adhering to its original aspiration and mission of being "Chinese Roots, International Reach", CICC operates over 200 securities branches and offices across China and maintains overseas branches in Hong Kong, New York, London, Singapore, Frankfurt, Tokyo, Vietnam, and Dubai. Through its extensive business network and outstanding cross-border capabilities, CICC provides clients with first-class financial services.

Dongxing Securities, as a full-license comprehensive securities firm, adheres to a dual-engine strategy of pro-cyclical securities business and counter-cyclical distressed asset operations. Dongxing Securities fully leverages its integrated financial service advantages and promotes the "three-in-one" synergy of investment banking, research, and investment to broaden the depth and scope of services for the real economy, national strategic emerging industries, and new quality productive forces, driving the Dongxing Securities' high-quality development. Dongxing Securities has established a nationwide business presence, operating over 90 securities branches and offices across China, with years of client accumulation and channel advantages in Fujian Province. Dongxing Hong Kong, a wholly-owned subsidiary of Dongxing Securities, serves as the strategic hub for internationalization and the platform for expanding overseas business.

Cinda Securities, as a full-license comprehensive securities firm, leverages capital intermediation and strategic clients as key drivers, adhering to the business philosophy of "differentiation, specialization, and professionalism". Cinda Securities fully utilizes the synergistic ecosystem of China Cinda and its subsidiaries to continuously strengthen efforts in mergers and acquisitions, corporate restructuring, and financial relief, building a distinctive competitive edge in distressed asset management and special opportunity investment. Through these efforts, Cinda Securities contributes effectively to serving the real economy and preventing and mitigating financial risks. Cinda Securities has established a nationwide business presence, operating over 100 securities branches and offices across China, with a leading network and business advantage in Liaoning Province. Cinda International, a majority-owned subsidiary of Cinda Securities, serves as the platform for expanding its overseas business.

For the specific businesses and financial information on the parties to the Proposed Mergers, please refer to the MAR Report.

II. PROPOSAL OF THE TRANSACTION

(I) Overview of the proposal

Under the principle of "complementary strength and collaborative success", CICC, Dongxing Securities and Cinda Securities are proposing to merge by way of merger by absorption and a share-for-share exchange. The Proposed Mergers will facilitate the acceleration of the development of a first-class investment bank with international competitiveness and support the deepening of capital

market reforms and the high-quality growth of the securities industry. The Post-Merger Company will adhere to its founding mission of "Chinese Roots, International Reach". It will actively take the lead and improve its service quality and efficiency in supporting national strategies, bolstering the real economy, and serving the "Five Priorities of Financial Services" (五篇大文章) published by the State Council of the PRC. Meanwhile, the parties to the Proposed Mergers will leverage synergies in investment banking, investment, research, wealth management, and cross-border financing, along with key resources such as networks, clients, and capital resources, achieving complementary advantages and efficient allocation, to deliver comprehensive and high-quality financial services to a broader client base. At the same time, through resource integration and centralized operations, the parties to the Proposed Mergers will improve capital allocation efficiency, optimize profitability models, strengthen business resilience, and enhance ability to provide long-term shareholder returns, with a view to building a robust financial institution characterized by high operational efficiency, strong risk resilience, comprehensive service offerings with global reach and international competitiveness.

The Proposed Mergers will be implemented by CICC merging with Dongxing Securities and Cinda Securities by way of merger by absorption and share exchange, namely: CICC will issue CICC A Shares to all the Dongxing Share-Exchange Shareholders holding A shares and will issue CICC A Shares to all the Cinda Share-Exchange Shareholders holding A shares. The A Shares to be issued will be applied for listing and trading on the SSE. Accordingly, the Dongxing A Shares and Cinda A Shares shall be cancelled, and the listing of Dongxing Securities and Cinda Securities shall also be terminated. From the Closing Date onwards, CICC will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of Dongxing Securities and Cinda Securities. After the Closing Date, CICC will complete the business registration procedures for the relevant changes of registered capital and other matters, and Dongxing Securities and Cinda Securities will cancel and deregister their respective legal status.

(II) Exchange price and Exchange Ratios

The date of pricing for the Proposed Mergers is the date of announcement of the first board resolution of the parties to the Proposed Mergers in respect of the Transaction.

Pursuant to the relevant provisions of the MAR Measures, it has been determined through consultation among the parties to the Proposed Mergers that the exchange price of CICC in the Transaction shall be determined on the basis of the average trading price of the CICC A Shares for the 20 trading days prior to the date of pricing, the exchange price of Dongxing Securities shall be determined on the basis of the average trading price of the Dongxing A Shares for the 20 trading days prior to the date of pricing plus a 26% premium over such average trading price, the exchange price of Cinda Securities shall be determined on the basis of the average trading price of the Cinda A Shares for the 20 trading days prior to the date of pricing, and the Exchange Ratios shall be determined accordingly. The number of shares of the merging party that can be exchanged for each 1 share of the merged party = the exchange price of the merged party/the exchange price of the merging party (the result of the calculation is rounded to four decimal places).

Between (and including) the date of pricing for the Proposed Mergers and the date of Share Exchanges, if any of the parties to the Proposed Mergers conducts any ex-right or ex-dividend events (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights

issue), or there exists any event or circumstances for which the exchange price shall be adjusted in accordance with the relevant laws and regulations or requirements of any competent authority, the exchange price and the Exchange Ratios shall be adjusted accordingly; other than the aforementioned circumstances, the exchange price and the Exchange Ratios shall not be adjusted.

The average trading price of CICC A Shares for the 20 trading days prior to the date of pricing for the Proposed Mergers was RMB37.00 per share. On October 31, 2025, the 2025 First Extraordinary General Meeting was convened by CICC, at which the 2025 interim profit distribution plan was considered and approved. It was resolved to distribute a cash dividend of RMB0.9 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares of CICC. The 2025 interim profit distribution plan of CICC was implemented on December 29, 2025. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the exchange price of CICC is accordingly determined to be RMB36.91 per share. On March 30, 2026, the 16th meeting of the third session of the Board was convened by CICC, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB2.30 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares of CICC. As of the date of this report, the 2025 profit distribution plan of CICC remains subject to approval by the shareholders' meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned 2025 profit distribution, the exchange price of CICC is adjusted to RMB36.68 per share.

The average trading price of Dongxing A Shares for the 20 trading days prior to the date of pricing for the Proposed Mergers was RMB12.81 per share. On this basis, a premium of 26% is applied, and the exchange price of Dongxing Securities is set at RMB16.14 per share. On March 30, 2026, the 12th meeting of the sixth session of the board was convened by Dongxing Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.09 per share (tax inclusive) to all shareholders, based on the then existing total share capital of 3,232,445,520 shares of Dongxing Securities. As of the date of this report, the 2025 profit distribution plan of Dongxing Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the exchange price of Dongxing Securities is adjusted to RMB16.05 per share.

The average trading price of the Cinda A Shares for the 20 trading days prior to the date of pricing for the Proposed Mergers was RMB19.15 per share, and the exchange price of Cinda Securities shall be determined accordingly as RMB19.15 per share. On March 30, 2026, the 20th meeting of the sixth session of the board was convened by Cinda Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.40 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 3,243,000,000 shares of Cinda Securities. As of the date of this report, the 2025 profit distribution plan of Cinda Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the exchange price of Cinda Securities is adjusted to RMB19.11 per share.

Based on the above, the exchange price for CICC A Shares is RMB36.68 per share, the exchange price for Dongxing A Shares is RMB16.05 per share, and the exchange price for Cinda A Shares is RMB19.11 per share. According to the above formulas, the exchange ratio between Dongxing Securities and CICC is 1:0.4376, i.e. for every 1 Dongxing A Share, 0.4376 CICC A Share can be exchanged, and the exchange ratio between Cinda Securities and CICC is 1:0.5210, i.e. for every 1 Cinda A Share, 0.5210 CICC A Share can be exchanged[1].

(III) Mechanism for protecting the interests of dissenting shareholders of the merging party

In order to protect the interests of the shareholders of CICC, Qualified CICC Dissenting Shareholders will be granted a put option in the Proposed Mergers.

The CICC Dissenting Shareholders refer to the shareholders who cast effective dissenting votes at the shareholders' meeting and the corresponding class meeting of CICC on the resolutions and sub-resolutions to be voted on individually in relation to the Proposed Mergers, the resolutions for the execution of a merger agreement between the parties to the Proposed Mergers, and the shareholders of CICC who have been holding the shares representing the dissenting right since the record date of the shareholders' meeting and class meetings for considering and approving the Proposed Mergers and until the exercise date of the dissenting shareholders' put option, and have successfully fulfilled the relevant declaration procedures within the prescribed time as valid registered shareholders of CICC.

The price of put option for the dissenting A shareholders of CICC shall be determined based on the closing price of CICC A Shares on the trading day prior to the date of pricing for the Proposed Mergers; and the price of put option for the dissenting H shareholders of CICC shall be determined based on the closing price of CICC H Shares on the trading day prior to the date of pricing for the Proposed Mergers.

Between (and including) the date of pricing for the Proposed Mergers and the exercise date of the put option, if CICC conducts any ex-right or ex-dividend events (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue), the price of put option shall be adjusted.

The closing prices of CICC A Shares and CICC H Shares on the trading day immediately preceding the date of pricing of the Proposed Mergers were RMB34.89 per share and HK$18.96 per share, respectively. On October 31, 2025, the 2025 First Extraordinary General Meeting was convened by CICC, at which the 2025 interim profit distribution plan was considered and approved. It was resolved to distribute a cash dividend of RMB0.9 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares. The actual HKD distribution amount was calculated based on the arithmetic average of the central parity rate of RMB to HKD published by the People's Bank of China for the five working days preceding the date of the

[1] The 2025 profit distribution plans of CICC, Dongxing Securities and Cinda Securities are respectively subject to approval by each company's shareholders' general meeting before they can be implemented. The exchange price and exchange ratio in respect of the Proposed Mergers, as well as the price for the dissenting shareholders' put option, will be formally adjusted upon the approval of the respective 2025 profit distribution plans by the shareholders' general meetings of CICC, Dongxing Securities and Cinda Securities and the subsequent implementation thereof.

aforementioned extraordinary general meeting. Consequently, the 2025 Interim Dividend payable to CICC H Shareholders is HK$0.986550 per 10 H Shares (tax inclusive). The 2025 interim profit distribution plan of CICC was implemented on December 29, 2025. Taking into account the adjustment for ex-rights and ex-dividend resulting from the aforementioned 2025 interim profit distribution, the prices of put options for CICC Dissenting A Shareholders and H Shareholders have been adjusted to RMB34.80 per share and HK$18.86 per share, respectively.

On March 30, 2026, the 16th meeting of the third session of the Board was convened by CICC, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB2.30 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares of CICC. The actual HKD distribution amount was calculated based on the arithmetic average of the central parity rate of RMB to HKD published by the People's Bank of China for the five working days preceding the date of the 2025 Annual General Meeting of CICC. As of the date of this report, the 2025 profit distribution plan of CICC remains subject to approval by the shareholders' meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the aforementioned 2025 profit distribution, the price of put option for CICC Dissenting A Shareholders has been adjusted to RMB34.57 per share, while the price of put option for CICC Dissenting H Shareholders will be adjusted upon the convening of the shareholders' meeting and the calculation based on the relevant exchange rate.

Shenwan Hongyuan Securities Co., Ltd., Industrial Securities Co., Ltd. and China Jianyin Investment Limited agreed to provide the CICC Put Option to CICC dissenting A shareholders (with respect to CICC A Shares) as a provider of put option, while Shenwan Hongyuan (International) Holdings Limited, New China Life Insurance Company Ltd. (New China Asset Management (Hong Kong) Limited as the trustee) and JIC (Hong Kong) Holding Limited agreed to provide the CICC Put Option to CICC dissenting H shareholders (with respect to CICC H Shares) as a provider of put option. The CICC Dissenting Shareholders may no longer raise the claim for put option against CICC or other shareholders of CICC who vote in favour of the Proposed Mergers.

(IV) Mechanism for protecting the interests of dissenting shareholders of the merged parties

In order to protect the interests of the shareholders of Dongxing Securities and Cinda Securities, Qualified Dongxing Dissenting Shareholders and Qualified Cinda Dissenting Shareholders will be granted a put option in the Proposed Mergers.

The Dongxing Dissenting Shareholders and the Cinda Dissenting Shareholders refer to the shareholders who cast effective dissenting votes at the general meetings of Dongxing Securities and Cinda Securities on the resolutions and sub-resolutions to be voted on individually in relation to the Proposed Mergers, the resolutions for the execution of a merger agreement between the parties to the Proposed Mergers, and the shareholders of Dongxing Securities and Cinda Securities who have been holding the shares representing the dissenting right since the record date of the general meetings for deliberation of the Proposed Mergers and until the exercise date of the dissenting shareholders' put option and have successfully fulfilled the relevant declaration procedures within the prescribed time as valid registered shareholders of Dongxing Securities and Cinda Securities.

The prices of put option for the Dongxing Dissenting Shareholders and Cinda Dissenting Shareholders shall be determined based on the closing prices of Dongxing A Shares and Cinda A Shares on the trading day prior to the date of pricing for the Proposed Mergers.

Between (and including) the date of pricing for the Proposed Mergers and the exercise date of the put option, if Dongxing Securities or Cinda Securities conducts any ex-right or ex-dividend events (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue), the prices of put option shall be adjusted accordingly.

The closing price of Dongxing A Shares on the trading day prior to the date of pricing for the Proposed Mergers was RMB13.13 per share. On March 30, 2026, the 12th meeting of the sixth session of the board was convened by Dongxing Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.09 per share (tax inclusive) to all shareholders, based on the then existing total share capital of 3,232,445,520 shares of Dongxing Securities. As of the date of this report, the 2025 profit distribution plan of Dongxing Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the price of put option for the Dongxing Dissenting Shareholders is adjusted to RMB13.04 per share.

The closing price of Cinda A Shares on the trading day prior to the date of pricing for the Proposed Mergers was RMB17.79 per share. On March 30, 2026, the 20th meeting of the sixth session of the board was convened by Cinda Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.40 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 3,243,000,000 shares of Cinda Securities. As of the date of this report, the 2025 profit distribution plan of Cinda Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the price of put option for the Cinda Dissenting Shareholders is adjusted to RMB17.75 per share.

China Orient Asset Management Co., Ltd., China Galaxy Securities Co., Ltd. and China Jianyin Investment Limited agreed to provide the Dongxing Put Option to Dongxing Dissenting Shareholders as a provider of put option, while China Cinda Asset Management Co., Ltd., China Galaxy Securities Co., Ltd. and China Jianyin Investment Limited agreed to provide the Cinda Put Option to Cinda Dissenting Shareholders as a provider of put option. The Dongxing Dissenting Shareholders and Cinda Dissenting Shareholders may no longer raise the claim for put option against Dongxing Securities, Cinda Securities or other shareholders of Dongxing Securities and Cinda Securities who vote in favour of the Proposed Mergers.

III. BACKGROUND AND PURPOSES OF THE TRANSACTION

(I) Background of the Transaction

1. Building Strong Financial Institutions to Support the Development of a Financial Power and Better Serve Chinese Modernization

At present, the global political and economic landscape is undergoing profound changes. Building a modern industrial system, developing new quality productive forces, fostering a strong domestic market, and expanding high-level opening-up have become key national strategic priorities. As the lifeblood of the national economy, finance is increasingly becoming a critical component of the country's core competitiveness. The Central Financial Work Conference set forth the ambitious goal of accelerating the development of a financial power, and the Fourth Plenary Session of the 20th CPC Central Committee, taking the overall objectives of Chinese modernization into account, made important arrangements for accelerating the development of a financial power during the 15th Five-Year Plan period.

Strong financial institutions are a key pillar of a financial power. Advancing the development of a financial power and accelerating the establishment of a modern financial system with Chinese characteristics require strong financial institutions to play a leading role. By improving a diversified and specialized system of financial products and services and strengthening the supply of high-quality financial services, strong financial institutions can significantly promote the building of a modern industrial system, the cultivation and development of new quality productive forces, the expansion of high-level opening-up, and the enhancement of the nation's financial discourse power and pricing power, thereby better serving the advancement of Chinese modernization.

2. Promoting the Deepening of Reform of State-Owned Financial Institutions, Strengthening Core Functions, and Enhancing Core Competitiveness

The Third Plenary Session of the 20th CPC Central Committee made major arrangements for optimizing the management system of state-owned financial capital. The Fourth Plenary Session of the 20th CPC Central Committee further advanced the deployment for deepening the reform of state-owned assets and enterprises, strengthening, improving, and expanding state-owned enterprises and state-owned capital, and explicitly called for "optimizing the financial institution system, encouraging various types of financial institutions to focus on their core businesses, improve corporate governance, and pursue differentiated development". In 2025, the National Financial Regulatory Administration issued the Guiding Opinions on Promoting the High-Quality Development of Financial Asset Management Companies and Improving the Quality and Effectiveness of Supervision, guiding financial asset management companies to deepen reform and transformation, continue to streamline operations and strengthen capabilities, and "prudently and orderly advance the optimization and integration of affiliated institutions, further highlight core responsibilities and core businesses, and continuously improve the efficiency of resource utilization".

Through market-oriented approaches, restructuring and integrating the securities subsidiaries of financial asset management companies by securities firms with leading comprehensive strength in the industry will effectively enhance the allocation efficiency of state-owned financial capital, promote state-owned financial institutions' commitment to their functional positioning of serving the real economy, further highlight core responsibilities and core businesses, achieve differentiated development, and comprehensively enhance core competitiveness.

3. Supporting Leading Institutions in the Securities Industry to Become Stronger and Better, and Promoting the High-Quality Development of the Capital Market

The Central Financial Work Conference explicitly set forth the strategic objective of "cultivating world-class investment banks and investment institutions". In 2024, the State Council issued a guideline on strengthening regulation, forestalling risks and promoting the high-quality development of the capital market, proposing to "support leading institutions in enhancing core competitiveness through M&A, restructuring, and organizational innovation". China Securities Regulatory Commission (the "CSRC") has clearly stated its support for leading institutions to strengthen resource integration and accelerate the development of world-class investment banks and investment institutions.

The 15th Five-Year Plan period is a critical stage for advancing Chinese modernization and accelerating the building of a financial power, as well as a strategic window of opportunity for comprehensively deepening capital market reforms and expediting the creation of world-class investment banks and investment institutions. Under the decision-making arrangements of the CPC Central Committee and the State Council and the guidance of regulatory policies, it is a responsibility of the times and a historic mission for leading institutions in the securities industry to proactively strengthen resource integration through M&A and restructuring, comprehensively enhance core competitiveness and integrated financial service capabilities, and accelerate the development of world-class investment banks, which is of great significance for promoting the high-quality development of the securities industry and the capital market.

(II) Purposes of the Transaction

1. Accelerating the Creation of a First-Class Investment Bank through Mergers and Acquisitions

Optimizing industry resource allocation through integration and strengthening the capabilities of leading institutions are key trends driving China's securities industry toward high-quality development and enhancing its global discourse power and influence in capital markets. Over the past three decades, CICC has cultivated core strengths in professional expertise, client base, brand reputation, and international talent, providing a solid foundation for its high-quality growth. Meanwhile, to further maximize its overall effectiveness in these areas and enhance its comprehensive financial services and risk resilience, CICC urgently needs to strengthen its capital base to support its development as a first-class investment bank.

Through the Proposed Mergers, the Post-Merger Company will strengthen its resource integration capabilities, unlock economies of scale, expand customer reach, optimize regional footprint, enhance resource synergies, and will enable more effective capital allocation to drive key strategic initiatives and business growth, boosting industry competitiveness and market leadership while accelerating progress toward its strategic objective of becoming a first-class investment bank with international competitiveness.

2. Significantly Strengthening Support for National Strategies and the Real Economy

The Proposed Mergers will unlock synergies across investment banking, investment, research, wealth management, and cross-border finance, supported by robust networks, client bases, and capital resources, achieving complementary advantages and efficient allocation. This will allow the Post-Merger Company to deliver comprehensive, high-quality financial services to a broader range of clients and play a greater role in advancing national strategies and real economy.

First, Enhancing Capital Capacity to Fuel Technological Innovation and High-Standard Opening-Up. CICC possesses industry-leading expertise in investment banking, private equity, and research. With enhanced capital strength, the Post-Merger Company will further improve its ability in value discovery, resources allocation and risk pricing in technology-driven sectors. It will invest more in technology-focused funds and equity investments, mobilizing innovation capital and fostering patient capital to drive new productive forces and support high-quality technological self-reliance. At the same time, building on its comprehensive service capabilities across both onshore and offshore capital markets as well as its strengths in internationalized businesses, the Post-Merger Company will be able to enhance its capital support capacity in supporting PRC enterprises' "going global" initiatives and cross-border investment, financing and transactional services, increase the inflow of overseas long-term capital, and better contribute to strengthening the domestic circulation and facilitating the domestic and international dual circulation.

Second, Expanding Regional Coverage and Customer Reach to Deepen Real Economy Support. Dongxing Securities and Cinda Securities have strong operational foundations across multiple key regions and are highly complementary to CICC's network presence. Following the Proposed Mergers, CICC ranks among the leading companies in terms of the number of operating outlets, with significantly strengthened presence in Beijing, Fujian, Liaoning, Guangdong, Zhejiang, Jiangsu and other strategic regions, and the number of retail clients and investment advisors will significantly increase, laying a solid foundation for enhancing real economy service efficiency. By expanding regional coverage and diversifying customer segments, the Post-Merger Company will extend its professional investment management, equity and bond financing, mergers and acquisitions, and other investment and investment banking capabilities and product portfolio to a broader customer base. This enables the Post-Merger Company to achieve greater impact in supporting modern industrial system development and promoting balanced regional growth. Through integrating advanced buy-side advisory capabilities, asset allocation frameworks and digital capabilities with specialized and diversified product offerings, the Post-Merger Company will deliver premium wealth management services to a broader customer base, allowing it to leverage on its one-stop

service advantages across transactions, financing and products, enhancing customers' overall operating performance, tapping the growth potential of its margin financing and securities lending business, achieving quality improvement and volume growth in its retail brokerage business, and elevating its capacity for inclusive financial services.

Third, Leveraging Financial Asset Management to Defuse Financial Risks. The Post-Merger Company will capitalize on the resource linkage provided by the asset management companies as its key shareholders, comprehensively deploying professional expertise, industry resources, and capital market tools to leverage the differentiated advantages in distressed asset management and special opportunity investment, deepen collaborative development of capital markets and distressed asset businesses. This will enable comprehensive professional capability in asset revitalization, debt restructuring, fund management, and securitization innovation, effectively supporting the prevention of financial risks and safeguarding financial stability.

3. Enhancing Operational Resilience and Long-Term Shareholder Value

The Proposed Mergers will allow the Post-Merger Company to integrate financial resources, streamline operations, enhance operational capabilities, transform its scale advantages into the driving force for high-quality development, enhancing quality and improving efficiency in revenue structure, capital allocation, and profitability.

First, Enhancement of Operational Resilience. The business portfolios of CICC, Dongxing Securities and Cinda Securities are highly complementary. In terms of revenue structure, in 2025, the audited net fee and commission income ratios of CICC, Dongxing Securities, and Cinda Securities were 53.28%, 35.66% and 44.24%, respectively, while the wealth management (or securities and futures brokerage) income ratios of CICC, Dongxing Securities and Cinda Securities were 33.32%, 41.60% and 46.00%, respectively. Overall, CICC maintains a balanced mix of light and heavy capital income, and its institutional business are strong. By combining resources, the Post-Merger Company recorded a significant growth in key metrics such as capital-based scale, number of business locations, number of retail clients, and number of investment advisors, which will further strengthen and expand capital-based and retail businesses, better respond to market volatility and meeting client needs, and better leverage the role of wealth management as "stabilizer", thereby facilitating improvement in stability in the overall operating results.

Second, Improvement of Capital Efficiency. CICC demonstrates strong capital efficiency, maintaining a consistently high financial leverage ratio within the industry. Based on the audited financial information as of the end of 2025, the operational leverage ratios[1] of CICC, Dongxing Securities, and Cinda Securities were 5.35x, 2.81x and 3.60x, respectively. Integrating capital resources of the relevant parties will allow the Post-Merger Company to expand its business scope and improve capital utilization efficiency through prudent balance sheet growth, and in the meantime, to also leverage professional expertise and innovation to

[1] Operating leverage ratio = (total assets – accounts payable to brokerage clients and to underwriting clients)/total equity attributable to shareholders of the parent company.

extend capital allocation to other business scopes, offering clients richer and more efficient financial tools for investment and risk management, enhance service capabilities while maintaining risk control, and achieve more competitive capital returns.

Third, Boosting Long-Term Value Returns. The Post-Merger Company will boost per capita net assets scale and capitalize on synergies in regional market penetration, professional services, and capital deployment. This will drive incremental business growth for the three companies beyond their current operations and unlock revenue growth potential. Meanwhile, enhanced resource integration and technology investment will enable the Post-Merger Company to optimize its cost structure and reduce operating expense ratio. This optimization of the overall profitability will in turn create better long-term value to shareholders.

IV. PURPOSE OF THE REPORT

The purpose of this report is to provide the CICC Board with a reference to analyse whether the pricing of the Transaction is fair and reasonable as well as whether there are circumstances that are detrimental to the interests of CICC and its shareholders. This report does not constitute any advice, recommendation or compensation to any third party.

V. BENCHMARK DATE OF THE REPORT

The benchmark date of this report, which is consistent with the date of pricing for the Proposed Mergers, is the date of announcement of the first board resolution of CICC, Dongxing Securities and Cinda Securities in respect of the Proposed Mergers, i.e. December 18, 2025. The market price data quoted in this report is as of November 19, 2025 (the trading day prior to the suspension of trading in shares of CICC, Dongxing Securities and Cinda Securities due to the Proposed Mergers).

CHAPTER 2 ASSUMPTIONS IN THE REPORT

I. GENERAL ASSUMPTIONS

(I) Open market assumption

Pursuant to the open market assumption, the parties to an asset traded in the market, or proposed to be traded in the market, are on an equal footing with each other, and the parties to the transaction of the asset have the access to and time to obtain sufficient market information from each other to enable them to make rational judgments as to the function and use of the asset, and the price at which it will be traded. The open market assumption is based on the fact that assets can be bought and sold openly in the market.

(II) Going concern assumption

According to the going concern assumption, on the premise of continuous and normal production and operation activities of the enterprise, the enterprise will continue to operate in the foreseeable future at the current scale and status, and will not cease business or cut down its business on a large scale.

II. SPECIAL ASSUMPTIONS

(I) For this report, it is assumed that the external economic environment remains unchanged as at the benchmark date of the report and that there are no significant changes in the country's prevailing macroeconomy.

(II) There have been no significant changes in the socio-economic environment in which the enterprise operates and in the policies implemented with respect to taxes and tax rates.

(III) The management is diligent, and the relevant company continues to operate as a going concern under the existing business management model in the future operating period.

(IV) There are no other force majeure factors or unforeseeable factors that may give rise to material adverse impacts on the enterprise.

(V) It is assumed that the relevant basic, financial and public information is true, accurate and complete.

Once the above conditions change, the analysis in this report is generally invalidated.

CHAPTER 3 VALUATION APPROACHES AND METHODOLOGY SELECTION

From the perspective of practical operation of M&A transactions, the rationality of transaction price can be analysed by market approach and income approach. The market approach mainly includes comparable company approach and comparable transaction approach. The income approach is mainly the discounted cash flow approach.

Under the comparable company approach, the valuation multiples (such as price-to-earnings ratio multiples, price-to-book ratio multiples, price-to-sales ratio multiples, etc.) of comparable listed companies are selected as references according to the characteristics of the relevant company, and the core idea is to analyse the pricing and determine the value of the business by utilising the relevant indexes and valuation multiples in the secondary market.

Under the comparable transaction approach, cases of transactions that occurred in a suitable period prior to the valuation and that share similar attributes with the relevant company will be selected to obtain useful financial or non-financial data from them based on the pricing basis of the investment and financing or M&A transaction, then analysis will be made to get the value of the business.

The discounted cash flow approach refers to a valuation approach that is based on the following principle: the value of an investment or a business equals to the total current value of its projected cash flow in the future. It requires a forecast for expected earnings, cash flow, etc., and selection of a reasonable discount rate so that free cash flows will be discounted, by which the enterprise value will be arrived.

The advantages, disadvantages, and applicability of the above three methods are listed below:

The advantage of the comparable company approach is that it is based on the efficient market assumption, i.e., the assumption that the transaction price reflects all the available information, including trends, business risks, and speed of development, and that the relevant parameters are easy to obtain. The disadvantages are that it is difficult to accurately adjust for differences in the operations and finances of comparable companies, and it is difficult to take into account intra-industry mergers and acquisitions, regulation, and other factors.

The advantage of the comparable transaction approach is that it is based on the price of actual transactions and the valuation level is certain and easy to obtain. The disadvantage is that no two transactions in the market are identical in terms of risk and growth of the underlying companies, mainly due to the following factors: (1) the subject companies have different business scales, qualities and composition; (2) the equity ratios of the transactions are different; (3) the subject companies have different degrees of their own development; and (4) There are differences in expectations for the development of the subject companies and high uncertainty as to how to adjust the historical transaction price to arrive at the current value for the relevant company.

The discounted cash flow approach has the advantage of examining the business from a holistic perspective and is a more theoretically sound method. It is less affected by short-term changes in the market and non-economic factors. It is possible to incorporate post-merger business strategies and synergies into the model. It can deal with the most complex situations. The disadvantages are that there are more variables and

assumptions in the financial model; the valuation is based mainly on future assumptions and is more sensitive and volatile, which may affect the accuracy of the forecasts; and it is difficult to obtain a very sound basis for the values of specific parameters.

In the Proposed Mergers, the parties to the Proposed Mergers are listed companies. Prior to the completion of the merger, detailed financial information and projections of future earnings and cash flows could not be provided due to listing regulation and commercial confidentiality restrictions. Moreover, the announcement of future earnings and cash flow forecasts may cause stock price volatility and increase the uncertainty of the success of the Proposed Mergers. Therefore, no earnings and cash flow forecasts have been made for the Proposed Mergers. Due to the lack of relevant reliable financial forecast data, it is not suitable to adopt the discounted cash flow approach for valuation analysis in the Transaction.

In addition, the Proposed Mergers are open market mergers, the parties to the Proposed Mergers are listed companies, there is a mature value assessment system in the capital market, and there are comparable cases in the market in the form of transaction, therefore, the comparable company approach and the comparable transaction approach were adopted to analyse the reasonableness of the price of the Transaction.

CHAPTER 4 ANALYSIS ON THE REASONABLENESS OF THE EXCHANGE PRICES OF THE PARTIES TO THE PROPOSED MERGERS

I. SELECTION OF MARKET REFERENCE PRICE

In the Proposed Mergers, the exchange prices for CICC A Shares, Dongxing A Shares and Cinda A Shares were priced on the basis of the average trading price of the shares in the 20 trading days prior to the respective date of pricing.

(I) The use of the average trading price in the 20 trading days prior to the date of pricing of the Proposed Mergers as the pricing basis is in compliance with the provisions of the MAR Measures

1. The provisions of the MAR Measures in relation to the pricing of the shares in the Proposed Mergers by the listed company

According to the MAR Measures, the issue price of shares of a listed company may not be lower than 80% of the market reference price which is the average trading price of the stock of the company in the 20 trading days, 60 trading days, or 120 trading days before the date of announcement of the resolution made by the board of directors on the purchase of assets by offering shares. The formula for calculating the average trading price is as follows: The average trading price of the share of the company for the last certain number of trading days prior to board resolution announcement date = Total trading amount of the shares of the company for the last certain number of trading days prior to board resolution announcement date/Total trading volume of the shares of the company for the last certain number of trading days prior to board resolution announcement date.

The MAR Measures also stipulates that where a listed company is involved in a stock-for-stock merger, the pricing and offering of its shares shall be carried out in accordance with the foregoing provisions.

Accordingly, the exchange prices and the Exchange Ratios for the Proposed Mergers shall be determined in accordance with these provisions of the MAR Measures.

2. The pricing methodology for the Proposed Mergers is in compliance with the relevant requirements of the MAR Measures

The date of pricing for the Proposed Mergers is the date of announcement of the first board resolution of the parties to the Proposed Mergers in respect of the Transaction.

Pursuant to the relevant provisions of the MAR Measures, it has been determined through consultation among the parties to the Proposed Mergers that the exchange price of CICC in the Transaction shall be determined on the basis of the average trading price of the CICC A Shares for the 20 trading days prior to the date of pricing, the exchange price of Dongxing Securities shall be determined on the basis of the average trading price of the Dongxing A Shares for the 20 trading days prior to the date of pricing plus a 26% premium

over such average trading price, the exchange price of Cinda Securities shall be determined on the basis of the average trading price of the Cinda A Shares for the 20 trading days prior to the date of pricing.

Between (and including) the date of pricing for the Proposed Mergers and the date of Share Exchanges, if any of the parties to the Proposed Mergers conducts any ex-right or ex-dividend events (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue), or there exists any event or circumstances for which the exchange price shall be adjusted in accordance with the relevant laws and regulations or requirements of any competent authority, the exchange price and the Exchange Ratios shall be adjusted accordingly; other than the aforementioned circumstances, the exchange price and the Exchange Ratios shall not be adjusted.

The average trading price of CICC A Shares for the 20 trading days prior to the date of pricing for the Proposed Mergers was RMB37.00 per share. On October 31, 2025, the 2025 First Extraordinary General Meeting was convened by CICC, at which the 2025 interim profit distribution plan was considered and approved. It was resolved to distribute a cash dividend of RMB0.9 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares of CICC. The 2025 interim profit distribution plan of CICC was implemented on December 29, 2025. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the exchange price of CICC is accordingly determined to be RMB36.91 per share. On March 30, 2026, the 16th meeting of the third session of the Board was convened by CICC, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB2.30 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares of CICC. As of the date of this report, the 2025 profit distribution plan of CICC remains subject to approval by the shareholders' meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned 2025 profit distribution, the exchange price of CICC is adjusted to RMB36.68 per share.

The average trading price of Dongxing A Shares for the 20 trading days prior to the date of pricing for the Proposed Mergers was RMB12.81 per share. On this basis, a premium of 26% is applied, and the exchange price of Dongxing Securities is set at RMB16.14 per share. On March 30, 2026, the 12th meeting of the sixth session of the board was convened by Dongxing Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.09 per share (tax inclusive) to all shareholders, based on the then existing total share capital of 3,232,445,520 shares of Dongxing Securities. As of the date of this report, the 2025 profit distribution plan of Dongxing Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the exchange price of Dongxing Securities is adjusted to RMB16.05 per share.

The average trading price of the Cinda A Shares for the 20 trading days prior to the date of pricing for the Proposed Mergers was RMB19.15 per share, and the exchange price of Cinda Securities shall be determined accordingly as RMB19.15 per share. On March 30, 2026, the 20th meeting of the sixth session of the board was convened by Cinda Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.40 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 3,243,000,000 shares of Cinda Securities. As of the date of this report, the 2025 profit distribution plan of Cinda Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the exchange price of Cinda Securities is adjusted to RMB19.11 per share.

The formula for calculating the average trading price of the A Shares of CICC, Dongxing Securities and Cinda Securities for the 20 trading days prior to the date of pricing is as follows: The average trading price = Total trading amount of the shares of the company for the 20 trading days prior to the announcement date of the resolutions passed/Total trading volume of the shares of the company for the 20 trading days prior to the announcement date of the resolutions passed.

The average trading price for the 20 trading days prior to the date of pricing has been adopted as the market reference price for the Proposed Mergers, which reflects the requirement under the MAR Measures in relation to pricing methodology, while the formula for calculating the average trading price is in compliance with the requirements of the MAR Measures. Accordingly, the pricing for the Proposed Mergers is in compliance with the requirements of the MAR Measures.

(II) Taking the average trading price for the 20 trading days prior to the date of pricing for the Proposed Mergers as the pricing basis facilitates the reflection of the most recent market conditions and protects the interests of shareholders from the parties to the Proposed Mergers.

Pursuant to the MAR Measures, the market reference price shall be one of the average trading prices of the companies' shares over the twenty, sixty, or one hundred and twenty trading days prior to the announcement date of the board resolution on the share issuance for asset purchase. The shares of CICC, Dongxing Securities, and Cinda Securities were suspended from trading at the opening of the market on November 20, 2025 due to the planning of a major asset restructuring. The average trading prices of A shares for the 20, 60, and 120 trading days prior to the date of pricing are as follows:

Items	Average trading price for 20 trading days prior to the date of pricing	Average trading price for 60 trading days prior to the date of pricing	Average trading price for 120 trading days prior to the date of pricing
Average price of CICC A Shares (RMB/share)	37.00	37.42	36.76
Average price of Dongxing A Shares (RMB/share)	12.81	12.28	11.76
Average price of Cinda A Shares (RMB/share)	19.15	19.40	18.09

Note: The average trading prices in the table above have taken into account the impact of the 2024 annual profit distribution of CICC, the 2024 annual profit distribution and 2025 interim profit distribution of Dongxing Securities, and the 2024 annual profit distribution and 2025 interim profit distribution of Cinda Securities.

The differences among these three alternative market reference prices are minor. The average price for the 20 trading days prior to the date of pricing most accurately reflects the current state of industry development prior to the date of pricing and the market's immediate expectations for the parties. Therefore, it can better reflect the interests of the shareholders of the parties to the Proposed Mergers and protect the benefits of such shareholders.

(III) Adopting the average trading price for the 20 trading days prior to the date of pricing for the Proposed Mergers as the pricing basis is consistent with market practice

Since 2014, the pricing basis for completed transactions in which A-share listed companies merge with other A-share listed companies by absorption and share exchange is presented in the table below:

No.	Transaction type	Transaction name	Basis for the pricing of the exchange price of A shares as agreed by the parties to the mergers
1	A+H-share listed company merging A+H-share listed company by absorption	Guotai Junan Securities merged Haitong Securities by absorption	The average A-share trading price for the 60 trading days prior to the date of pricing

No.	Transaction type	Transaction name	Basis for the pricing of the exchange price of A shares as agreed by the parties to the mergers
2	A-share listed company merging A-share listed company by absorption	China CSSC Holdings Limited merged China Shipbuilding Industry Company Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing
3	A-share listed company merging A-share listed company by absorption	AVIC Avionics merged AVIC Electromechanical by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing
4	A-share listed company merging A-share listed company by absorption	Wangfujing merged Beijing Capital Retailing by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing
5	A+H-share listed company merging A-share listed company by absorption	Dalian Port merged Yingkou Port by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing
6	A-share listed company merging A+B-share listed company by absorption	Midea Group merged LittleSwan by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing
7	A-share listed company merging A-share listed company by absorption	Baosteel merged Wuhan Iron and Steel Company Limited by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing
8	A-share listed company merging A-share listed company by absorption	GreatWall Computer merged GreatWall Information by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing
9	A+H-share listed company merging A+H-share listed company by absorption	CSR Corporation merged China CNR Corporation by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing
10	A-share listed company merging A-share listed company by absorption	BesTV merged Oriental Pearl Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing

Note: Since the Administrative Measures for Material Asset Restructuring of Listed Companies (Revised 2014) has adjusted the market reference price from the average trading price of a company's shares for the 20 trading days prior to the date of announcement of the first board resolution to one of the average

trading prices of a company's shares for the 20, 60, or 120 trading days prior to the date of announcement of the first board resolution, the comparable transaction cases cited above are limited to transactions involving A-share listed companies merging with other A-share listed companies by absorption and share exchange from 2014 onward.

Source: Announcements of the listed companies and Wind.

It can be seen from the table above, since 2014, most transactions involving A-share listed companies merging with other A-share listed companies by absorption and share exchange have used the average trading price of shares for the 20 trading days prior to the date of pricing as the pricing basis for exchange price. The pricing basis for the Transaction is consistent with that of the majority of comparable transactions and is in line with market practice.

In summary, the adoption of the average trading price of A shares of the parties to Transaction for the 20 trading days prior to the date of pricing for the Proposed Mergers as the pricing basis for the Transaction complies with the requirements of relevant laws, regulations, and normative documents. It reflects the most recent share price levels of CICC, Dongxing Securities, and Cinda Securities prior to the date of pricing for the Proposed Mergers. Furthermore, it aligns with the operational practices in comparable market transactions and is therefore reasonable.

II. COMPARABLE COMPANIES VALUATION METHOD

(I) Selection of value ratio

The value ratio is a "ratio multiplier" of asset value to its operating profitability indicator, asset value or other specific non-financial indicators. The value ratios commonly used include: price-to-earnings (P/E) ratio, price-to-book (P/B) ratio and price-to-sales (P/S) ratio, etc. The parties to the Proposed Mergers are listed securities companies. As being capital intensive is a characteristic of securities companies, net capital and net assets are the core indicators in measuring the operating capacity of the securities company, and P/B ratio is the mainstream indicator in measuring the performance of a securities company.

By searching completed control acquisition cases of securities companies in the last 10 years with publicly disclosed information, the majority of transactions adopted the results based on the market approach as the final conclusion of the assessment or valuation, while P/B ratio has been applied predominantly as the core value ratio for comparable transactions under the market approach, with details as follows:

No.	Acquiring party/merging party	Target assets/merged party	Benchmark date of assessment or valuation	The assessment or valuation approach adopted for which the conclusion based on	Value ratio adopted under the market approach
1	Guosen Securities Co., Ltd.	96.08% of equity interests in Wanhe Securities	2024-11-30	Asset-based approach	–

No.	Acquiring party/merging party	Target assets/merged party	Benchmark date of assessment or valuation	The assessment or valuation approach adopted for which the conclusion based on	Value ratio adopted under the market approach
2	Guotai Junan Securities Co., Ltd.	100% of equity interests in Haitong Securities	2024-10-10	Market approach	P/B ratio
3	Guolian Securities Co., Ltd.	99.26% of equity interests in Minsheng Securities	2024-03-31	Market approach	P/B ratio
4	Western Securities Co., Ltd.	64.60% of equity interests in Guorong Securities	2023-12-31	Market approach	Not disclosed
5	Beijing Compass Technology Development Co., Ltd.	100% of equity interests in Wangxin Securities	2021-12-31	Market approach	P/B ratio
6	Harbin High-tech (Group) Limited Company	99.73% of equity interests in Xiangcai Securities	2019-10-31	Market approach	P/B ratio
7	Shanghai Zhixin Electric Co., Ltd.	96.67% of equity interests in Yingda Securities	2019-03-31	Market approach	P/B ratio
8	CITIC Securities Co., Ltd.	100% of equity interests in Guangzhou Securities	2018-11-30	Market approach	P/B ratio
9	Shanghai Chinafortune Co., Ltd.	92% of equity interests in China Fortune Securities	2016-08-31	Market approach	P/B ratio

Source: Announcements of the listed companies and Wind.

P/B ratio has been adopted in this report as the indicator of value ratio under the comparable companies valuation approach accordingly.

(II) Analysis of valuations of comparable companies in terms of exchange prices for the Proposed Mergers

CICC, Dongxing Securities and Cinda Securities are listed securities companies and fall within the "J67 (capital market services)" under the National Economic Industrial Classification (《國民經濟行業分類》). To ensure sufficient conditions for reference, comparable companies have been selected on the following criteria:

1. Comparable companies have been selected from the "J67 (capital market services)", and companies not principally engaged in securities business have been excluded;

2. Comparable companies exclude CICC, Dongxing Securities and Cinda Securities.

P/B ratio of the comparable A share listed companies selected based on these criteria for the trading day prior to the date of pricing for the Proposed Mergers (i.e. November 19, 2025) is as follows:

No.	Stock code	Short name of stock	Closing price of A shares for the trading day prior to the date of pricing for the Proposed Mergers (RMB/share)	P/B ratio based on net assets per share as at the end of September 2025 (times)	P/B ratio based on net assets per share as at the end of 2024 (times)
1	000166.SZ	Shenwan Hongyuan	5.32	1.20	1.27
2	000686.SZ	Northeast Securities	10.43	1.22	1.28
3	000712.SZ	Golden Dragon Share	13.85	4.89	5.17
4	000728.SZ	Guoyuan Securities	8.42	0.98	0.99
5	000750.SZ	Sealand Securities	4.36	1.23	1.26
6	000776.SZ	GF Securities	22.76	1.36	1.43
7	000783.SZ	Changjiang Securities	8.65	1.34	1.38
8	002500.SZ	Shanxi Securities	6.24	1.22	1.25
9	002670.SZ	Guosheng Securities	17.85	3.06	3.10
10	002673.SZ	Western Securities	8.27	1.25	1.28
11	002736.SZ	Guosen Securities	13.54	1.43	1.47
12	002797.SZ	First Capital	6.97	1.72	1.80
13	002926.SZ	Huaxi Securities	10.03	1.08	1.12
14	002939.SZ	Great Wall Securities	10.33	1.32	1.39
15	002945.SZ	Chinalin Securities	15.24	5.72	6.18
16	300059.SZ	East Money	24.33	4.33	4.76
17	600030.SH	CITIC Securities	28.30	1.50	1.60
18	600061.SH	SDIC Capital	7.57	0.90	0.94
19	600095.SH	Xiangcai	11.69	2.73	2.83
20	600109.SH	Sinolink Securities	9.41	1.00	1.04
21	600155.SH	Polaris Bay	7.65	0.85	0.86
22	600369.SH	Southwest Securities	4.62	1.18	1.19
23	600621.SH	China Fortune	15.82	1.87	1.99
24	600906.SH	Caida Securities	7.12	1.88	1.93
25	600909.SH	Huaan Securities	6.75	1.35	1.43
26	600918.SH	Zhongtai Securities	6.77	1.22	1.25
27	600958.SH	Orient Securities	10.63	1.14	1.18
28	600999.SH	China Merchants Securities	16.76	1.24	1.27
29	601066.SH	China Securities	25.07	2.38	2.54
30	601099.SH	Pacific Securities	4.26	2.92	2.99
31	601108.SH	Caitong Securities	8.37	1.05	1.08
32	601136.SH	Capital Securities	19.95	3.97	4.12
33	601162.SH	Tianfeng Securities	4.99	1.84	1.85
34	601211.SH	Guotai Haitong	19.66	1.10	1.12
35	601236.SH	Hongta Securities	8.64	1.65	1.67
36	601375.SH	Centaline Securities	4.43	1.44	1.46
37	601377.SH	Industrial Securities	6.81	1.05	1.07
38	601456.SH	Guolian Minsheng	10.42	1.14	1.59

No.	Stock code	Short name of stock	Closing price of A shares for the trading day prior to the date of pricing for the Proposed Mergers (RMB/share)	P/B ratio based on net assets per share as at the end of September 2025 (times)	P/B ratio based on net assets per share as at the end of 2024 (times)
39	601555.SH	Soochow Securities	9.29	1.09	1.11
40	601688.SH	Huatai Securities	22.16	1.16	1.22
41	601696.SH	BOCI Securities	13.21	1.96	2.04
42	601788.SH	Everbright Securities	18.17	1.40	1.42
43	601878.SH	Zheshang Securities	11.26	1.41	1.46
44	601881.SH	China Galaxy	16.52	1.54	1.63
45	601901.SH	Founder Securities	8.08	1.32	1.38
46	601990.SH	Nanjing Securities	8.44	1.74	1.74
Maximum				5.72	6.18
Average				1.75	1.83
Median				1.35	1.43
Minimum				0.85	0.86
CICC (measured on the average trading price for the 20 trading days prior to the date of pricing)				1.83	1.93
Dongxing Securities (measured on the average trading price for the 20 trading days prior to the date of pricing)				1.40	1.46
Cinda Securities (measured on the average trading price for the 20 trading days prior to the date of pricing)				3.05	3.22
CICC (measured on the exchange price)				1.81	1.92
Dongxing Securities (measured on the exchange price)				1.75	1.83
Cinda Securities (measured on the exchange price)				3.04	3.21

Note 1: Net asset value per share is calculated using financial data as at the end of the most recent full financial year and the most recent period (i.e., the end of 2024 and the end of September 2025) prior to the date of pricing for the Transaction; Net asset value per share attributable to ordinary shareholders of the parent company = (total equity attributable to shareholders of the parent company as at the end of the current period - other equity instruments as at the end of the current period)/number of ordinary shares outstanding as at the end of the current period;

Note 2: P/B ratio = A share closing price for the trading day prior to the date of pricing for the Proposed Mergers/Net asset value per share attributable to ordinary shareholders of the parent company at the end of the period. For CICC, Dongxing Securities, and Cinda Securities, the closing price of A shares on November 19, 2025 is replaced with the average price of A shares for the 20 trading days prior to the date of pricing for the Transaction and the exchange price of A shares (adjusted for ex-rights and ex-dividend) to calculate the P/B ratio.

Source: Regular reports of the listed companies and Wind.

The average price of CICC A Shares for the 20 trading days prior to the date of pricing was RMB37.00 per share. Taking into account the adjustment for ex-rights and ex-dividend resulting from the 2025 interim profit distribution and the 2025 annual profit distribution of CICC, the exchange

price of CICC is RMB36.68 per share, corresponding to P/B ratios of 1.92 times and 1.81 times (calculated based on financial data as at the end of 2024 and the end of September 2025, respectively), which are slightly higher than the average of valuation indicators of comparable companies. The P/B ratios corresponding to the exchange price of CICC show a minor difference from the average of valuation indicators of comparable companies, fall within the valuation range of comparable companies, and are therefore reasonable.

The average price of Dongxing A Shares for the 20 trading days prior to the date of pricing was RMB12.81 per share, corresponding to P/B ratios of 1.46 times and 1.40 times (calculated based on financial data as at the end of 2024 and the end of September 2025, respectively), which are lower than the average but slightly higher than the median of valuation indicators of comparable companies. Given the relatively low valuation level of Dongxing Securities in the secondary market, the exchange price for Dongxing Securities in the Transaction is set at a 26% premium over the market reference price, and after taking into account the adjustment for ex-rights and ex-dividend resulting from the 2025 annual profit distribution of Dongxing Securities, a final exchange price of RMB16.05 per share was determined, corresponding to P/B ratios of 1.83 times and 1.75 times (calculated based on financial data as at the end of 2024 and the end of September 2025, respectively), which are close to the average of valuation indicators of comparable companies, fall within the valuation range of comparable companies, and are therefore reasonable.

The average price of Cinda A Shares for the 20 trading days prior to the date of pricing was RMB19.15 per share. Taking into account the adjustment for ex-rights and ex-dividend resulting from the 2025 annual profit distribution of Cinda Securities, the exchange price for Cinda Securities is RMB19.11 per share, corresponding to P/B ratios of 3.21 times and 3.04 times (calculated based on financial data as at the end of 2024 and the end of September 2025, respectively). Although the ratios are higher than the average of the valuation indicators of comparable companies, they fall within the valuation range of comparable companies and are therefore reasonable.

The exchange prices for the Proposed Mergers are determined based on the average trading prices of the parties to the Proposed Mergers in the secondary market, taking into account factors such as the business characteristics and profitability of each party, and the development prospects arising from the synergy effect after the merger, and through negotiation among the parties to the Proposed Mergers. It reasonably reflects the synergistic value and development potential upon the merger, thus being fair.

III. COMPARABLE TRANSACTIONS VALUATION METHOD

(I) Analysis of the exchange price for the merging party using the comparable transactions method

The transactions of A-share listed companies merging with other A-share listed companies by absorption, which have been announced and completed since the promulgation of the MAR Measures in April 2008 or are in progress, have been selected as comparable transactions. For each comparable transaction, the premium or discount of the exchange price for A shares of the merging party to the market reference price is analysed. The details are presented in the table below:

No.	Transaction type	Transaction name	Market reference price	Premium of the exchange price for A shares of the merging party to the market reference price
1	A-share listed company merging A-share listed company by absorption	Xiangcai merged Shanghai DZH Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%
2	A+H-share listed company merging A+H-share listed company by absorption	Guotai Junan Securities merged Haitong Securities by absorption	The average A-share trading price for the 60 trading days prior to the date of pricing	0.00%
3	A-share listed company merging A-share listed company by absorption	China CSSC Holdings Limited merged China Shipbuilding Industry Company Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%
4	A-share listed company merging A-share listed company by absorption	AVIC Avionics merged AVIC Electromechanical by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%
5	A-share listed company merging A-share listed company by absorption	Wangfujing merged Beijing Capital Retailing by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
6	A+H-share listed company merging A-share listed company by absorption	Dalian Port merged Yingkou Port by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
7	A-share listed company merging A+B-share listed company by absorption	Midea Group merged LittleSwan by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
8	A-share listed company merging A-share listed company by absorption	Baosteel merged Wuhan Iron and Steel Company Limited by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	-10.00%
9	A-share listed company merging A-share listed company by absorption	GreatWall Computer merged GreatWall Information by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	-10.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the exchange price for A shares of the merging party to the market reference price
10	A+H-share listed company merging A+H-share listed company by absorption	CSR Corporation merged China CNR Corporation by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
11	A-share listed company merging A-share listed company by absorption	BesTV merged Oriental Pearl Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
12	A-share listed company merging A-share listed company by absorption	China Meheco Group merged Topfond by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
13	A+H-share listed company merging A-share listed company by absorption	Guangzhou Pharmaceutical merged Baiyunshan by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
14	A-share listed company merging A-share listed company by absorption	Jigang Group merged Laigang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
15	A+B-share listed company merging A-share listed company by absorption	Friendship merged Bailian Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
16	A-share listed company merging A-share listed company by absorption	Qinghai Salt Lake Potash Co., Ltd. merged Salt Lake Industrial Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	42.36%
17	A-share listed company merging A-share listed companies by absorption	Shanghai Pharmaceuticals Holding merged Zhongxi Pharmaceutical and Shanghai Industrial Pharmaceutical Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
18	A+H-share listed company merging A-share listed company by absorption	China Eastern Airlines merged Shanghai Airlines by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the exchange price for A shares of the merging party to the market reference price
19	A-share listed company merging A-share listed company by absorption	Xinhu Zhongbao merged Xinhu Venture Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
20	A-share listed company merging A-share listed companies by absorption	Tangshan Iron and Steel Co., Ltd. merged Handan Iron and Steel Co., Ltd. and Chengde Xinxin Vanadium and Titanium Co., Ltd. by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
21	A-share listed company merging A-share listed companies by absorption	Panzhihua New Steel and Vanadium Co., Ltd. merged Chongqing Titanium Industry Co., Ltd. of Pangang Group and Sichuan Changcheng Special Steel Co., Ltd. of Pangang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
Maximum				42.36%
Average				1.06%
Median				0.00%
Minimum				-10.00%
The Proposed Mergers (CICC)				0.00%

Note 1: In case of ex-rights and ex-dividend matters, the market reference price is obtained after ex-rights and ex-dividend adjustments on the basis of the average trading price;

Note 2: Premium of the exchange price for A share of the merging party to the market reference price = (the exchange price for A share of the merging party – market reference price)/market reference price.

Source: Announcements of the listed companies and Wind.

Among the 21 transactions of A-share listed companies merging with other A-share listed companies by absorption shown in the table above, the premium rate of the exchange price for A shares of the merging party to the market reference price ranged from -10.00% to 42.36%.

In the Transaction, the average price of CICC A Shares for the 20 trading days prior to the date of pricing was RMB37.00 per share. Taking into account the adjustment for ex-rights and ex-dividend resulting from the 2025 interim profit distribution and 2025 annual profit distribution of CICC, the exchange price of CICC is set at RMB36.68 per share, representing a premium rate of 0%

to the market reference price upon adjustment for ex-rights and ex-dividend. The premium rate of the exchange price of CICC falls within the reasonable range of the corresponding premium rates of comparable transactions, and is consistent with market practice, and reasonable.

(II) Analysis of the exchange price for the merged parties using the comparable transactions method

The transactions of A-share and H-share listed companies merging with other A-share listed companies by absorption, which have been announced and completed since the promulgation of the MAR Measures in April 2008 or are in progress, have been selected as comparable transactions. For each comparable transaction, the premium or discount of the exchange price for A shares of the merged party to the market reference price is analysed. The details are presented in the table below:

No.	Transaction type	Transaction name	Market reference price	Premium of the exchange price for A shares of the merged party to the market reference price
1	A-share listed company merging A-share listed company by absorption	Xiangcai merged Shanghai DZH Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%
2	A+H-share listed company merging A+H-share listed company by absorption	Guotai Junan Securities merged Haitong Securities by absorption	The average A-share trading price for the 60 trading days prior to the date of pricing	0.00%
3	A-share listed company merging A-share listed company by absorption	China CSSC Holdings Limited merged China Shipbuilding Industry Company Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%
4	A-share listed company merging A-share listed company by absorption	AVIC Avionics merged AVIC Electromechanical by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%
5	A-share listed company merging A-share listed company by absorption	Wangfujing merged Beijing Capital Retailing by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	20.00%
6	A+H-share listed company merging A-share listed company by absorption	Dalian Port merged Yingkou Port by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	20.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the exchange price for A shares of the merged party to the market reference price
7	A-share listed company merging A+B-share listed company by absorption	Midea Group merged LittleSwan by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	10.00%
8	A-share listed company merging A-share listed company by absorption	Baosteel merged Wuhan Iron and Steel Company Limited by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	-10.00%
9	A-share listed company merging A-share listed company by absorption	GreatWall Computer merged GreatWall Information by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	-10.00%
10	A+H-share listed company merging A+H-share listed company by absorption	CSR Corporation merged China CNR Corporation by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	4.56%
11	A-share listed company merging A-share listed company by absorption	BesTV merged Oriental Pearl Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
12	A-share listed company merging A-share listed company by absorption	China Meheco Group merged Topfond by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
13	A+H-share listed company merging A-share listed company by absorption	Guangzhou Pharmaceutical merged Baiyunshan by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
14	A-share listed company merging A-share listed company by absorption	Jigang Group merged Laigang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	16.27%
15	A+B-share listed company merging A-share listed company by absorption	Friendship merged Bailian Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
16	A-share listed company merging A-share listed company by absorption	Qinghai Salt Lake Potash Co., Ltd. merged Salt Lake Industrial Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the exchange price for A shares of the merged party to the market reference price
17	A-share listed company merging A-share listed company by absorption	Shanghai Pharmaceuticals Holding merged Zhongxi Pharmaceutical by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
18	A-share listed company merging A-share listed company by absorption	Shanghai Pharmaceuticals Holding merged Shanghai Industrial Pharmaceutical Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
19	A+H-share listed company merging A-share listed company by absorption	China Eastern Airlines merged Shanghai Airlines by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	25.00%
20	A-share listed company merging A-share listed company by absorption	Xinhu Zhongbao merged Xinhu Venture Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
21	A-share listed company merging A-share listed company by absorption	Tangshan Iron and Steel Co., Ltd. merged Handan Iron and Steel Co., Ltd. by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
22	A-share listed company merging A-share listed company by absorption	Tangshan Iron and Steel Co., Ltd. merged Chengde Xinxin Vanadium and Titanium Co., Ltd. by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
23	A-share listed company merging A-share listed company by absorption	Panzhihua New Steel and Vanadium Co., Ltd. merged Chongqing Titanium Industry Co., Ltd. of Pangang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	20.79%
24	A-share listed company merging A-share listed company by absorption	Panzhihua New Steel and Vanadium Co., Ltd. merged Sichuan Changcheng Special Steel Co., Ltd. of Pangang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	20.79%

No.	Transaction type	Transaction name	Market reference price	Premium of the exchange price for A shares of the merged party to the market reference price
25	H-share listed company merging A-share listed company by absorption	Zhejiang Expressway merged Oceanking Development by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	29.83%
26	H-share listed company merging A-share listed company by absorption	Longyuan Power merged Pingzhuang Energy by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	10.00%
27	H-share listed company merging A-share listed company by absorption	China Energy Engineering merged China Gezhouba Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	45.00%
28	H-share listed company merging A-share listed company by absorption	Sinotrans Limited merged Sinoair by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	22.00%
29	H-share listed company merging A-share listed company by absorption	Guangzhou Automobile Group merged GAC Changfeng by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	15.00%
30	H-share listed company merging A-share listed company by absorption	China Communications Construction merged CRBC International Co., Ltd. by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	23.03%
31	H-share listed company merging A-share listed company by absorption	BBMG merged Taihang Cement by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	7.04%
Maximum				45.00%
Average				8.69%
Median				0.00%
Minimum				-10.00%
The Proposed Mergers (Dongxing Securities)				26.00%
The Proposed Mergers (Cinda Securities)				0.00%

Note 1: In case of ex-rights and ex-dividend matters, the market reference price is obtained after ex-rights and ex-dividend adjustments on the basis of the average trading price;

Note 2: Premium of the exchange price for A shares of the merged party to the market reference price = (the exchange price for A shares of the merged party – market reference price)/market reference price.

Source: Announcements of the listed companies and Wind.

Among the 31 transactions of A-share and H-share listed companies merging with other A-share listed companies by absorption shown in the table above, the premium rate of the exchange price for A shares of the merged party to the market reference price ranged from -10.00% to 45.00%.

In the Transaction, the average price of Dongxing A Shares for the 20 trading days prior to the date of pricing was RMB12.81 per share. Taking into account the adjustment for ex-rights and ex-dividend resulting from the 2025 annual profit distribution of Dongxing Securities, the exchange price of Dongxing Securities is set at RMB16.05 per share, representing a premium rate of 26% to the market reference price upon adjustment for ex-rights and ex-dividend. The premium rate of the exchange price of Dongxing Securities falls within the reasonable range of the corresponding premium rates of comparable transactions, and is consistent with market practice, and reasonable.

In the Transaction, the average price of Cinda A Shares for the 20 trading days prior to the date of pricing was RMB19.15 per share. Taking into account the adjustment for ex-rights and ex-dividend resulting from the 2025 annual profit distribution of Cinda Securities, the exchange price of Cinda Securities is set at RMB19.11 per share, representing a premium rate of 0% to the market reference price upon adjustment for ex-rights and ex-dividend. The premium rate of the exchange price of Cinda Securities falls within the reasonable range of the corresponding premium rates of comparable transactions, and is consistent with market practice, and reasonable.

CHAPTER V ANALYSIS ON THE PRICE REASONABLENESS OF THE MECHANISM FOR PROTECTING THE INTERESTS OF DISSENTING SHAREHOLDERS

I. PRICE OF MECHANISM FOR PROTECTING THE INTERESTS OF DISSENTING SHAREHOLDERS OF THE PARTIES TO THE PROPOSED MERGERS

(I) Price of put option for the dissenting shareholders of the merging party

In order to protect the interests of the shareholders of CICC, Qualified CICC Dissenting Shareholders will be granted a put option in the Proposed Mergers.

The price of put option for the dissenting A shareholders of CICC shall be determined based on the closing price of CICC A Shares on the trading day prior to the date of pricing for the Proposed Mergers; and the price of put option for the dissenting H shareholders of CICC shall be determined based on the closing price of CICC H Shares on the trading day prior to the date of pricing for the Proposed Mergers.

Between (and including) the date of pricing for the Proposed Mergers and the exercise date of the put option, if CICC conducts any ex-right or ex-dividend events (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue), the price of put option shall be adjusted accordingly.

The closing prices of CICC A Shares and CICC H Shares on the trading day immediately preceding the date of pricing of the Proposed Mergers were RMB34.89 per share and HK$18.96 per share, respectively. On October 31, 2025, the 2025 First Extraordinary General Meeting was convened by CICC, at which the 2025 interim profit distribution plan was considered and approved. It was resolved to distribute a cash dividend of RMB0.9 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares. The actual HKD distribution amount was calculated based on the arithmetic average of the central parity rate of RMB to HKD published by the People's Bank of China for the five working days preceding the date of the aforementioned extraordinary general meeting. Consequently, the 2025 Interim Dividend payable to CICC H Shareholders is HK$0.986550 per 10 H Shares (tax inclusive). The 2025 interim profit distribution plan of CICC was implemented on December 29, 2025. Taking into account the adjustment for ex-rights and ex-dividend resulting from the aforementioned 2025 interim profit distribution, the prices of put options for CICC Dissenting A Shareholders and H Shareholders have been adjusted to RMB34.80 per share and HK$18.86 per share, respectively.

On March 30, 2026, the 16th meeting of the third session of the Board was convened by CICC, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB2.30 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 4,827,256,868 shares of CICC. The actual HKD distribution amount was calculated based on the arithmetic average of the central parity rate of RMB to HKD published by the People's Bank of China for the five working days preceding the date of the 2025 Annual General Meeting of CICC. As of the date of this report, the 2025 profit distribution plan of CICC remains subject to approval by the shareholders' meeting before it can be implemented. Taking

into account the adjustment for ex-rights and ex-dividend resulting from the aforementioned 2025 profit distribution, the price of put option for CICC Dissenting A Shareholders have been adjusted to RMB34.57 per share, while the price of put option for CICC Dissenting H Shareholders will be adjusted upon the convening of the shareholders' meeting and the calculation based on the relevant exchange rate.

(II) Price of put option for the dissenting shareholders of the merged party

In order to protect the interests of the shareholders of Dongxing Securities and Cinda Securities, Qualified Dongxing Dissenting Shareholders and Qualified Cinda Dissenting Shareholders will be granted a put option in the Proposed Mergers.

The prices of put option for the Dongxing Dissenting Shareholders and Cinda Dissenting Shareholders shall be determined based on the closing prices of Dongxing A Shares and Cinda A Shares on the trading day prior to the date of pricing for the Proposed Mergers.

Between (and including) the date of pricing for the Proposed Mergers and the exercise date of the put option, if Dongxing Securities or Cinda Securities conducts any ex-right or ex-dividend events (including, but are not limited to, cash dividend, share dividend, capitalization of reserves or rights issue), the prices of put option shall be adjusted accordingly.

The closing price of Dongxing A Shares on the trading day prior to the date of pricing for the Proposed Mergers was RMB13.13 per share. On March 30, 2026, the 12th meeting of the sixth session of the board was convened by Dongxing Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.09 per share (tax inclusive) to all shareholders, based on the then existing total share capital of 3,232,445,520 shares of Dongxing Securities. As of the date of this report, the 2025 profit distribution plan of Dongxing Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the price of put option for the Dongxing Dissenting Shareholders is adjusted to RMB13.04 per share.

The closing price of Cinda A Shares on the trading day prior to the date of pricing for the Proposed Mergers was RMB17.79 per share. On March 30, 2026, the 20th meeting of the sixth session of the board was convened by Cinda Securities, at which the 2025 profit distribution plan was considered and approved. The plan proposed to distribute a cash dividend of RMB0.40 per 10 shares (tax inclusive) to all shareholders, based on the then existing total share capital of 3,243,000,000 shares of Cinda Securities. As of the date of this report, the 2025 profit distribution plan of Cinda Securities remains subject to approval by the shareholders' general meeting before it can be implemented. Taking into account the adjustment for ex-rights and ex-dividend resulting from the implementation of the aforementioned profit distribution, the price of put option for the Cinda Dissenting Shareholders is adjusted to RMB17.75 per share.

II. PRICING ANALYSIS ON PUT OPTIONS FOR THE DISSENTING SHAREHOLDERS OF THE PARTIES TO THE PROPOSED MERGERS

(I) Analysis on the reasonableness of the pricing of the protection mechanism for dissenting shareholders

In order to protect the interests of dissenting shareholders, qualified dissenting shareholders will be granted a put option in the Proposed Mergers. Shareholders who actively participate in the Share Exchanges can enjoy the long-term development benefits of the Post-Merger Company. Not only can the shareholders who are unwilling to participate in the Share Exchanges sell their shares in the secondary market, but they can also exercise their put options to realise their exit, subject to certain conditions.

The current securities regulations do not have mandatory provisions for the pricing of the dissenting shareholders' put options. In the Proposed Mergers, the price of put option for dissenting shareholders of the parties to the Proposed Mergers shall be determined based on the closing price of A shares or H shares on the trading day prior to the date of pricing for the Proposed Mergers, by comprehensively considering the share price performance of the parties to the Proposed Mergers and the overall market trends of the securities industry. The pricing is set at a level slightly below the exchange price. This arrangement is conducive to encouraging shareholders of the parties to the Proposed Mergers to actively participate in the share swap, continue holding shares of the Post-Merger Company, and share the long-term integration dividends of the parties to the Proposed Mergers. It is in line with the concepts of rational investment, value investment and long-term investment.

In the Proposed Mergers, the prices of put options for dissenting A shareholders of the parties to the Proposed Mergers do not include a premium over the closing price of A share on the trading day prior to the date of pricing, and is consistent with comparable transaction practices, and reasonable; the pricing method for the put options for CICC Dissenting H Shareholders is consistent with that for dissenting A shareholders, reflecting the principle of equitable treatment of A-share and H-share shareholders, and is in line with comparable transaction practices, and is reasonable.

In summary, the protection mechanism for dissenting shareholders in the Proposed Mergers not only balances fairness, but also protects the interests of the dissenting shareholders, and the price of put option of dissenting shareholders is reasonable.

(II) Analysis of price of put option for dissenting shareholders of the merging party using the comparable transactions method

1. Put option of CICC Dissenting A Shareholders

The transactions of A-share listed companies merging with other A-share listed companies by absorption, which have been announced and completed since the promulgation of the MAR Measures in April 2008 or are in progress, have been selected as comparable

transactions. For each comparable transaction, the premium or discount of the price of put option of dissenting A shareholders of the merging party to the market reference price is analysed. The details are presented in the table below:

No.	Transaction type	Transaction name	Market reference price	Premium of the price for put option of the dissenting A shareholders of the merging party to the market reference price
1	A-share listed company merging A-share listed company by absorption	Xiangcai merged Shanghai DZH Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%
2	A+H-share listed company merging A+H-share listed company by absorption	Guotai Junan Securities merged Haitong Securities by absorption	The highest price of A-share for the 60 trading days prior to the date of pricing	0.00%
3	A-share listed company merging A-share listed company by absorption	China CSSC Holdings Limited merged China Shipbuilding Industry Company Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	-20.00%
4	A-share listed company merging A-share listed company by absorption	AVIC Avionics merged AVIC Electromechanical by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
5	A-share listed company merging A-share listed company by absorption	Wangfujing merged Beijing Capital Retailing by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
6	A+H-share listed company merging A-share listed company by absorption	Dalian Port merged Yingkou Port by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
7	A-share listed company merging A+B-share listed company by absorption	Midea Group merged LittleSwan by absorption	The closing price of A share for the trading day prior to the date of pricing	-10.00%
8	A-share listed company merging A-share listed company by absorption	Baosteel merged Wuhan Iron and Steel Company Limited by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	-10.00%
9	A-share listed company merging A-share listed company by absorption	GreatWall Computer merged GreatWall Information by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	-10.00%
10	A+H-share listed company merging A+H-share listed company by absorption	CSR Corporation merged China CNR Corporation by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the price for put option of the dissenting A shareholders of the merging party to the market reference price
11	A-share listed company merging A-share listed company by absorption	BesTV merged Oriental Pearl Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
12	A-share listed company merging A-share listed company by absorption	China Meheco Group merged Topfond by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
13	A+H-share listed company merging A-share listed company by absorption	Guangzhou Pharmaceutical merged Baiyunshan by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
14	A-share listed company merging A-share listed company by absorption	Jigang Group merged Laigang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
15	A+B-share listed company merging A-share listed company by absorption	Friendship merged Bailian Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
16	A-share listed company merging A-share listed company by absorption	Qinghai Salt Lake Potash Co., Ltd. merged Salt Lake Industrial Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
17	A-share listed company merging A-share listed companies by absorption	Shanghai Pharmaceuticals Holding merged Zhongxi Pharmaceutical and Shanghai Industrial Pharmaceutical Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
18	A+H-share listed company merging A-share listed company by absorption	China Eastern Airlines merged Shanghai Airlines by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
19	A-share listed company merging A-share listed company by absorption	Xinhu Zhongbao merged Xinhu Venture Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
20	A-share listed company merging A-share listed companies by absorption	Tangshan Iron and Steel Co., Ltd. merged Handan Iron and Steel Co., Ltd. and Chengde Xinxin Vanadium and Titanium Co., Ltd. by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the price for put option of the dissenting A shareholders of the merging party to the market reference price
21	A-share listed company merging A-share listed companies by absorption	Panzhihua New Steel and Vanadium Co., Ltd. merged Chongqing Titanium Industry Co., Ltd. of Pangang Group and Sichuan Changcheng Special Steel Co., Ltd. of Pangang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
Maximum				0.00%
Average				-2.38%
Median				0.00%
Minimum				-20.00%
The Proposed Mergers (CICC)				0.00%

Note 1: In case of ex-rights and ex-dividend matters, the market reference price is obtained after ex-rights and ex-dividend adjustments on the basis of the average trading price;

Note 2: Premium of the price of put option of dissenting A shareholders of the merging party to the market reference price = (the price of put option of dissenting A shareholders of the merging party – market reference price)/market reference price.

Source: Announcements of the listed companies and Wind.

Among the 21 transactions of A-share listed companies merging with other A-share listed companies by absorption shown in the table above, the premium rate of the price of put option of dissenting A shareholders of the merging party to the market reference price ranged from -20.00% to 0.00%, with an average of -2.38%.

In the Proposed Mergers, the closing price of CICC A Shares on the trading day immediately preceding the date of pricing was RMB34.89 per share. Taking into account the ex-dividend and ex-rights adjustments arising from the CICC 2025 Interim Dividend and CICC 2025 Final Dividend, the price of put option for CICC Dissenting Shareholders is RMB34.57 per CICC A Share, representing a premium rate of 0% to the closing price on the trading day immediately preceding the date of pricing upon adjustment for ex-rights and ex-dividend. The premium rate of the price of put option for CICC Dissenting A Shareholders falls within the reasonable range of premium rates of comparable transactions, and is consistent with market practice, and reasonable.

2. Put option of CICC Dissenting H Shareholders

The merger transactions in which listed companies with multiple equity securities in issue as a parties (including A+H-share listed companies and A+B-share listed companies) among the transactions involved A-share listed company merging A-share listed company by absorption, which have been announced and completed since the promulgation of the MAR Measures in April 2008 or are in progress, have been selected as comparable transactions. An analysis is conducted on whether differences exist between pricing methods for put options of dissenting H shareholders or B shareholders and that for dissenting A shareholders. The details are presented in the table below:

No.	Transaction name	Listed companies involved in the transaction	Pricing methods for put options of the dissenting A shareholders	Pricing methods for put options of the dissenting H shareholders or B shareholders	Consistency of pricing methods for put option or cash option of the dissenting shareholders of all classes
1	Guotai Junan Securities merged Haitong Securities by absorption	Guotai Junan Securities (A+H)	The highest price for the 60 trading days prior to the date of pricing	The highest price for the 60 trading days prior to the date of pricing	Yes
2	Guotai Junan Securities merged Haitong Securities by absorption	Haitong Securities (A+H)	The highest price for the 60 trading days prior to the date of pricing	The highest price for the 60 trading days prior to the date of pricing	Yes
3	Dalian Port merged Yingkou Port by absorption	Dalian Port (A+H)	The average trading price for the 20 trading days prior to the date of pricing	The average trading price for the 20 trading days prior to the date of pricing	Yes
4	CSR Corporation merged China CNR Corporation by absorption	CSR Corporation (A+H)	The average trading price for the 20 trading days prior to the date of pricing	The average trading price for the 20 trading days prior to the date of pricing	Yes
5	CSR Corporation merged China CNR Corporation by absorption	China CNR Corporation (A+H)	The average trading price for the 20 trading days prior to the date of pricing	The average trading price for the 20 trading days prior to the date of pricing	Yes
6	Guangzhou Pharmaceutical merged Baiyunshan by absorption	Guangzhou Pharmaceutical (A+H)	The average trading price for the 20 trading days prior to the date of pricing	The average trading price for the 20 trading days prior to the date of pricing	Yes
7	China Eastern Airlines merged Shanghai Airlines by absorption	China Eastern Airlines (A+H)	The average trading price for the 20 trading days prior to the date of pricing	The average trading price for the 20 trading days prior to the date of pricing	Yes
8	Midea Group merged LittleSwan by absorption	LittleSwan (A+B)	90% of the closing price for the trading day prior to the date of pricing	90% of the closing price for the trading day prior to the date of pricing	Yes

No.	Transaction name	Listed companies involved in the transaction	Pricing methods for put options of the dissenting A shareholders	Pricing methods for put options of the dissenting H shareholders or B shareholders	Consistency of pricing methods for put option or cash option of the dissenting shareholders of all classes
9	Friendship merged Bailian Group by absorption	Friendship (A+B)	The average trading price for the 20 trading days prior to the date of pricing	The average trading price for the 20 trading days prior to the date of pricing	Yes

Source: Announcements of the listed companies and Wind.

In the aforementioned comparable transactions, the pricing methods for put options for dissenting H shareholders or B shareholders are all consistent with that for dissenting A shareholders, thereby ensuring that shareholders of different share classes within the same company are treated fairly. In the Transaction, the prices of put options of CICC Dissenting A Shareholders and H Shareholders are determined based on the closing price on the trading day immediately preceding the date of pricing. This reflects the principle of fair treatment for both A shareholders and H shareholders, aligns with market practice, and is reasonable.

(III) Analysis of price of put option for dissenting shareholders of the merged party using the comparable transactions method

The transactions of A-share and H-share listed companies merging with other A-share listed companies by absorption, which have been announced and completed since the promulgation of the MAR Measures in April 2008 or are in progress, have been selected as comparable transactions. For each comparable transaction, the premium or discount of the price of put option for dissenting A shareholders of the merged party to the market reference price is analysed. The details are presented in the table below:

No.	Transaction type	Transaction name	Market reference price	Premium of the price for put option of the dissenting A shareholders of the merged party to the market reference price
1	A-share listed company merging A-share listed company by absorption	Xiangcai merged Shanghai DZH Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	0.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the price for put option of the dissenting A shareholders of the merged party to the market reference price
2	A+H-share listed company merging A+H-share listed company by absorption	Guotai Junan Securities merged Haitong Securities by absorption	The highest price of A-share for the 60 trading days prior to the date of pricing	0.00%
3	A-share listed company merging A-share listed company by absorption	China CSSC Holdings Limited merged China Shipbuilding Industry Company Limited by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	-20.00%
4	A-share listed company merging A-share listed company by absorption	AVIC Avionics merged AVIC Electromechanical by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
5	A-share listed company merging A-share listed company by absorption	Wangfujing merged Beijing Capital Retailing by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
6	A+H-share listed company merging A-share listed company by absorption	Dalian Port merged Yingkou Port by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
7	A-share listed company merging A+B-share listed company by absorption	Midea Group merged LittleSwan by absorption	The closing price of A share for the trading day prior to the date of pricing	-10.00%
8	A-share listed company merging A-share listed company by absorption	Baosteel merged Wuhan Iron and Steel Company Limited by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	-10.00%
9	A-share listed company merging A-share listed company by absorption	GreatWall Computer merged GreatWall Information by absorption	The average A-share trading price for the 120 trading days prior to the date of pricing	-10.00%
10	A+H-share listed company merging A+H-share listed company by absorption	CSR Corporation merged China CNR Corporation by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
11	A-share listed company merging A-share listed company by absorption	BesTV merged Oriental Pearl Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
12	A-share listed company merging A-share listed company by absorption	China Meheco Group merged Topfond by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
13	A+H-share listed company merging A-share listed company by absorption	Guangzhou Pharmaceutical merged Baiyunshan by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the price for put option of the dissenting A shareholders of the merged party to the market reference price
14	A-share listed company merging A-share listed company by absorption	Jigang Group merged Laigang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
15	A+B-share listed company merging A-share listed company by absorption	Friendship merged Bailian Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
16	A-share listed company merging A-share listed company by absorption	Qinghai Salt Lake Potash Co., Ltd. merged Salt Lake Industrial Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
17	A-share listed company merging A-share listed company by absorption	Shanghai Pharmaceuticals Holding merged Zhongxi Pharmaceutical by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
18	A-share listed company merging A-share listed company by absorption	Shanghai Pharmaceuticals Holding merged Shanghai Industrial Pharmaceutical Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
19	A+H-share listed company merging A-share listed company by absorption	China Eastern Airlines merged Shanghai Airlines by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
20	A-share listed company merging A-share listed company by absorption	Xinhu Zhongbao merged Xinhu Venture Investment by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
21	A-share listed company merging A-share listed company by absorption	Tangshan Iron and Steel Co., Ltd. merged Handan Iron and Steel Co., Ltd. by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
22	A-share listed company merging A-share listed company by absorption	Tangshan Iron and Steel Co., Ltd. merged Chengde Xinxin Vanadium and Titanium Co., Ltd. by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
23	A-share listed company merging A-share listed company by absorption	Panzhihua New Steel and Vanadium Co., Ltd. merged Chongqing Titanium Industry Co., Ltd. of Pangang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
24	A-share listed company merging A-share listed company by absorption	Panzhihua New Steel and Vanadium Co., Ltd. merged Sichuan Changcheng Special Steel Co., Ltd. of Pangang Group by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%

No.	Transaction type	Transaction name	Market reference price	Premium of the price for put option of the dissenting A shareholders of the merged party to the market reference price
25	H-share listed company merging A-share listed company by absorption	Zhejiang Expressway merged Oceanking Development by absorption	The closing price of A share on the trading day immediately preceding the date of the board meeting that determined the price of put option for dissenting shareholders	0.00%
26	H-share listed company merging A-share listed company by absorption	Longyuan Power merged Pingzhuang Energy by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
27	H-share listed company merging A-share listed company by absorption	China Energy Engineering merged China Gezhouba Group by absorption	The closing price of A share for the trading day prior to the date of pricing	0.00%
28	H-share listed company merging A-share listed company by absorption	Sinotrans Limited merged Sinoair by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	2.19%
29	H-share listed company merging A-share listed company by absorption	Guangzhou Automobile Group merged GAC Changfeng by absorption	The average A-share trading price for the 20 trading days prior to the date of pricing	0.00%
Maximum				2.19%
Average				-1.65%
Median				0.00%
Minimum				-20.00%
The Proposed Mergers (Dongxing Securities)				0.00%
The Proposed Mergers (Cinda Securities)				0.00%

Note 1: For China Communications Construction merged CRBC International Co., Ltd. by absorption and BBMG merged Taihang Cement by absorption, the market reference price basis for determining the price of put option for dissenting shareholders of the merged party was not explicitly disclosed, therefore, these two cases have been excluded from the table above;

Note 2: For Zhejiang Expressway merged Oceanking Development by absorption, the price of put option for dissenting shareholders of the merged party was not determined at the first board meeting convened to consider matters related to the transaction, but was determined at a subsequent board meeting held after the date of pricing;

Note 3: In case of ex-rights and ex-dividend matters, the market reference price is obtained after ex-rights and ex-dividend adjustments on the basis of the average trading price;

Note 4: Premium of the price of put option of dissenting A shareholders of the merged party to the market reference price = (the price of put option of dissenting A shareholders of the merged party – market reference price)/market reference price.

Source: Announcements of the listed companies and Wind.

Among the 29 transactions of A-share and H-share listed companies merging with other A-share listed companies by absorption shown in the table above, the premium rate of the price of put option of dissenting A shareholders of the merged party to the market reference price ranged from -20.00% to 2.19%, with an average of -1.65%.

In the Proposed Mergers, the closing price of Dongxing Securities on the trading day immediately preceding the date of pricing was RMB13.13 per share. Taking into account the ex-dividend and ex-rights adjustments arising from the Dongxing 2025 Final Dividend, the price of put option for Dongxing Dissenting Shareholders is RMB13.04 per share, representing a premium rate of 0% over the closing price on the trading day immediately preceding the pricing base date after such ex-dividend and ex-rights adjustments. The premium rate of the price of put option of dissenting shareholders of Dongxing Securities falls within the reasonable range of premium rates of comparable transactions, and is consistent with market practice, and reasonable.

In the Proposed Mergers, the closing price of Cinda Securities on the trading day immediately preceding the date of pricing was RMB17.79 per share. Taking into account the ex-dividend and ex-rights adjustments arising from the Cinda 2025 Final Dividend, the price of put option for Cinda Dissenting Shareholders is RMB17.75 per share, representing a premium rate of 0% over the closing price on the trading day immediately preceding the pricing base date after such ex-dividend and ex-rights adjustments. The premium rate of the price of put option of dissenting shareholders of Cinda Securities falls within the reasonable range of premium rates of comparable transactions, and is consistent with market practice, and reasonable.

CHAPTER 6 REPORT CONCLUSION

I. REPORT CONCLUSION

The reasonableness of the exchange price and the price of the mechanism for protecting the interests of dissenting shareholders in the Transaction were analysed mainly by using the comparable company approach and comparable transaction approach. The Transaction is fairly priced and reasonably valued, and there is no prejudice to the interests of CICC and its shareholders.

II. LIMITATIONS ON THE USE OF THE REPORT

This report can only be used for the intents and purposes stated in the report. In addition, this report is a justification of the reasonableness of the price of the Proposed Mergers for the purposes stated in the report, without taking into account the influence of the significant change of national macroeconomic policies, act of God or other force majeure on the asset price. The conclusions of this report are generally invalidated when the above conditions and the going concern assumptions followed in this report change. Industrial Securities does not assume any legal liability related to the invalidation of the results of the report due to changes in these conditions.

This report is subject to the condition that this economic act complies with the relevant provisions of national laws and regulations and has been approved by the relevant authorities.

Without the consent of Industrial Securities and its review on the relevant contents, all or part of the contents of this report shall not be extracted, quoted or disclosed in the public media, unless otherwise stipulated by laws and regulations and agreed by the relevant parties.

The opinions expressed by Industrial Securities in this report are based on information gathered as of November 19, 2025 on market conditions, economic situation, financial situation, etc. Events and circumstances occurring after the date of pricing for the Proposed Mergers have not been taken into account in this report. Investors should pay attention to the relevant announcements or events subsequently released after the benchmark date. For the purposes of this report, future trading activities and share price performance of the relevant companies have not been considered in this report.

This report is valid for a 12-month period: from November 20, 2025 to November 19, 2026.

(The remainder of this page is intentionally left blank. It is the signature page of the *Valuation Report Prepared by Industrial Securities Co., Ltd. in respect of China International Capital Corporation Limited Merging with Dongxing Securities Co., Ltd. and Cinda Securities Co., Ltd. by way of Absorption and Share Exchange*)

Valuers:

Tian Haochen	**Xu Rui**	**Xu Jiayin**
Yan Jiguang	**Pan Yixin**	

Industrial Securities Co., Ltd.

May 18, 2026

A. EXTRACT OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF DONGXING SECURITIES FOR EACH OF THE THREE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

For the purpose of this section only, unless the context requires otherwise, references to the "Company" or "Parent Company" are to Dongxing Securities, references to the "Group" are to the Dongxing Group, and references to "we", "us" and "our" shall be construed accordingly.

The following is an extract of the audited consolidated financial statements of Dongxing Securities for each of the three years ended December 31, 2023, 2024, and 2025, each of which were prepared in accordance with the China Accounting Standard for Business Enterprise, as extracted from the annual report of Dongxing Securities for the year ended December 31, 2023 and the announcements published by Dongxing Securities in connection with the Proposed Mergers respectively. These financial statements were issued in Chinese and the English translated version is provided for information purposes only. In case of discrepancies between the two versions, the Chinese version shall prevail.

Pursuant to the Implementation Q&A on Accounting Treatment of Standard Warehouse Receipt Transactions published by the Ministry of Finance on July 8, 2025, Dongxing Securities adopted the relevant accounting policies as set out in the Q&A with effect from January 1, 2025 and adopted retrospective adjustments to the comparative figures. In addition, Dongxing Securities adjusted its business segment classification for the alternative investment business and the private fund management business in 2024 and for its futures business in 2025. The audited consolidated financial statements of Dongxing Securities for the year ended December 31, 2023 do not take into account such adjustments, and as such, may be different from the figures presented in the other parts of this circular where the relevant figures presented on a post-adjustment basis. Impact of the adjustments made pursuant to the Implementation Q&A on Accounting Treatment of Standard Warehouse Receipt Transactions published by the Ministry of Finance on July 8, 2025 on the consolidated financial statements for the year ended December 31, 2023 assessed based on the CICC's accounting policies are illustrated in the reconciliation statements prepared by CICC for the purposes of inclusion in this circular.

The CICC Directors wish to emphasise that the extracts reproduced below are not prepared for incorporation into this circular and CICC has not participated in their preparation. As such, the CICC Directors do not express any view as to their truth, accuracy or completeness, and the CICC Shareholders and investors should exercise caution and should not place undue reliance on such information.

DONGXING SECURITIES CO., LTD.

2023 FINANCIAL STATEMENTS AND AUDITOR'S REPORT

AUDITOR'S REPORT

PwC Zhong Tian Shen Zi (2024) No. 10097
(page 1 of 8)

All shareholders of Dongxing Securities Co., Ltd.:

I. OPINIONS

(I) What we have audited

We have audited the financial statements of Dongxing Securities Co., Ltd. (hereinafter referred to as "**Dongxing Securities**"), which comprise the consolidated and company balance sheets as at December 31, 2023, the consolidated and company income statements, the consolidated and company statements of cash flows and the consolidated and company statements of changes in equity for the year ended December 31, 2023, and notes to the financial statements.

(II) Our opinions

In our opinions, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of Dongxing Securities as at December 31, 2023, and the consolidated and company's operating results and cash flows for the year ended December 31, 2023 in accordance with the requirements of the CASs.

II. BASIS FOR OPINION

We conducted our audit in accordance with the China Standards on Auditing. Our responsibilities under those standards are further described in the "Certified Accountants' Responsibilities for the Audit of the Financial Statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are independent of Dongxing Securities in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("**CICPA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the 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.

We identified the following key audit matters in our audit:

(I) Expected credit loss ("**ECL**") allowance for receivable from margin clients, financial assets held under resale agreements ("**reverse REPOs**") and other debt investments

(II) Consolidation of structured entities

(III) Valuation of financial instruments measured at fair value and classified as Level 3

Key audit matters	How our audit addressed the key audit matters
(I) ECL allowance for receivable from margin clients, reverse REPOs and other debt investments	
Please refer to notes IV.8, V.4, VIII.3, 5, 10, 20, 49 and XIV.2 to the financial statements. As at December 31, 2023, Dongxing Securities had receivable from margin clients amounting to RMB210 million, reverse REPOs amounting to RMB533 million and other debt investments amounting to RMB36.292 billion in the consolidated balance sheet, with cumulative allowance for ECLs of RMB61 million, RMB1.378 billion and RMB170 million (confirmed by the management), respectively. The total impairment losses for the aforesaid financial assets under ECL model recognised in the consolidated income statement for the year 2023 amounted to RMB114 million. The cumulative allowance for ECLs of the aforesaid financial assets represented the management's best estimates of the ECL as at December 31, 2023 under Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. Management applied a three-stage impairment model to calculate the ECL for the aforesaid financial assets. For such financial assets classified under stages 1 and 2, the management assessed credit loss allowances using the risk parameter modelling approach that incorporated key parameters, including probability of default, loss given default and exposure at default after taking into consideration forward looking factors. For credit-impaired financial assets	We obtained an understanding of Dongxing Securities's internal controls and process of ECL allowance for receivable from margin clients, reverse REPOs and other debt investments and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated and tested the design and implementation of internal controls related to the measurement of Dongxing Securities's ECL on receivable from margin clients, reverse REPOs and other debt investments, including: (1) Governance over the ECL model, including selection and approval of model methodologies, as well as ongoing monitoring and optimisation of such models; (2) Review and approval of the criteria for significant increase in credit risk, identification of credit default and credit impairment, and the selection of economic indicators for forward-looking measurement, forward-looking scenarios and relative weights in relation to for forward-looking measurements; (3) Internal controls over the completeness and accuracy of key data used in the model; (4) Internal controls over the prediction of future cash flows and present value calculation of stage 3 financial assets.

Key audit matters	How our audit addressed the key audit matters
classified under stage 3, the management assessed the credit loss allowances by estimating the cash flows expected to arise from the financial assets. Management assesses whether objective evidence of impairment existed for the aforesaid financial assets at each balance sheet date. The aforesaid measurement model for ECL involves significant management judgements and assumptions, primarily including: (1) Selecting appropriate ECL models and determining the relevant key parameters; (2) Determining the criteria for significant increase in credit risk ("**SICR**"), and definition of default and credit impairment; (3) Adopting forward-looking information and its weighting for the measurement of ECL; (4) Forecasting of future cash flows of financial assets in stage 3. Dongxing Securities has established governance processes and controls over the measurement of ECL. As the amounts of the above financial assets and the related ECL allowance are significant, and the application of the ECL model requires management to make significant judgments and assumptions, the impairment assessment of such assets has been identified as a key audit matter.	In addition, we also performed the following procedures: (1) We assessed the appropriateness of the modelling methodologies adopted for ECL measurement by comparing with the industry practice. We also examined the coding for model measurement on a sample basis, to test whether or not the models reflect the modelling methodologies documented by the management. (2) We assessed the reasonableness of the management's application of the SICR and definition of default and credit impairment by comparing with the industry practice. For receivable from margin clients and reverse REPOs, we examined the numbers and market value of collateral on a sample basis. In addition, we tested the collateral to financial assets ratio and the backstop past due days defined by the management. We inquired into the external credit ratings and negative information of the bond investments. We also examined appropriateness of the management's application of SICR, defaults and credit impairment criteria on a sample basis, based on the financial information and non-financial information of the borrowers, collateral types, or credit analysis of guarantors. (3) We examined the accuracy of data inputs for the ECL models, and evaluated the reasonableness of relevant parameters, including exposure at default, probability of default, loss given default after taking into consideration forward looking factors. (4) For forward-looking measurements, we assessed the management's selection of economic indicators, economic scenarios and weightings assigned, and assessed the reasonableness of the prediction of economic

Key audit matters	How our audit addressed the key audit matters
	indicators by comparing with data provided by third parties. In addition, we performed sensitivity analysis of economic scenarios and weightings. (5) For credit-impaired financial assets in stage 3, we selected samples and examined the loss allowance calculated by management based on estimated future cash flows and discount rates, which were derived using the financial information of the debtor and guarantor, the market value of collateral, and other relevant external information. Based on the procedures performed, we considered the models, key parameters, significant judgements and assumptions adopted by the management in the ECL measurement and the measurement results to be acceptable.
(II) Consolidation of structured entities	
Please refer to notes IV.5, V.1, VII.2 and IX to the financial statements. As at December 31, 2023, the total carrying amount of assets of consolidated structured entities in Dongxing Securities' financial statements amounted to RMB5.940 billion; and the carrying amount of Dongxing Securities' interests in unconsolidated structured entities amounted to RMB9.329 billion. Dongxing Securities acted as an asset manager for, or invested in, a number of structured entities. Dongxing Securities makes significant judgement to determine if structured entities should be consolidated in the consolidated financial statements based on the control over the structured entities, variable returns and the ability to exercise its power to influence the variable returns from these structured entities.	We obtained an understanding of Dongxing Securities' internal control and assessment process of the consolidation assessment of structured entities, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated and tested the effectiveness of management's relevant controls over consolidation of structured entities. We selected samples to examine supporting documents of structured entities managed or invested by Dongxing Securities, by performing the procedures below to conclude on whether Dongxing Securities controlled these structured entities: (1) We analysed the business structures, reviewed the contract terms and assessed whether Dongxing Securities had power to direct the activities of the structured entities;

Key audit matters	How our audit addressed the key audit matters
The significant judgment exercised by the management in assessing whether Dongxing Securities had control of structured entities and the amount of such structured entities resulted in this matter being identified as a key audit matter.	(2) We examined the contract terms of variable returns of the structured entities, including the management fee rates related to the remuneration in the management or investment contracts, the contract return rates of the underlying investments and investors, and checked with the information used by management; (3) We recalculated the variable returns from the structured entities and the variabilities on a sample basis; (4) We assessed whether Dongxing Securities acted as principal or agent based on our analysis of Dongxing Securities' power, its variable returns generated from the structured entities, and its ability to affect the variable returns, and compared our assessment result with the management's assessment result. Based on the procedures performed, we found the results of the management's consolidation judgement of these structured entities were acceptable.
(III) Valuation of financial instruments measured at fair value and classified as Level 3	
Please refer to notes IV.8, V.3 and XV.4 and 6 to the financial statements. As of December 31, 2023, the financial instruments of Dongxing Securities included financial instruments classified under Level 3 in the fair value hierarchy ("**Level 3 Financial Instruments**"). The fair value of these financial instruments is measured using significant unobservable inputs as key assumptions, including liquidity discounts, volatility, and market multiples. As of December 31, 2023, Level 3 Financial Instruments included Level 3 financial assets of RMB2.711 billion and Level 3 financial liabilities of RMB627 million.	We evaluated and tested the design and execution of Dongxing Securities' internal controls over the data source inputs used in the valuation process of financial instruments, as well as the continuous monitoring and optimization of models. Based on our understanding of industry practices, we evaluated the appropriateness of the models used by management for the valuation of Level 3 Financial Instruments. At the same time, based on relevant market data, we also assessed the reasonableness and appropriateness of the unobservable and observable inputs adopted by management in measuring the fair value of Level 3 Financial Instruments on a sample basis.

Key audit matters	How our audit addressed the key audit matters
The valuation of Level 3 Financial Instruments was identified as a key audit matter due to their significant amount and the fact that management made significant judgments when using unobservable inputs as key assumptions in the valuation process.	We performed an independent valuation and sensitivity analysis on Level 3 Financial Instruments on a sample basis. Based on the results of the aforementioned audit procedures, the models, inputs, and results adopted by management in the fair value valuation of Level 3 Financial Instruments were acceptable.

IV. OTHER INFORMATION

The management of Dongxing Securities are responsible for the other information. Other information comprises the information included in the 2023 annual report of Dongxing Securities, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover 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 other information and, in doing so, consider whether 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 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 of Dongxing Securities is responsible for the preparation and fair presentation of the financial statements in accordance with the CASs, and for such internal control as the management designs, performs and maintains is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Dongxing Securities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or to cease operations of Dongxing Securities, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Dongxing Securities.

VI. CERTIFIED PUBLIC ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these 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 CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 CSAs, we exercise professional judgement 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 Dongxing Securities's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of users in our auditor's report to the related disclosures in these 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 Dongxing Securities to cease to continue as a going concern.

(5) Evaluate the overall presentation (including disclosure), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

PricewaterhouseCoopers Zhong Tian LLP

Certified Public Accountant: Yan Lin (閆琳)
(Engagement partner)

Shanghai, China

Certified Public Accountant: Feng Ye (封葉)

April 2, 2024

Consolidated Balance Sheet
As at December 31, 2023
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**As at December 31, 2023**	**As at December 31, 2022**
ASSETS			
Cash and bank balances	*1*	11,041,203,045.47	14,720,009,478.49
Including: Client deposits		9,258,700,065.70	11,726,901,614.52
Deposits with clearing houses	*2*	3,725,209,148.75	4,304,229,386.99
Including: Deposits held on behalf of clients		3,137,054,149.84	2,985,841,705.31
Receivable from margin clients	*3*	17,210,495,672.92	16,987,256,609.60
Derivative financial assets	*4*	426,066,588.30	215,826,239.04
Reverse REPOs	*5*	533,291,649.99	722,462,631.10
Accounts receivable	*6*	283,777,912.85	342,219,764.30
Refundable deposits	*7*	2,027,807,306.75	2,942,487,263.78
Financial investments			
Financial assets held for trading	*8*	20,319,523,149.51	20,457,986,211.97
Debt investments	*9*	–	76,402,407.14
Other debt investments	*10*	36,291,803,150.40	34,475,110,753.27
Investments in other equity instruments	*11*	4,603,335,908.72	3,115,174,763.17
Long-term equity investments	*12*	336,484,914.57	312,895,111.16
Fixed assets	*13*	160,355,586.28	181,159,881.43
Investment properties	*14*	18,572,403.07	21,130,782.91
Right-of-use assets	*15*	269,507,281.88	388,052,656.73
Intangible assets	*16*	52,793,335.39	60,674,501.26
Goodwill	*17*	20,000,000.00	20,000,000.00
Deferred tax assets	*18*	662,768,253.14	881,123,265.14
Other assets	*19*	1,296,548,323.89	1,529,195,581.64
Total assets		99,279,543,631.88	101,753,397,289.12

	Note VIII	The Group As at December 31, 2023	The Group As at December 31, 2022
LIABILITIES			
Placements from financial institutions	*22*	5,122,191,649.20	3,557,916,363.90
Short-term debt securities issued	*23*	9,619,645,914.02	2,292,841,563.03
Financial liabilities held for trading	*24*	651,222,379.19	1,472,487,023.50
Derivative financial liabilities	*4*	431,655,794.99	117,653,096.58
Financial assets sold under repurchase agreements ("**REPOs**")	*25*	24,339,744,734.86	26,437,613,741.35
Accounts payable to brokerage clients	*26*	13,125,729,886.20	16,238,567,917.82
Employee benefits payable	*27*	334,909,588.34	599,611,416.47
Taxes payable	*28*	44,394,205.53	222,136,571.92
Accounts payable	*29*	622,979,896.07	465,722,850.30
Contract liabilities	*30*	39,480,914.90	50,177,467.90
Provisions	*31*	52,408,116.47	–
Long-term debt securities issued	*32*	13,524,153,349.51	21,735,332,317.51
Lease liabilities	*33*	238,160,247.24	386,071,950.77
Deferred tax liabilities	*18*	26,200,520.98	20,678,720.99
Other liabilities	*34*	3,998,289,947.56	2,067,935,195.00
Total liabilities		72,171,167,145.06	75,664,746,197.04

	Note VIII	The Group As at December 31, 2023	The Group As at December 31, 2022
EQUITY			
Share capital	*36*	3,232,445,520.00	3,232,445,520.00
Capital reserve	*37*	13,761,943,486.30	13,761,943,486.30
Other comprehensive income	*38(1)*	12,477,052.53	(366,263,825.62)
Surplus reserve	*39*	1,968,949,029.53	1,895,165,382.24
General reserves	*40*	3,580,280,443.09	3,399,669,071.05
Retained profits	*41*	4,512,387,597.53	4,128,234,175.21
Total equity attributable to shareholders of the parent company		27,068,483,128.98	26,051,193,809.18
Non-controlling interests		39,893,357.84	37,457,282.90
Total equity		27,108,376,486.82	26,088,651,092.08
Total liabilities and equity		99,279,543,631.88	101,753,397,289.12

The accompanying notes form an integral part of these financial statements.

The financial statements have been signed by:

Legal Representative	Principal-in-charge of Accounting	Person-in-charge of Accounting Department
Li Juan	Zhang Fang	Wang Changcheng

Company Balance Sheet
As at December 31, 2023
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**As at December 31, 2023**	**As at December 31, 2022**
ASSETS			
Cash and bank balances		8,533,770,696.31	9,941,429,697.63
Including: Client deposits		7,526,240,178.84	8,894,127,469.14
Deposits with clearing houses		3,428,202,383.43	4,154,465,935.32
Including: Deposits held on behalf of clients		2,882,868,060.64	2,871,038,328.57
Receivable from margin clients		17,210,495,570.52	16,982,012,955.69
Derivative financial assets		415,169,966.02	155,816,198.19
Reverse REPOs		462,975,003.92	706,541,467.20
Accounts receivable		185,136,005.15	302,937,773.62
Refundable deposits		530,661,636.51	721,312,718.36
Financial investments:			
Financial assets held for trading		17,929,267,641.22	18,063,607,542.93
Other debt investments		34,026,671,384.63	33,896,617,164.97
Investments in other equity instruments		4,601,150,287.55	3,099,018,076.64
Long-term equity investments	*1*	3,693,416,292.82	3,693,416,292.82
Fixed assets		156,158,902.42	177,146,805.66
Right-of-use assets		247,447,011.14	352,002,689.79
Investment properties		18,572,403.07	21,130,782.91
Intangible assets		51,714,604.88	57,868,855.02
Deferred tax assets		503,763,514.41	700,933,029.45
Other assets		1,150,135,514.77	1,531,757,445.65
Total assets		93,144,708,818.77	94,558,015,431.85

		The Company	
	Note XVI	**As at December 31, 2023**	**As at December 31, 2022**
LIABILITIES			
Placements from financial institutions		5,122,191,649.20	3,557,916,363.90
Short-term debt securities issued		9,619,645,914.02	2,292,841,563.03
Financial liabilities held for trading		651,222,379.19	1,472,487,023.50
Derivative financial liabilities		423,558,830.84	99,597,228.28
REPOs		23,870,190,938.88	26,390,163,551.07
Accounts payable to brokerage clients		10,362,009,667.85	11,741,420,159.98
Employee benefits payable	*2*	329,136,616.18	531,658,020.49
Taxes payable		37,325,887.94	139,547,950.15
Accounts payable		546,873,731.61	428,992,163.79
Contract liabilities		25,901,644.14	32,787,644.70
Provisions		52,408,116.47	–
Long-term debt securities issued		10,661,146,094.91	18,927,815,888.34
Lease liabilities		215,241,967.55	348,224,131.29
Other liabilities		3,715,946,451.24	2,020,070,293.21
Total liabilities		65,632,799,890.02	67,983,521,981.73
EQUITY			
Share capital		3,232,445,520.00	3,232,445,520.00
Capital reserve		13,761,149,188.72	13,761,149,188.72
Other comprehensive income		104,890,731.65	(256,368,380.16)
Surplus reserve		1,968,949,029.53	1,895,165,382.24
General reserves		3,285,909,207.44	3,138,341,912.86
Retained profits		5,158,565,251.41	4,803,759,826.46
Total equity		27,511,908,928.75	26,574,493,450.12
Total liabilities and equity		93,144,708,818.77	94,558,015,431.85

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement
For the year ended December 31, 2023
(All amounts in RMB unless otherwise stated)

	Note VIII	The Group 2023	The Group 2022
I. Operating revenue		4,735,175,868.03	3,429,193,721.41
Net fee and commission income	*42*	1,462,198,870.30	2,138,629,037.83
Including: net income from brokerage business		632,705,537.91	763,763,529.12
net income from investment banking business		583,586,153.81	1,151,856,802.67
net income from asset management business		215,860,886.48	204,991,808.09
Net interest income	*43*	1,104,215,906.47	1,507,493,366.81
Including: interest income		2,539,418,817.10	2,899,791,081.65
interest expenses		(1,435,202,910.63)	(1,392,297,714.84)
Investment income	*44*	930,007,012.70	633,240,967.48
Including: share of profits of associates and joint ventures		22,927,303.41	(23,898,417.38)
Gains and losses arising from changes in fair value	*45*	(30,005,221.86)	(1,359,749,620.94)
Foreign exchange gains and losses		7,757,335.47	3,242,381.02
Other operating revenue	*46*	1,245,186,396.02	488,463,710.86
Other income		12,977,815.95	17,799,235.45
Gains on disposal of assets		2,837,752.98	74,642.90
II. Operating expenses		(3,619,980,949.28)	(2,879,839,515.87)
Tax and surcharges	*47*	(24,657,218.79)	(31,658,225.13)
Operating and administrative expenses	*48*	(2,156,649,676.81)	(2,391,394,165.69)
Provision for impairment losses under expected credit loss model	*49*	(202,442,607.40)	29,847,270.53
Other operating costs	*50*	(1,236,231,446.28)	(486,634,395.58)
III. Operating profit		1,115,194,918.75	549,354,205.54
Add: non-operating revenue	*51*	2,507,170.88	7,203,602.86
Less: non-operating expenses	*52*	(1,751,241,373.27)	(6,039,910.64)
IV. Profit before income tax		942,460,716.36	550,517,897.76
Less: income tax expense	*53*	(120,836,449.12)	(33,421,382.10)
V. Profit for the year		821,624,267.24	5,170,961,515.66
(I) Classified by operation continuity			
– Profit from continuing operations		821,624,267.24	517,096,515.66
– Profit from discontinued operations		–	–
(II) Classified by attribution			
– Attributable to shareholders of the parent company		819,739,772.59	517,197,649.74
– Attributable to non-controlling interests		1,884,494.65	(101,134.08)

	Note VIII	The Group 2023	2022
VI. Other comprehensive income for the year, net of tax		359,723,403.50	(281,124,051.33)
Other comprehensive income attributable to shareholders of the parent company, net of tax	*38(2)*	359,171,823.21	(284,303,553.37)
Other comprehensive income not reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		78,792,483.32	(163,513,882.65)
Other comprehensive income to be reclassified to profit or loss			
1. Changes in fair value of other debt investments		250,761,918.01	(81,238,208.46)
2. Credit impairment provisions for other debt investments		43,781,203.04	(75,547,253.56)
3. Foreign currency translation differences		(14,163,781.16)	35,995,791.30
Other comprehensive income attributable to non-controlling interests, net of tax		551,580.29	3,179,502.04
VII. Total comprehensive income for the year		1,181,347,670.74	235,972,464.33
– Attributable to shareholders of the parent company		1,178,911,595.80	232,894,096.37
– Attributable to non-controlling interests		2,436,074.94	3,078,367.96
VIII. Earnings per share			
Basic earnings per share (RMB/share)	*54*	0.254	0.160
Diluted earnings per share (RMB/share)		0.254	0.160

The accompanying notes form an integral part of these financial statements.

Company Income Statement
For the year ended December 31, 2023
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**2023**	**2022**
I. Operating revenue		3,015,080,247.75	3,257,710,830.11
Net fee and commission income	*3*	1,235,993,241.08	1,918,806,407.87
Including: net income from brokerage business		608,780,012.56	707,012,049.21
net income from investment banking business		549,721,042.50	1,135,482,536.13
net income from asset management business		47,842,120.33	58,448,740.25
Net interest income	*4*	1,043,752,012.87	1,377,782,579.03
Including: interest income		2,334,547,859.04	2,734,929,965.54
interest expenses		(1,290,795,846.17)	(1,357,147,386.51)
Investment income	*5*	525,747,224.69	22,285,361.25
Gains and losses arising from changes in fair value	*6*	193,986,556.83	(75,814,305.65)
Foreign exchange gains and losses		348,190.92	1,277,182.99
Other operating revenue		4,038,130.56	1,538,242.18
Other income		8,287,650.57	11,760,719.54
Gains on disposal of assets		2,927,240.23	74,642.90
II. Operating expenses		(2,028,609,547.11)	(2,004,071,609.89)
Tax and surcharges		(21,623,923.01)	(26,959,928.09)
Operating and administrative expenses	*7*	(1,885,163,514.16)	(2,009,151,546.27)
Provision for impairment losses under expected credit loss model		(119,263,730.10)	34,598,244.31
Other operating costs		(2,558,379.84)	(2,558,379.84)
III. Operating profit		986,470,700.64	1,253,639,220.22
Add: non-operating revenue		2,281,179.02	5,048,745.48
Less: non-operating expenses		(175,004,553.49)	(5,939,607.05)
IV. Profit before income tax		813,747,326.17	1,252,748,358.65
Less: income tax expense		(75,910,853.26)	(70,054,606.96)
V. Profit for the year		737,836,472.91	1,182,693,751.69

	Note XVI	The Company 2023	The Company 2022
VI. Other comprehensive income for the year, net of tax		361,201,281.72	(282,397,703.10)
Other comprehensive income not reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		71,506,609.03	(125,776,099.75)
Other comprehensive income to be reclassified to profit or loss			
1. Changes in fair value of other debt investments		247,594,648.79	(80,981,346.56)
2. Credit impairment provisions for other debt investments		42,100,023.90	(75,640,256.79)
VII. Total comprehensive income for the year		1,099,037,754.63	900,296,048.59

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**2023**	**2022**
I. Cash flows from operating activities			
Net increase in repo transactions		–	9,919,140,557.73
Net decrease in financial assets held for trading		210,613,234.18	442,251,055.78
Net increase in financial liabilities held for trading		–	47,011,247.29
Net increase in placements from financial institutions		1,564,275,285.30	1,447,793,678.43
Net cash received from brokerage clients		–	–
Interest, fee and commission income received		3,652,127,913.37	4,923,681,006.50
Net decrease in receivable from margin clients		–	1,988,461,623.86
Cash inflows associated with other operating activities	*55(2)*	4,400,664,352.60	1,403,741,248.98
Subtotal of cash inflows from operating activities		9,827,680,785.45	20,172,080,418.57
Net decrease in repo transactions		1,778,646,373.00	–
Net decrease in financial liabilities held for trading		829,262,314.73	–
Net increase in receivable from margin clients		200,723,314.83	–
Net decrease in accounts payable to brokerage clients		3,112,838,031.62	3,894,367,550.45
Interest, fee and commission income received		1,034,270,213.96	891,788,366.98
Cash paid to and for employees		1,548,561,482.77	1,698,725,991.45
Cash paid for taxes		520,493,203.31	789,533,004.42
Cash outflows associated with other operating activities	*55(3)*	1,968,297,225.46	1,522,509,024.89
Subtotal of cash outflows from operating activities		10,993,092,159.68	8,796,923,938.19
Net cash generated from operating activities	*55(1)*	(1,165,411,374.23)	11,375,156,480.38

	Note VIII	The Group 2023	2022
II. Cash flows from investing activities			
Cash receipts from disposal of investments		205,555,599.14	189,961,169.23
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		4,613,033.06	206,644.34
Cash receipts of investment returns		1,693,449,197.24	1,350,602,402.01
Subtotal of cash inflows from investing activities		1,903,617,829.44	1,540,770,215.58
Payment for purchase of investments		2,962,545,233.75	11,485,183,128.69
Net cash paid to acquire subsidiaries and other business units		1,000,000.00	–
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets		97,482,190.79	110,802,516.28
Subtotal of cash outflows from investing activities		3,061,027,424.54	11,595,985,644.97
Net cash generated from investing activities		(1,157,409,595.10)	(10,055,215,429.39)
III. Cash flows from financing activities			
Cash received from issuance of bonds		12,427,913,000.00	17,637,233,456.37
Subtotal of cash inflows from financing activities		12,427,913,000.00	17,637,233,456.37
Cash repayments of borrowings		13,324,155,000.00	21,360,410,796.80
Cash paid for dividends, profit distribution or interests		870,255,317.22	1,812,798,906.55
Cash outflows associated with other financing activities		224,882,380.49	194,111,388.65
Subtotal of cash outflows from financing activities		14,419,292,697.71	23,367,321,092.00
Net cash generated from financing activities		(1,991,379,697.71)	(5,730,087,635.63)

		The Group	
	Note VIII	**2023**	**2022**
IV. Effect of exchange rate changes on cash and cash equivalents		29,618,299.28	101,015,843.71
V. Net change in cash and cash equivalents		(4,284,582,367.76)	(4,309,130,740.93)
Add: cash and cash equivalents at the beginning of the year		18,874,243,225.93	23,183,373,966.86
VI. Cash and cash equivalents at the end of the year	*55(4)*	14,589,660,858.17	18,874,243,225.93

The accompanying notes form an integral part of these financial statements.

Company Statement of Cash Flows
For the year ended December 31, 2023
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**2023**	**2022**
I. Cash flows from operating activities			
Net decrease in financial assets held for trading		539,161,698.08	–
Net increase in placements from financial institutions		1,564,275,285.30	1,447,793,678.43
Net increase in repo transactions		–	10,149,650,219.94
Net cash received from brokerage clients		–	–
Interest, fee and commission income received		2,768,692,235.85	3,850,281,397.76
Net decrease in receivable from margin clients		–	2,120,203,685.27
Cash inflows associated with other operating activities	*8(2)*	2,358,933,945.39	1,341,918,359.90
Subtotal of cash inflows from operating activities		7,231,063,164.62	18,909,847,341.30
Net increase in financial assets held for trading		–	503,315,246.57
Net decrease in financial liabilities held for trading		851,137,373.38	11,486,746.03
Net decrease in repo transactions		2,149,542,103.13	–
Net increase in receivable from margin clients		244,843,813.71	–
Net decrease in accounts payable to brokerage clients		1,379,410,492.13	2,607,221,709.18
Interest, fee and commission expenses paid		922,164,137.76	888,617,345.77
Cash paid to and for employees		1,376,885,436.62	1,515,367,862.42
Cash paid for taxes		361,721,227.95	709,143,042.80
Cash outflows associated with other operating activities	*8(3)*	527,191,726.48	560,522,197.74
Subtotal of cash outflows from operating activities		7,812,896,311.16	6,795,674,150.51
Net cash generated from operating activities	*8(1)*	(581,833,146.54)	12,114,173,190.79

	Note XVI	The Company 2023	The Company 2022
II. Cash flows from investing activities			
Cash receipts from disposal of investments		200,071,978.77	19,798,702.15
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		4,121,642.10	200,689.35
Cash receipts of investment returns		1,575,030,120.00	1,597,330,454.29
Subtotal of cash inflows from investing activities		1,779,223,740.87	1,617,329,845.79
Payment for purchase of investments		1,406,770,788.82	11,135,415,243.75
Net cash paid to acquire subsidiaries and other business units		–	–
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets		82,414,964.67	108,256,089.63
Subtotal of cash outflows from investing activities		1,489,185,753.49	11,243,671,333.38
Net cash generated from investing activities		290,037,987.38	(9,626,341,487.59)
III. Cash flows from financing activities			
Cash received from issuance of bonds		12,427,913,000.00	17,392,589,000.00
Subtotal of cash inflows from financing activities		12,427,913,000.00	17,392,589,000.00
Cash repayments of borrowings		13,324,155,000.00	21,169,139,000.00
Cash paid for dividends, profit distribution or interests		768,782,143.55	1,713,149,426.55
Cash outflows associated with other financing activities		203,256,780.37	168,768,309.74
Subtotal of cash outflows from financing activities		14,296,193,923.92	23,051,056,736.29
Net cash generated from financing activities		(1,868,280,923.92)	(5,658,467,736.29)

		The Company	
	Note XVI	**2023**	**2022**
IV. Effect of exchange rate changes on cash and cash equivalents		18,951,679.65	6,872,298.13
V. Net change in cash and cash equivalents		(2,141,124,403.43)	(3,163,763,734.96)
Add: cash and cash equivalents at the beginning of the year		14,090,741,230.28	17,254,591,965.24
VI. Cash and cash equivalents at the end of the year	*8(4)*	11,949,616,826.85	14,090,741,230.28

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(All amounts in RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company							
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Non-controlling interests	Total equity
I. Balance as at January 1, 2023	3,232,445,520.00	13,761,943,486.30	(366,263,825.62)	1,895,165,382.24	3,399,669,071.05	4,128,234,175.21	37,457,282.90	26,088,651,092.08
II. Amount of changes in the current year	–	–	378,740,878.15	73,783,647.29	180,611,372.04	384,153,422.32	2,436,074.94	1,019,725,394.74
(I) Total comprehensive income for the year	–	–	359,171,823.21	–	–	819,739,772.59	2,436,074.94	1,181,347,670.74
(II) Profit distribution	–	–	–	73,783,647.29	180,611,372.04	(416,017,295.33)	–	(161,622,276.00)
Appropriation to surplus reserve	–	–	–	73,783,647.29	–	(73,783,647.29)	–	–
Appropriation to general reserves	–	–	–	–	180,611,372.04	(180,611,372.04)	–	–
Distribution to shareholders	–	–	–	–	–	(161,622,276.00)	–	(161,622,276.00)
(III) Internal carry-forward of shareholders' equity	–	–	19,569,054.94	–	–	(19,569,054.94)	–	–
Other comprehensive income carried forward to retained earnings	–	–	19,569,054.94	–	–	(19,569,054.94)	–	–
III. Balance as at December 31, 2023	3,232,445,520.00	13,761,943,486.30	12,477,052.53	1,968,949,029.53	3,580,280,443.09	4,512,387,597.53	39,893,357.84	27,108,376,486.82

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended December 31, 2022
(All amounts in RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company							
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Non-controlling interests	Total equity
I. Balance as at January 1, 2022	3,232,445,520.00	13,761,943,486.30	(86,432,516.55)	1,776,896,007.07	3,069,107,644.22	4,904,775,406.97	34,378,914.94	26,693,114,462.95
II. Amount of changes in the current year	–	–	(279,831,309.07)	118,269,375.17	330,561,426.83	(776,541,231.76)	3,078,367.96	(604,463,370.87)
(I) Total comprehensive income for the year	–	–	(284,303,553.37)	–	–	517,197,649.74	3,078,367.96	235,972,464.33
(II) Profit distribution	–	–	–	118,269,375.17	330,561,426.83	(1,289,266,637.20)	–	(840,435,835.20)
Appropriation to surplus reserve	–	–	–	118,269,375.17	–	(118,269,375.17)	–	–
Appropriation to general reserves	–	–	–	–	330,561,426.83	(330,561,426.83)	–	–
Distribution to shareholders	–	–	–	–	–	(840,435,835.20)	–	(840,435,835.20)
(III) Internal carry-forward of shareholders' equity	–	–	4,472,244.30	–	–	(4,472,244.30)	–	–
Other comprehensive income carried forward to retained earnings	–	–	4,472,244.30	–	–	(4,472,244.30)	–	–
III. Balance as at December 31, 2022	3,232,445,520.00	13,761,943,486.30	(366,263,825.62)	1,895,165,382.24	3,399,669,071.05	4,128,234,175.21	37,457,282.90	26,088,651,092.08

The accompanying notes form an integral part of these financial statements.

Company Statement of Changes in Equity
For the year ended December 31, 2023
(All amounts in RMB unless otherwise stated)

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total equity
I. Balance as at January 1, 2023	3,232,445,520.00	13,761,149,188.72	(256,368,380.16)	1,895,165,382.24	3,138,341,912.86	4,803,759,826.46	26,574,493,450.12
II. Amount of changes in the current year	–	–	361,259,111.81	73,783,647.29	147,567,294.58	354,805,424.95	937,415,478.63
(I) Total comprehensive income for the year	–	–	361,201,281.72	–	–	737,836,472.91	1,099,037,754.63
(II) Profit distribution	–	–	–	73,783,647.29	147,567,294.58	(382,973,217.87)	(161,622,276.00)
Appropriation to surplus reserve	–	–	–	73,783,647.29	–	(73,783,647.29)	–
Appropriation to general reserves	–	–	–	–	147,567,294.58	(147,567,294.58)	–
Distribution to shareholders	–	–	–	–	–	(161,622,276.00)	(161,622,276.00)
(III) Internal carry-forward of shareholders' equity	–	–	57,830.09	–	–	(57,830.09)	–
Other comprehensive income carried forward to retained earnings	–	–	57,830.09	–	–	(57,830.09)	–
III. Balance as at December 31, 2023	3,232,445,520.00	13,761,149,188.72	104,890,731.65	1,968,949,029.53	3,285,909,207.44	5,158,565,251.41	27,511,908,928.75

The accompanying notes form an integral part of these financial statements.

Company Statement of Changes in Equity
For the year ended December 31, 2022
(All amounts in RMB unless otherwise stated)

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total equity
I. Balance as at January 1, 2022	3,232,445,520.00	13,761,149,188.72	45,828,025.09	1,776,896,007.07	2,901,803,162.52	4,796,511,333.33	26,514,633,236.73
II. Amount of changes in the current year	–	–	(302,196,405.25)	118,269,375.17	236,538,750.34	7,248,493.13	59,860,213.39
(I) Total comprehensive income for the year	–	–	(282,397,703.10)	–	–	1,182,693,751.69	900,296,048.59
(II) Profit distribution	–	–	–	118,269,375.17	236,538,750.34	(1,195,243,960.71)	(840,435,835.20)
Appropriation to surplus reserve	–	–	–	118,269,375.17	–	(118,269,375.17)	–
Appropriation to general reserves	–	–	–	–	236,538,750.34	(236,538,750.34)	–
Distribution to shareholders	–	–	–	–	–	(840,435,835.20)	(840,435,835.20)
(III) Internal carry-forward of shareholders' equity	–	–	(19,798,702.15)	–	–	19,798,702.15	–
Other comprehensive income carried forward to retained earnings	–	–	(19,798,702.15)	–	–	19,798,702.15	–
III. Balance as at December 31, 2022	3,232,445,520.00	13,761,149,188.72	(256,368,380.16)	1,895,165,382.24	3,138,341,912.86	4,803,759,826.46	26,574,493,450.12

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
For the year ended December 31, 2023
(All amounts in RMB unless otherwise stated)

I BASIC INFORMATION

Dongxing Securities Co., Ltd. (hereinafter referred to as the "**Company**") was established on May 28, 2008, with its registration place in Beijing and a registered capital of RMB1.504 billion, as approved by the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**") in its Reply on Approving the Commencement of Business of Dongxing Securities Co., Ltd. (Zheng Jian Ji Gou Zi [2008] No. 665) (《關於核准東興證券股份有限公司開業的批復》(證監機構字[2008]665號)). On October 27, 2011, the CSRC issued the Reply on Approving the Change of Registered Capital of Dongxing Securities Co., Ltd. (Zheng Jian Xu Ke [2011] No. 1727) (證監許可[2011]1727號《關於核准東興證券股份有限公司變更註冊資本的批復》), approving the increase of the Company's registered capital from RMB1.504 billion to RMB2.004 billion.

In February 2015, upon approval by the CSRC under document Zheng Jian Xu Ke [2015] No. 191 (證監許可[2015]191號), the Company conducted its initial public issuance of 500,000,000 RMB ordinary shares (A shares) to the public and these shares were listed on the Shanghai Stock Exchange on February 26, 2015. Prior to the initial public issuance, the total share capital of the Company was 2,004,000,000 shares, and following the issuance and listing, the total share capital was 2,504,000,000 shares. The shares were issued at a price of RMB9.18 per share, raising total proceeds of RMB4,590,000,000.00.

In September 2016, upon approval by the CSRC under document Zheng Jian Xu Ke [2016] No. 1352 (證監許可[2016]1352號), the Company conducted a non-public issuance of 253,960,657 RMB ordinary shares (A shares), and these shares were listed and traded on the Shanghai Stock Exchange on October 17, 2016. Prior to the non-public issuance, the total share capital of the Company was 2,504,000,000 shares, and following the issuance, the total share capital was 2,757,960,657 shares. The shares were non-publicly issued at a price of RMB18.81 per share, raising total proceeds of RMB4,776,999,958.17.

Upon approval by the CSRC under the Reply on Approving the Non-public Issuance of Shares by Dongxing Securities Co., Ltd. (Zheng Jian Xu Ke [2021] No. 2204) (《關於核准東興證券股份有限公司非公開發行股票的批復》(證監許可[2021]2204號)), the Company conducted a non-public issuance of 474,484,863 RMB ordinary shares (A shares) in September 2021, and completed the registration and custody procedures for the shares with the Shanghai branch of China Securities Depository and Clearing Corporation Limited on October 22, 2021. The newly issued shares amounted to 474,484,863 shares, with a par value of RMB1 per share. Following the non-public issuance, the total share capital of the Company increased to RMB3,232,445,520.00.

The principal business scope of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") includes: securities brokerage, securities investment consulting, financial consulting relating to the securities trading and securities investment, securities underwriting and sponsorship, proprietary trading of securities, securities asset management, margin financing and securities lending, sale of securities investment funds, proxy sale of financial products, commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management; investment in financial products, project

investment, equity investment; investment management, investment advisory, entrusted management of equity investment funds, financial advisory services; management of publicly offered securities investment funds, fund sales; investment holding, etc.

As at December 31, 2023, the Company had a total of 75 securities branches and 18 offices. For the details of the Company's subsidiaries, please refer to Note VII.1.

The parent company of the Company is China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司, hereinafter referred to as "**China Orient**").

II BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards, specific accounting standards and relevant regulations (hereinafter collectively referred to as the "**Accounting Standards for Business Enterprises**") issued by the Ministry of Finance on February 15, 2006 or later, as well as the disclosure requirements of the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions for Financial Reporting issued by China Securities Regulatory Commission. In addition, the financial statements have also been prepared in accordance with the disclosure requirements of the Special Provisions for the Preparation of Notes to Financial Statements of Securities Companies (2018) (《證券公司財務報表附註編製的特別規定 (2018)》).

The financial statements are prepared on a going concern basis.

III STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements of the Company for the year 2023 comply with the requirements of the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and the company's financial position as at December 31, 2023, and the consolidated and the company's operating results and cash flows for the year 2023 and other relevant information.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1 Accounting period

The accounting year of the Group is a calendar year, that is, from January 1 to December 31 in each year.

2 Functional currency

Renminbi ("**RMB**") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries adopt RMB as their functional currency. The overseas subsidiaries of the Company determine Hong Kong

dollars ("**HK$**", "**HKD**" or "**HK dollars**") as their functional currency according to the currencies of primary economic environment in which they operate. The Group adopts RMB to prepare the financial statements.

3 Accounting basis and measurement principles

The Group's accounting is conducted on accrual basis. Except for certain financial instruments measured at fair value, the financial statements take the historical cost as the measurement basis. If an asset is impaired, the impairment loss allowance shall be accrued in accordance with the relevant provisions.

Where the historical cost is adopted, assets are measured at the amount of cash or cash equivalents paid or the fair value of the consideration given at the time of acquisition. Liabilities are measured at the amount of funds or assets actually received for assuming the current obligations, or at the contractual amount for assuming the current obligations, or at the amount of cash or cash equivalents expected to be paid for repaying the liabilities during daily activities.

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 measurements date, regardless of whether that price is observable or estimated using valuation technique. Fair value measurement and/or disclosure in the financial statements are determined on the above basis.

For financial assets with transaction prices as the fair value upon initial recognition and the valuation technique of unobservable inputs employed in the subsequent measurement of the fair value, the technique is adjusted during the valuation to match the initial recognition results determined with the transaction prices.

Fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the asset or liability.

4 Accounting treatments for business combination under and not under common control

Business combinations are divided into business combinations under common control and business combinations not under common control.

4.1 Business combination under common control

The enterprises participating in the combination are ultimately controlled by the same party or the same multiple parties before and after the combination, and the control is not temporary. It is a business combination under common control.

Assets and liabilities obtained by the combining party are measured at their respective carrying amounts as recorded by the combined party at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination by the combined party (or total nominal value of the issued shares) is adjusted to the share premium in capital reserves. Adjustments shall be made to retained earnings in the event that the share premiums are not sufficient.

The direct costs incurred by the combining party for the business combination shall be included in the profit or loss for the current period when incurred.

4.2 Business combinations not under common control and goodwill

Enterprises that participate in the combination are not under the same party or the same multiple parties' ultimate control before and after the combination, which is a business combination not under the common control.

The cost of combination is the fair value of assets given, liabilities incurred or undertaken, and equity instruments issued by the acquirer for obtaining the control of the acquiree. Intermediary expenses such as audits, legal services, evaluation and consulting, and other related management expenses incurred by the acquirer in the business combination are included in the profit or loss for the current period when incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interests in the fair value of the acquiree's identifiable net assets on the acquisition date, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interests in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interests in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment loss allowance, and is presented separately in the consolidated financial statements.

5 Method of preparing consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control. Control exists when the Company has power over the investee; enjoys variable returns by participating in the relevant activities of the investee; and has the ability to use its power over the investee to affect its returns. The scope of consolidation includes the Company, all subsidiaries and structured entities controlled by the Group. The subsidiaries refer to the entities controlled by the Group.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

From the date of obtaining the net assets and the actual control of the production and operation decisions of a subsidiary, the Company begins to include it in the scope of consolidation; the inclusion in the scope of consolidation is suspended from the date of loss of actual control. For the disposed subsidiaries, the operating results and cash flows before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; for subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet is not adjusted. For subsidiaries that are not consolidated under the common control, the operating results and cash flows after the acquisition date have been properly included in the consolidated income statement and consolidated cash flow statement, and the opening balance and comparative figures of the consolidated financial statements are not adjusted. No matter when the business combination occurs in the reporting period, a subsidiary acquired through a business combination under common control or a combined party in a combination by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are properly included in the consolidated income statement and consolidated statement of cash flows.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the Company are inconsistent, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies and accounting periods of the Company. For subsidiaries acquired from business combinations not under common control, the financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date.

All major current balances, transactions and unrealized profits within the scope of consolidation are offset when the consolidated financial statements are prepared.

The portion of equity attributable to owners of a subsidiary that is not attributable to the Company is treated as minority interests and presented below the shareholders' equity item in the consolidated balance sheet as "minority interests". The portion of net profit or loss of subsidiaries for

the period attributable to minority interests is presented below the "net profit" item in the consolidated income statement as "profit or loss attributable to minority interests". Where the loss of a subsidiary shared by a minority shareholder exceeds the share of the minority shareholder in the owners' equity of the subsidiary at the beginning of the period, the excess is still allocated against the minority interests.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity is re-measured at its fair value on the date when control is lost. The difference between the aggregate of the consideration received on equity disposal and the fair value of the remaining equity and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of shareholding is included in the investment income in the period in which control is lost, with goodwill being reduced simultaneously. Other comprehensive income relating to the equity investment in the original subsidiary is reclassified to investment income in the period in which control is lost. Thereafter, the remaining equity is subsequently measured in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment or Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

When the Company disposes of equity investment in a subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost, it shall determine whether these several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost belong to a basket of transactions. Usually, these several transactions related to the disposal of equity investment in a subsidiary are accounted for as a basket of transactions when the terms, conditions and economic impacts of these several transactions meet the following one or more conditions: (1) these transactions are entered into at the same time or after considering their impacts on each other; (2) these transactions as a whole can reach complete business results; (3) the occurrence of a transaction depends on at least the occurrence of an other transaction; (4) an individual transaction is not deemed as economic, but is deemed as economic when considered with other transactions. If they are not a basket of transactions, each of which is subject to the accounting treatment separately in accordance with applicable principles stipulated in "partial disposal of long-term equity investment of a subsidiary without losing control over a subsidiary", and "the control over a subsidiary is lost due to partial disposal of equity investment or other reasons" as the case may be. When several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost belong to a basket of transactions, such transactions are together subject to the accounting treatment as a transaction of disposal subsidiaries and losing control; provided that the difference between the amount of each disposal and the net assets of the subsidiary attributable to the disposal investment before the loss of control shall be recognised as other comprehensive income in consolidated financial statements and transferred to profit or loss for the current period when the control is lost.

6 Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (generally matured within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7 Translation of foreign currency transactions and foreign currency financial statements

7.1 Foreign currency transactions

Foreign currency transactions are translated at initial recognition using the spot exchange rate at the date of the transaction.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at that date, and exchange differences resulting from differences between the spot exchange rate at that date and the spot exchange rate at initial recognition or at the previous balance sheet date, except: (1) exchange differences on foreign currency special borrowings eligible for capitalisation are capitalised to the cost of the related assets during the capitalisation period; (2) exchange differences on hedging instruments that are hedged against foreign exchange risks are accounted for under the hedge accounting method; (3) exchange differences on monetary items classified as fair value through other comprehensive income are included in current profit or loss, other than those arising from changes in book balance other than amortised cost, which are recognised in other comprehensive income.

If the preparation of the consolidated financial statements involves foreign operations, and if there are foreign currency monetary items that substantially constitute a net investment in foreign operations, exchange differences resulting from changes in exchange rates are included in "foreign currency translation differences" in other comprehensive income; when foreign operations are disposed of, they are included in profit or loss for the period of disposal.

Foreign currency non-monetary items measured at historical cost continue to be measured at the functional currency amount discounted at the spot exchange rate at the date of the transaction. Non-monetary items in foreign currencies measured at fair value are translated using the spot exchange rate at the date the fair value is determined, and the difference between the functional currency amount after translation and the original functional currency amount is treated as a change in fair value (including exchange rate changes) and recognised in the current profit or loss or in other comprehensive income.

7.2 Translation of foreign currency financial statements

For the purpose of preparing consolidated financial statements, foreign currency financial statements of foreign operations are translated into RMB as follows: all assets and liability items in the balance sheet are translated at the spot exchange rate at the balance sheet date; shareholders' equity items are translated at the spot exchange rate at the time of occurrence; all items in the income statement and items reflecting the occurrence of profit distribution are translated at the approximate exchange rate at the spot exchange rate at the date of the transaction; the difference between the translated asset items and the sum of liability items and shareholders' equity items is recognised as other comprehensive income and included in shareholders' equity.

Cash flows denominated in foreign currencies and the cash flows of foreign subsidiaries are translated using the approximate exchange rate at the spot exchange rate at the date of the cash flows, and the effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item, and presented separately in the statement of cash flows as "effect of exchange rate changes on cash and cash equivalents".

The figures at the end of the previous year and the actual figures of the previous year are presented in accordance with the amounts translated from the prior year's financial statements.

Upon the disposal of the entire owners' equity of the Group in a foreign operation or the loss of control over the foreign operation due to the disposal of a portion of the equity investment or otherwise, the foreign currency translation differences shown in the shareholders' equity item in the balance sheet that are attributable to the owners' equity of parent company related to that foreign operation are transferred in full to profit or loss in the period in which the disposal occurs.

When the disposal of part of the equity investments or otherwise results in decrease in proportion of equity in a foreign operation but does not result in loss of control, the foreign currency translation differences relating to the partial disposal of the foreign operation are attributable to minority interests and are not transferred to profit or loss for the period. When the disposal of foreign operation is partial disposal of equity in associates or joint ventures, the foreign currency translation differences relating to the foreign operation is transferred to profit or loss in proportion to the foreign operation disposed.

8 Financial Instrument

Financial assets or financial liabilities are recognised when the Group becomes a party to the relative financial instrument contract.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed at the transaction date, or derecognizes the assets sold at the transaction date.

Financial assets and financial liabilities are measured at fair value at initial recognition. For financial assets and financial liabilities measured at fair value through profit or loss, related transaction costs are directly included in the current profit or loss. For other types of financial assets and financial liabilities, related transaction costs are included in their initially recognised amounts.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial asset or financial liability to the book balance of the financial asset or the amortised cost of the financial liability. When calculating the effective interest rate, the Group

estimates the expected cash flows considering all contractual terms of the financial assets or financial liabilities (such as repayment in advance, extension, call options or other similar options), without considering expected credit losses (ECLs).

The amortised cost of a financial asset or financial liability is the initial recognition amount of the financial asset or the financial liability less the repaid amount of principal plus or less the accumulated amortised amount of the difference between the initial recognition amount and the amount of maturity with the effective interest rate method less the accumulated provisions for the losses (only applicable to the financial assets).

8.1 Classification, recognition and measurement of financial assets

After the initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

The contract terms of financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial asset is to collect contract cash flows as the goal. The Group classifies the financial asset as a financial asset measured at amortised cost. Such financial assets mainly include deposits with banks, deposits with clearing houses, receivable from margin clients, reverse REPOs, accounts receivable, refundable deposits, debt investments, other receivables, entrusted loan, etc.

Where the contract terms of financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial asset is both to collect contract cash flows and to sell the financial asset as the goal, the Group classifies the financial asset as a financial asset measured at fair value through other comprehensive income. Such financial assets are presented under other debt investments.

On initial recognition, the Group may irrevocably designate non-trading equity instruments other than contingent consideration recognised in a business combination not under common control as financial assets at fair value through other comprehensive income on the basis of a single financial asset. Such financial assets are presented under investments in other equity instruments.

A financial asset is said to be held by the Group for trading purposes if it meets one of the following conditions:

The underlying financial assets have been acquired primarily for the purpose of a recent sale.

The underlying financial asset is part of a portfolio of centrally managed identifiable financial instruments at initial recognition, and there is objective evidence of a recent actual pattern of short-term profit-taking.

The underlying financial assets are derivatives. Except for derivatives that meet the definition of a financial guarantee contract and those designated as effective hedging instruments.

Financial assets at fair value through profit or loss comprise financial assets classified as at fair value through profit or loss and financial assets designated as at fair value through profit or loss:

Financial assets that do not qualify for classification as financial assets at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

At initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate financial assets as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss, other than derivative financial assets, are presented as financial assets held for trading.

(1) Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from impairment or derecognition are recognised in the current profit or loss.

The Group recognises interest income for financial assets classified as at amortised cost based on the effective interest method. The Group determines interest income based on the book balance of the financial assets multiplied by the effective interest rate, except for the following cases:

For financial assets that have been purchased or originated with credit impairment, the Group calculates its interest income from the initial recognition based on the amortised cost of the financial asset and the effective interest rate adjusted for credit.

For financial assets that have been purchased or originated without credit impairment but have become credit impaired in subsequent periods, the Group calculates its interest income in the subsequent periods based on the amortised cost of the financial asset and the effective interest rate. If the financial instrument has no credit impairment due to an improvement in its credit risk in subsequent periods, and this improvement can be linked to an event that occurs after the application of the above provisions, the Group will multiply the book balance of the financial asset by the effective interest rate to calculate and determine interest income.

(2) Financial assets at fair value through other comprehensive income

For financial assets classified as at fair value through other comprehensive income, their impairment losses or reversals, interest income calculated using the effective interest rate and exchange gains or losses are included in the current profit or loss. Otherwise, changes in the fair value of the financial asset are included in other comprehensive income. The amount of this financial asset included in the profit or loss of each period is equal to the amount that has been included in the profit or loss of each period as if it had been measured at amortised cost. When the financial asset is derecognised, the accumulated gains or losses previously recorded in other comprehensive income are transferred from other comprehensive income to the current profit or loss.

After a non-trading equity instrument investment is designated as a financial asset at fair value through other comprehensive income, the changes in the fair value of the financial asset are recognised in other comprehensive income. The accumulated gains or losses included in other comprehensive income are transferred from other comprehensive income to retained earnings when the financial asset is derecognised. During the period when the Group holds investments in these non-trading equity instruments, the Group's right to receive dividends has been established, and economic benefits related to dividends are likely to flow into the Group, and when the amount of dividends can be reliably measured, dividend income is recognised and included in the current profit or loss.

(3) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured subsequently at fair value. Gains or losses resulting from changes in fair value, dividends, and interest income related to the financial assets are included in the current profits and losses.

8.2 Impairment of financial instruments

For financial assets measured at amortised cost and debt instrument investments measured at fair value through other comprehensive income, the Group assesses ECL in light of forward-looking information.

The ECL is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all receivable contractual cash flows according to the contract and all cash flows expected to be received by the Group discounted to present value at the original effective interest rate, i.e. the present value of all cash shortfalls. Among them, the Group's purchased or originated financial assets with credit impairment are discounted using credit-adjusted effective interest rate of such financial assets.

The Group's measurement of ECL takes into account the following factors: (1) an unbiased probabilistic weighted average amount determined by evaluating a range of possible outcomes; (2) time value of money; (3) reasonable and evidence-based information about past events, current conditions and projections of future economic conditions that can be obtained on balance sheet date without unnecessary additional cost or effort.

For financial instruments subject to ECL measurement, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a "three-stage" impairment model to measure their loss allowance and recognise their ECLs, as follows:

– Stage 1: The Group measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL if the credit risk of that financial instrument has not increased significantly since initial recognition;

– Stage 2: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk of that financial instrument has increased significantly since initial recognition, but is not yet deemed to be credit-impaired;

– Stage 3: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the financial instrument is credit impaired.

For investments in equity instruments measured at fair value through other comprehensive income, the Group shall recognise their loss allowance in other comprehensive income, and record impairment losses or gains into the current profit or loss, without reducing the carrying amount of the financial assets listed in the balance sheet.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at the balance sheet date for the current period. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment, except the financial assets purchased or originated with credit impairment.

8.3 Derecognition of financial assets

Financial assets that meet one of the following conditions shall be derecognised: (1) the contractual right to collect the cash flow of the financial assets is terminated; (2) the financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee; (3) the financial assets have been transferred, though the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, it does not retain control over the financial assets.

8.4 Transfer of financial assets

If the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, and retains control over the financial assets, it shall continue to recognise the transferred financial assets according to the extent to which it continues to be involved in the transferred financial assets, and recognise the relevant liabilities accordingly. The Group measures the related liabilities in the following ways:

For the transferred financial assets at amortised cost, the carry amount of the related liabilities is equal to the carry amount of the continued involvement in the transferred financial assets less the amortised cost of the rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the amortised cost of the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). Relevant liabilities are not designated as financial liabilities measured at fair value through profit or loss;

For the transferred financial assets at fair value, the carry amount of the related liabilities is equal to the carry amount of the continued involvement in the transferred financial assets minus the fair value of rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). The fair value of the right and obligation shall be the fair value measured on an independent basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, especially for a financial asset classified at amortised cost and financial asset classified as at fair value through other comprehensive income, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative gain or loss that has been previously recognised in other comprehensive income is recognised in profit or loss for the period. While regarding non-trading equity instrument designated as at fair value through other comprehensive income by the Group, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

If the partial transfer of financial assets meets the conditions for the derecognition, the total carry amount of the financial assets before the transfer shall be allocated between the part of the derecognition and the part of the continuing recognition according to their respective relative fair value on the transfer date. The difference between the sum of the consideration received in the part of derecognition and the accumulative amount of the fair value changes originally recorded in other comprehensive income relevant to the part of derecognition, and the carry amount allocated to the part of the derecognition on the date of derecognition shall be recorded into the current profit or loss or retained earnings. If the financial assets transferred by the Group are the non-trading equity instrument investment designated as at fair value through other comprehensive income, cumulative gains or losses previously recognised in other comprehensive income are reclassified in retained earnings from other comprehensive income.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognise the transferred financial asset in its entirety. Considerations received should be recognised as a financial liability.

8.5 Classification, recognition and measurement of financial liabilities

Based on the contractual terms of the financial instruments issued and the economic substance reflected rather than only the form of legal contracts, along with the definition of financial liabilities and equity instruments, the Group classifies the financial instruments or its components as financial liability or equity instrument at initial recognition.

Upon initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

(1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. In addition to the derivative financial liabilities listed separately, financial liabilities at fair value through profit or loss are listed as financial liabilities held for trading.

The Group's purpose of undertaking the financial liabilities is for trading if one of the following conditions is satisfied:

The purpose of undertaking relevant financial liabilities is mainly for the recent repurchase.

The relevant financial liabilities are part of a portfolio of identifiable financial instruments that are centrally managed on initial recognition, and there is objective evidence of actually a recent short-term profit-taking model.

The relevant financial liabilities are derivatives, except for derivatives defined under financial guarantee contracts and derivatives designated as effective hedging instruments.

The Group may designate, on initial recognition, a financial liability as at fair value through profit or loss if one of the following conditions is satisfied: (1) such designation eliminates or significantly reduces a recognition or measurement inconsistency of related gains or losses arising from differences in the measurement basis of that financial liability; (2) the Group manages and evaluates the financial liability portfolio or the portfolio of financial assets and financial liabilities at fair value based on the enterprise risk management or investment strategy as stated in the official written documents, and report to key management of the Group internally; or (3) there is a qualified hybrid contract containing embedded derivatives.

Financial liabilities held for trading are subsequently measured at fair value, and any gains or losses arising from changes in fair value and dividends or interest expenses paid on the financial liabilities are recognised in profit or loss for the period.

For financial liabilities designated at fair value through profit or loss, changes in the fair value of such financial liabilities arising from changes in the Group's own credit risk are recognised in other comprehensive income. On derecognition of the liability, the cumulative change in fair value attributable to changes in own credit risk previously recognised in other comprehensive income is transferred to retained earnings. The gains or losses resulting from other changes in fair value and dividends or interest expenses related to these financial liabilities are recognised in profit or loss for the period. If the treatment of the effects of changes in the own credit risk of such financial liabilities as described above would cause or enlarge an accounting mismatch in profit or loss, the Group recognises the entire gain or loss on such financial liabilities (including the amount of the effect of changes in the enterprise's own credit risk) in profit or loss for the period.

(2) Other financial liabilities

Other financial liabilities, other than financial liabilities arising from the transfer of financial assets that do not qualify for derecognition or continuing involvement in the transferred financial assets, are classified as financial liabilities at amortised cost and subsequently measured at amortised cost, with gains or losses arising from derecognition or amortisation recognised in profit or loss for the period.

When the Group and a counterparty modify or renegotiate a contract that does not result in derecognition of a financial liability subsequently measured at amortised cost but result in changes in contractual cash flows, the Group recalculates the carrying amount of the financial liability and recognises any related gains or losses in profit or loss for the period. The carrying amount of the financial liability recalculated by the Group is determined based on the present value of the contractual cash flows that will be renegotiated or modified, discounted at the original effective interest rate of the financial liability. For all costs or expenses incurred in connection with the modification or renegotiation of the contract, the Group adjusts the modified carrying amount of the financial liability and amortises it over the remaining period of the modified financial liability.

8.6 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the present obligation (or part of it) is discharged. Where an agreement between the Group as borrower and lender is signed to replace the original financial liability with new financial liabilities, and the contractual terms of the new financial liability and the original financial liability are substantially different, the Group derecognised the original financial liability and recognised the new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount of the part derecognised and the consideration paid (including any non-cash asset transferred or new financial liability assumed) is recognised in profit or loss for the period.

8.7 Equity instruments

Equity instruments are any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinancing), repurchased, sold or cancelled by the Group are treated as changes in equity. Changes in fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as profit distribution, dividends paid do not affect total amount of shareholders' equity.

8.8 Derivative instruments and embedded derivative instruments

Derivative instruments include equity return swap, interest rate swap contracts, options contracts, etc. Derivative instruments are initially measured at fair value on the signing date of relevant contracts and are subsequently measured at fair value.

For the hybrid contracts composed of the embedded derivative instruments and the main contract, if the main contract belongs to financial assets, the Group does not split the embedded derivative instruments from the hybrid contracts, but applies the accounting standards for the classification of financial assets as a whole to the hybrid contracts.

If the main contract contained in the hybrid contracts does not belong to financial assets and meets the following conditions, the Group will split the embedded derivative instruments from the hybrid instruments and deal it as separate derivative financial instruments.

(1) Embedded derivative instruments are not closely related to the economic characteristics and risks of the main contract;

(2) Separate instruments with the same terms as the embedded derivative instruments comply with the definition of derivative instruments;

(3) Hybrid contracts are not measured at fair value through profit or loss.

Where the embedded derivative instruments are split from the hybrid contracts, the Group shall account for the main contract of the hybrid contracts in accordance with the applicable accounting standards. If the Group is unable to reliably measure the fair value of the embedded derivative instruments according to the terms and conditions of the embedded derivative instruments, the fair value of the embedded derivative instruments shall be

determined according to the difference between the fair value of the hybrid contracts and the fair value of the main contract. After using the above method, if the fair value of the embedded.

8.9 Offsetting financial assets and financial liabilities

When the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and financial liabilities are offset with the amounts presented on the balance sheet. Otherwise, financial assets and financial liabilities are separately presented on the balance sheet without offsetting.

9 Settlement funds of client transactions

The settlement funds of client transactions received by the Group are deposited in a dedicated account at the custodian bank and are managed separately from the Group's own funds. The funds for clearing and settlement of securities transactions on behalf of clients are deposited in the clearing agency designated by the exchange and accounted for in the deposits with clearing houses. When the Group receives the funds for clients' securities trading, it is recognised as an asset and a liability.

The Group accepts the client's entrustment to buy and sell securities through the stock exchange as an agent. When clearing with the customer, if the total transaction value of the purchased securities is greater than the total transaction value of the sold securities, the difference between the transaction price of the securities purchased and sold on the liquidation date, plus withholding stamp taxes, commissions that should be charged to the client, and other fees is the basis to reduce the settlement funds of client transactions; if the total transaction value of the purchased securities is less than the total transaction value of the sold securities, the difference between the transaction price of the securities purchased and sold on the liquidation date, minus withholding stamp taxes, commissions that should be charged to the client, and other fees, is the basis to increase the settlement funds of client transactions.

10 Long-term equity investments

10.1 Determination basis for joint control and significant influence

Control refers to the investor has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of returns. Joint control refers to the joint control over an arrangement according to relevant agreements, and the related activities of the arrangement can only be decided after the consensus of the parties sharing the control. Significant influence refers to the power to participate in the decision-making of the financial and operational policies of the investee, but cannot control or jointly control the determination of these policies with other parties. In determining whether it is possible to exercise control over or exert significant influence over the invested entities, it has taken into account the potential voting right factors such as the current convertible bonds of the investee and the current executable warrants held by the investor and other parties.

10.2 Determination of initial investment cost

For the long-term equity investments acquired through a business combination under common control, the initial investment cost of the long-term equity investments shall be the share of the owner's equity of the combined party in the carry amount of the ultimate controlling party's consolidated financial statements on the acquisition date. The difference between the initial investment cost and the carry amount of cash paid, non-cash assets transferred, and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. To issue equity securities as the cost of business combination, the initial investment cost of the long-term equity investments shall be the share of the owner's equity of the combined party in the carry amount of the ultimate controlling party's consolidated financial statements on the acquisition date; the total nominal value of issued shares are recognised as share capital. The difference between the initial investment cost of long-term equity investment and the total nominal value of the issued shares is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

As for the long-term equity investments acquired through business combination not under common control, the initial investment cost of the long-term equity investments shall be taken as the cost of business combination on the acquisition date.

The intermediary fees such as auditing, legal services, evaluation and consultation and other related administrative expenses incurred by the combining party or the purchaser for business combination shall be recorded into the current profit or loss when incurred.

The initial measurement of the long-term equity investments obtained by other means, other than the long-term equity investments formed by the business combination, shall be measured at the initial cost. The expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments are also included in the investment cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

10.3 Subsequent measurement and profit or loss recognition method

(1) Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's financial statements. A subsidiary is an invested entity that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. The current investment income is recognised in accordance with the attributable share of cash dividends or profit distributions declared by the invested entity.

(2) Long-term equity investments accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income, respectively, and adjust the carrying amount of the long-term equity investment accordingly; the carrying amount of the long-term equity investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Company; for other changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment is adjusted and included in capital reserve. When determining the share of the net profit or loss of the investee that should be enjoyed, the net profit of the investee is adjusted based on the fair value of each identifiable asset of the investee at the time of investment, and then confirmed. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Company's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognised as investment income or loss to the extent that those attributable to the Company's proportionate share of interest are eliminated. However, unrealized losses resulting from the Company's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

When it is recognised that the net loss of the investee shall be shared, the carry amount of the long-term equity investments and other long-term interests that substantially constitute the net investment of the investee shall be written down to zero. In addition, if the Group has the obligation to bear additional losses to the investee, it shall recognise the provisions according to the expected obligations and record them into the current investment loss. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

(3) Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying amount and proceeds actually received is recognised in profit or loss for the period.

For a long-term equity investment accounted for using the equity method with the remaining equity interest after disposal also accounted for using equity method, other comprehensive income previously recognised under the equity method shall be accounted for in accordance with the same accounting method for direct disposal of relevant asset or liability by investee, and shall be carried forward proportionally. Owners' equity recognised from changes in other owners' equity of the investee, except for net profit or loss, other comprehensive income and profit distribution, is carried forward in profit or loss proportionately.

In respect of long-term equity investment accounted for using cost method with the remaining equity interest after disposal also accounted for using cost method, other comprehensive income recognised using equity method or the recognition and measurement standard of financial instruments before obtaining control over the investee shall be accounted for in accordance with the same accounting method for direct disposal of relevant asset or liability by investee, and carried forward in profit or loss proportionately. Changes in other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution) under net asset of investee accounted for and recognised using equity method shall be carried forward in profit or loss proportionately.

11 Fixed assets

11.1 Definition of fixed assets

Fixed assets are tangible assets that are held for use in the supply of services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures except for above expenditures are included in profit or loss in the period in which they are incurred.

11.2 Depreciation method of various fixed assets

Fixed assets shall be depreciated monthly within their service life by the straight-line method from the next month when they reach their intended usable state. The estimated useful life, residual value rate, and annual depreciation rate of all types of fixed assets are as follows:

Category	**Estimated useful life**	**Residual value rate**	**Annual depreciation rate**
Buildings	20 years	1%	4.95%
Transportation equipment	4 years	1%	24.75%
Electronic and communication equipment	3 years	1%	33.00%
Office and other equipment	5 years	1%	19.80%

Estimated net residual value refers to the amount obtained by the Group from the disposal of the fixed asset after deducting the estimated disposal expenses, assuming that the expected service life of the fixed asset has been completed and is in the expected state at the end of its service life.

11.3 Other descriptions of fixed assets

When a fixed asset is disposed of or is not expected to generate economic benefits through use or disposal, the recognition of the fixed asset shall be terminated. The difference in the disposal income from the sale, transfer, scrapping, or destruction of fixed assets after deducting its carry amount and relevant taxes and fees shall be included in the current profit or loss.

The Group shall, at least at the end of the year, review the service life, estimated residual value, and depreciation method of the fixed assets, and shall treat any change as accounting estimation change.

12 Borrowing costs

The borrowing costs are recognised as an expense in the period in which they are incurred.

13 Investment properties

An investment property is any property held for rental earnings or capital appreciation or for both, including leased buildings, etc.

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties if the economic benefits related to the asset are likely to flow in and its cost can be measured reliably. Other subsequent expenditures shall be included in the current profit or loss when incurred.

The Group uses the cost model for subsequent measurement of investment properties and depreciates in accordance with policies consistent with those for buildings.

When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is transferred to investment properties at the date of the transfer. The carrying amount on the transfer date shall be taken as the carrying amount of the investment properties.

An investment property is derecognised when it is disposed of, or permanently withdrawn from use, and no economic benefits are expected from its disposal.

The difference of the disposal income of the sale, transfer, scrap, or destruction of the investment properties after deducting its carry amount and relevant taxes and fees shall be included in the current profit or loss.

14 Intangible assets

Intangible assets include trading seat fee and the right to use computer software.

Intangible assets are initially measured at cost. The expenditure pertinent to an intangible asset forms part of the cost of the intangible asset, if it is probable that the economic benefits related to the asset will flow to the Group and the cost can be measured reliably. In addition, the expenditure of other items is included in profit or loss for the current period when it is incurred.

Since the intangible assets with limited service life are available for use, the original value minus the estimated residual value and the accumulated amount of impairment loss allowance are amortised by the straight-line method in phases during their expected service life. Intangible assets with uncertain service life shall not be amortised.

The intangible assets with a limited useful life of the Group mainly include the right of using software, etc. The right of using software is valued at the actual cost at the time of acquisition, and is amortised over 2 years using the straight-line method.

At the end of the period, the service life, amortisation period and method of intangible assets with limited service life shall be reviewed and adjusted if necessary.

15 Impairment of long-term assets

The Group reviews the long-term equity investments, investment properties measured using the cost method, fixed assets and intangible assets with finite useful life at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognised in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets groups, i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then in accordance with the proportion of the carrying amounts of the other assets in the asset group or the sets of asset groups (excluding goodwill), to reduce the carrying amounts of the other assets proportionally.

Once an impairment loss is recognised for above mentioned assets, it will not be reversed in any subsequent period.

16 Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortised using the straight-line method over the expected periods in which benefits are derived.

17 Employee benefits

17.1 Short-term employee benefits

Short-term benefits mainly include employee salaries, bonus, allowances and subsidies, staff welfare, medical insurance, maternity insurance, work injury insurance, housing funds, labor union fees, staff education expenses, non-monetary benefits, etc. The Group shall recognise, in the accounting period in which an employee provides service, actually occurred

short-term employee benefits as a liability, with a corresponding charge to profit or loss for the current period or in the cost of relevant asset. Among which, the non-monetary benefits shall be measured at fair value.

17.2 Post-employment benefits

Post-employment benefits mainly include defined contribution plan. Among them, the defined contribution plan mainly includes basic pension insurance, unemployment insurance, and corporate annuities implemented by the Group for eligible employees, etc. The corresponding deposit amount shall be included in the relevant asset cost or current profit or loss when it occurs.

17.3 Termination benefits

Where the Group provides termination benefits to the employees, the liability of employee benefits arising from the termination benefits shall be recognised at an early date and recorded into the current profit or loss if: the Group cannot unilaterally withdraw the termination benefits provided due to the termination plan or reduction proposal; when the Group confirms the costs or expenses related to the restructuring related to the payment of termination benefits.

18 Provisions

An obligation related to a contingency shall be recognised as a provision when all of the following conditions are satisfied: (1) the obligation is a present obligation of the Group; (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and (3) the amount of the obligation can be measured reliably. As at the balance sheet date, the provisions shall be measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation considering the risks, uncertainty, time value of money and other factors pertinent to the contingencies. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is separately recognised as an asset when it is virtually certain that the reimbursement will be received. The amount recognised for the reimbursement is limited to the carrying amount of the liability recognised.

19 Lease

A lease is a contract in which the lessor gives the right to use an asset to the lessee for a certain period of time in return for consideration.

19.1 The Group as the lessee

At the commencement date, the Group shall recognise the right-of-use asset and recognise the lease liability at the present value of the lease payments during the lease term that are not paid at that date. Lease payments include fixed payments and amounts to be paid

when it is reasonably certain that the lessee will exercise the purchase option or terminate the lease. Variable rent determined as a certain percentage of sales is not included in lease payments and is recognised in the current profit or loss when it actually occurs. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are presented as non-current liabilities due within one year.

Right-of-use assets of the Group include buildings, machinery equipment and transportation vehicle, etc. Right-of-use assets are measured initially at cost which consists of the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise, the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is lower than the carrying amount.

For short-term leases with a term of twelve months or less and leases of an individual asset (when new) of low value, the Group has chosen not to recognise right-of-use assets and lease liabilities, and the related rental expenses are included in the current profit or loss or the cost of related assets on a straight-line basis in each period during the lease term.

The Group shall account for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use of one or more underlying assets; (2) the additional consideration is equivalent to the adjusted amount of the separate price of the expanded portion of the lease scope in accordance with the circumstances of the contract.

For a lease modification that is not accounted for as a separate lease, the Group shall redetermine the lease term at the effective date of the lease modification and remeasure the lease liability by discounting the revised lease payments using a revised discount rate, except that the contract changes directly resulting from conditions permitted by the Ministry of Finance are accounted for by applying the practical expedient. For a lease modification which decreases the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset and recognises in profit or loss any gain or loss relating to the partial or full termination of the lease. For other lease modifications which lead to the remeasurement of lease liabilities, the Group correspondingly adjusts the carrying amount of the right-of-use asset.

For eligible rent concessions agreed on existing lease contracts, the Group chooses to adopt a simplified method and includes the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with the corresponding adjustment of lease liabilities.

19.2 The Group as the lessor

A lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset is a financial lease. Other leases are operating leases.

When the Group rents its self-owned buildings, machinery equipment and transportation vehicles, rental income from an operating lease is recognised on a straight-line basis over the lease term. The Group included the variable rent determined as a certain percentage of sales in rental income when it actually occurs.

For eligible rent concessions agreed on existing lease contracts, the Group chooses to adopt a simplified method to make the reduced or exempt rent as variable rent and recognise in profit or loss for the period.

In addition to the contract modifications that adopt the simplified method, when a lease is changed, the Group regards it as a new lease from the effective date of the change and treats the advance or receivable lease payments related to the lease before the change as the receipts for the new lease.

20 Revenue

The Group recognises revenue when it has fulfilled its performance obligations under the contract, that is, when the customer acquires control of the relevant goods. Obtaining control of relevant goods represents the ability to dominate the use of the goods and derive almost all economic benefits therefrom.

If one of the following conditions is met, it is a performance obligation performed within a certain period of time; otherwise, it is a performance obligation performed at a certain point in time:

(1) The customer obtains and consumes the economic benefits brought by the performance of the Group while the Group is performing the obligation.

(2) Customers are able to control the goods under construction in the course of performing obligations by the Group.

(3) The goods produced in the course of performing obligations by the Group have irreplaceable uses, and over the entire contract period, the Group has the right to receive payments for the portion of the performance that has been completed to date.

For income from obligation performance that is fulfilled over time, it will be recognised by the Group in accordance with the performance progress, except the performance progress cannot be reasonably determined.

When the progress of performance is not reasonably determinable and the costs incurred by the Group are expected to be recovered, the Group recognises revenue at the amount of the costs incurred until the progress of performance is reasonably determinable.

For performance obligations performed at a certain point in time, the Group shall recognize the revenue when the customer obtains control of relevant goods:

Revenue from underwriting business is recognised upon completion of the offering, that is, when the customer obtains control of the service;

Revenue from the securities brokerage business is recognised on the date of the securities transaction;

Revenue from entrusted asset management business is recognised in accordance with the terms specified in the contract;

Revenues from other businesses are recognised when the contractual obligations are fulfilled.

For financial assets measured at amortised cost and debt instrument investments measured at fair value through other comprehensive income, the Group determines interest income by multiplying the carrying amount of the relevant financial assets by the effective interest rate. However, for financial assets with credit impairment, interest income is determined based on the amortised cost of the financial asset and the effective interest rate, and all are reported as "interest income". For financial instrument investments measured at fair value through profit or loss, gains generated during the holding period are recognised in profit or loss and reported as "investment income".

21 Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

21.1 Determination basis and accounting treatment of government grants related to assets

Government grants related to assets refer to government grants which are obtained by the Group for the purposes of constructing or forming long-term assets in other ways. Government grants relating to assets shall be recognised as deferred income and charged to profit or loss for the period over the useful life of the related assets in a reasonable and systematic manner.

21.2 Determination basis and accounting treatment of government grants related to income

Government grants related to income refer to the government grants other than those related to assets. For a government grant related to income, if the grant is a compensation for related cost expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs or losses are recognised. If the grant is a compensation for related cost expenses or losses already

incurred, the grant is included immediately in profit or loss for the period. The Group classifies government grants which are difficult to distinguish as the government grants related to income on an entire basis.

A government grant related to the Group's daily activities is included in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is included in non-operating revenue.

22 Income taxes

Income tax expenses consist of current income taxes and deferred income taxes.

22.1 Current income tax

At the balance sheet date, for current income tax liabilities (or assets) arising from current and prior periods, the amount of income tax expected to be paid (or refunded) is measured at the amount calculated in accordance with the tax laws.

22.2 Deferred tax assets and deferred tax liabilities

Deferred income tax assets and deferred income tax liabilities are recognised based on the temporary differences between the tax bases and the carrying amount of assets and liabilities. A deferred income tax asset is recognised for deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. For the temporary differences arising from the initial recognition of goodwill, no corresponding deferred income tax liability shall be recognized. No deferred income tax asset or deferred income tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss), and where the assets and liabilities initially recognised do not result in equal amounts of taxable temporary differences and deductible temporary differences. 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 to the period when the asset is realised or the liability is settled.

Deferred income tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred income tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the deductible temporary differences can be utilised, the corresponding deferred income tax assets are recognised.

22.3 Offset of income taxes

When there is a legal right to settle on a net basis and the intention is to settle on a net basis or to acquire assets and settle liabilities simultaneously, the Group's current tax assets and current tax liabilities are presented on a net basis after offsetting.

The Group's deferred tax assets and deferred tax liabilities are presented net of offset when there is a legally enforceable right to settle current tax assets and current tax liabilities on a net basis and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities, provided that, in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity involved intends to settle current income tax assets and liabilities on a net basis, or to acquire the assets and settle the liabilities simultaneously.

23 Margin financing and securities lending business

Margin financing and securities lending business refers to the business activities, in which the Group lends funds to clients for buying securities or lends securities to them for sale and the corresponding collaterals are provided by clients. The Group's margin financing and securities lending business is divided into margin financing business and securities lending business.

The Group recognises the capital loaned out as the creditor receivable; for the securities loaned out, the recognition of such securities will remain; and for the capital and securities loaned out, the corresponding income will be recognised.

Whenever margin financing and securities lending is offered to a customer and securities trading is offered for the customer, it will be treated as securities brokerage business and accounting treatment will be carried out.

The Group conducts regular impairment assessments on assets arising from financing business. For details, please refer to Note XIV.2.

24 Resale and repurchase business

24.1 Reverse REPOs

Reverse REPO transaction refers to the purchase of related financial products (including stocks, bonds and notes) from counterparties at a fixed price under a contract or agreement, and the resale of the same financial products at agreed prices on the expiration date of the contract or agreement. The reverse REPO business is accounted for at the actual amount paid when purchasing the relevant financial products for resale. The difference between the purchasing price and reselling price is recognised as interest income during the term of the agreement using the effective interest method.

The Group conducts regular impairment assessments on assets arising from reverse REPO business. For details, please refer to Note XIV.2.

24.2 REPOs

REPO transaction refers to the sale of related financial products (including bonds and notes) to counterparties at a fixed price under a contract or agreement, and the repurchase of the same financial products at agreed prices on the expiration date of the contract or agreement. The REPO business is accounted for at the actual amount received when the related financial products are sold for repurchase. The financial products sold are still listed in the relevant items of balance sheet according to the original classification and are accounted for in accordance with the relevant accounting policies. The difference between the selling price and repurchasing price is recognised as interest expense during the term of the agreement using the effective interest method.

25 Securities lending and refinancing business

The securities lending and refinancing business refers to the business activities in which China Securities Finance Corporation Limited lends its own or legally raised funds or securities to the Group for the Group to conduct margin financing and securities lending business. The securities lending and refinancing business that occurs in the Group includes capital refinancing business and securities refinancing business.

For the capital refinancing business, the Group recognises a liability to the lender for the funds borrowed and recognises the corresponding interest expenses.

For the securities refinancing business, the Group does not recognise the securities borrowed as it does not assume the main risks or enjoy the main income from such securities, but recognises the corresponding expenses.

26 Asset management business

Asset management business refers to the business where the Group accepts entrustment to be responsible for the operation and management of entrusted assets, including single asset management business, collective asset management business and special asset management business.

The Group is entrusted to operate asset management business, taking the entrusted customer or collective plan as the subject, maintaining separate accounts and conducting independent accounting. It regularly reviews the accounting and valuation results provided by the trustees. When the conditions for revenue recognition are met as stipulated in the contracts, the Group calculates entrusted investment management fees and commission income in accordance with the profit-sharing methods and ratios specified in the contracts.

27 Business of agency issuance of securities

For business of agency issuance of securities conducted on a firm commitment underwriting basis, when the Group receives securities to be issued on behalf of the issuer, it simultaneously recognizes an asset and a liability at the underwriting price. After the issuance period, any unsold securities are converted into the Group's financial assets at the underwriting price.

For business of agency issuance of securities conducted on a standby commitment underwriting basis, after the underwriting period, any unsold securities are converted into the Group's financial assets at the agreed underwriting price.

For business of agency issuance of securities conducted on a best effort basis, after the underwriting period, any unsold securities are returned to the entrusting party.

28 Related party

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties.

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

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

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the group or of a parent company of the Group;

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

(a) the entity and the Group are members of the same group;

(b) one entity is an associate or joint venture of the other entity (or of a parent company, subsidiary or fellow subsidiary of the other entity);

(c) the entity and the Group are joint ventures of the same third party;

(d) one entity is a joint venture of a third entity and other entity is an associate of the third entity;

(e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(f) the entity is controlled or jointly controlled by a person identified in (1); and

(g) a person identified in (1)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

29 Profit distribution

After-tax profit for the year of the Company is firstly applied to make up for the losses of previous years. Then, the Company sets aside 10% of after-tax profit for a statutory surplus reserve, 10% of after-tax profit for a general reserve, and according to the requirements of the CSRC, sets aside 10% of after-tax profit for a transaction risk reserve. In addition, with the approval from the annual general meeting, the Company may appropriate certain proportions of net profit for a discretionary surplus reserve. The remaining after-tax profit is distributed according to the resolution approved at the general meeting. If the aggregate balance of the statutory reserve has reached 50% of the Company's registered capital, appropriation for the statutory reserve is no longer mandatory.

General reserves and transaction risk reserve sets aside by the Company are used to make up for any losses arising from securities transactions. The Company's reserve funds are used to make up for any losses of the Company, expand the Company's business or as additional capital of the Company. However, capital reserve cannot be used to make up for the Company's losses. When the statutory reserve funds are converted to capital, the balance of the statutory reserve funds cannot be less than 25% of the Company's registered capital.

Dividends are not deducted from equity, until they have been approved and declared for distribution at the general meeting. When these dividends have been approved and declared for distribution at the general meeting, they are recognised as a liability and deducted from equity.

30 Determination method and selection basis of materiality standards

The Group determines the materiality of financial information in terms of the nature and amount of the item according to its specific environment. When determining the materiality of the nature of an item, the Group mainly considers whether the item is in the ordinary course of business in nature and whether it significantly affects the financial position, operating results and cash flows of the Group; in determining the materiality of the amount of an item, the Group considers the proportion of the item's amount to the amount of directly related items such as total assets, total liabilities, total owner's equity, total operating income, total operating costs, net profit, and total comprehensive income, or the proportion of the item's amount to the amount of the item listed separately in the financial statements.

31 Changes in significant accounting policies

The Ministry of Finance promulgated the Circular on Issuing Interpretation No. 16 of Accounting Standards for Business Enterprises (《關於印發＜企業會計準則解釋第16號＞的通知》, hereinafter referred to as "**Interpretation No. 16**") in 2022. The Group has implemented the new lease standard since January 1, 2021 and recognized deferred taxes related to temporary differences of lease liabilities and right-of-use assets on a net basis. Since January 1, 2023, the Group has implemented the accounting treatment provisions of Interpretation No. 16, which stipulate that the initial recognition exemption does not apply to deferred taxes related to assets and liabilities arising from a single transaction. For the equal amounts of deductible temporary differences and taxable temporary differences arising from the above-mentioned transactions, the Group recognized deferred tax assets and deferred tax liabilities, respectively, and disclosed them separately in the notes. On

December 31, 2022, the relevant notes were adjusted accordingly. The implementation of the aforementioned provisions of Interpretation No. 16 had no impact on the current profit or loss of the Group and the Company for the year 2022, nor on any statement items as of January 1, 2022 and December 31, 2022.

V SIGNIFICANT ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS

In the application of the accounting policies described in Note IV, the inherent uncertainty in operating activities requires the Group to make judgments, estimates, and assumptions about the carry value of statement items that cannot be measured accurately. These judgments, estimates, and assumptions are based on the historical experience of the management and other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognised in the period of the change, if the change affects that period only; or recognised in the period of the change and future periods, if the change affects both.

As at the balance sheet date, the significant judgments made by the Group in the application of accounting policies and the key assumptions and uncertainties involved in accounting estimates that are likely to have a significant impact are as follows:

1 Consolidation of structured entity

When determining whether to consolidate structured entities, the Group mainly considers whether it has control over these entities (including trust plans, asset management plans and funds, etc.). During the assessment, the Group takes into account the purpose of establishing the structured entities, the substantive power the Group has as a manager over the structured entities, and evaluates all variable returns to which the Group is entitled by taking into account factors such as the agreed yield rate, management fee rate, performance compensation terms and shares held in the structured entities, to assess whether the Group controls the structured entities. If the Group has substantive power over a structured entity, the risk of variable returns it faces is significant, and the Group's power over the structured entity will affect the variable returns the Group obtains, the Group consolidates such structured entity.

2 Classification of financial assets

The significant judgments involved in determining the classification of the Group's financial assets include, among others, analyses of business models and contractual cash flow characteristics.

The Group determines the business model for managing financial assets at the portfolio level, taking into account factors such as the manner in which the performance of the financial assets is evaluated and reported to key management personnel, the risks affecting the performance of the financial assets and the manner in which they are managed, and the manner in which the management of the underlying business is remunerated.

When assessing whether the contractual cash flows of financial assets are consistent with basic lending arrangements, the Group makes the following key judgments: whether the principal may change in amount or timing during the term due to factors such as prepayments; and whether the interest represents solely the consideration for the time value of money, credit risk, other basic lending risks and costs, and profit margin.

3 Fair value of financial instruments

For financial instruments which lack active market, the Group adopts a valuation method 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 make the best use of observable market information, and when observable market information is not available, an estimate is made of the significant unobservable information included in the valuation method.

4 ECL measurement

For financial assets measured at amortised cost and debt instrument investments measured at fair value through other comprehensive income, models and assumptions are used in the measurement of ECL. These models and assumptions involve future macroeconomic conditions and the credit behavior of customers (such as the probability of customer default and the corresponding losses).

The significant judgments and assumptions made by the Group in the ECL model of the above-mentioned financial assets mainly include:

– Selecting appropriate ECL models and determining the relevant key parameters;

– Determining the criteria for significant increase in credit risk, and definition of default and credit impairment;

– Adopting forward-looking information and its weighting for the measurement of ECL;

– Forecasting of future cash flows of financial assets in stage 3.

For specific information regarding the above accounting judgments and estimates, please refer to Note XIV.2.

5 Income tax and deferred income tax

There are certain transactions in the ordinary course of the Group's business for which the ultimate tax effect is uncertain. The Group has made tax estimates for the implementation of tax regulations and uncertain matters based on the current tax regulations and the policies adopted by the

government authorities towards the Group in previous years. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will affect the current income tax and deferred income tax during the period in which such a determination is made.

When assessing whether there will be sufficient future taxable income available against which the deductible temporary differences can be utilised, the Group recognises deferred tax assets to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised, using tax rates that would apply in the period when the asset would be recovered. In determining the amount of deferred tax assets, the Group exercises judgements about the estimated timing and amount of taxable profits of the following periods, and of the tax rates applicable in the future according to the existing tax policies and other relevant regulations.

VI TAXATION

1 Income tax

The corporate income tax rate for the Company and its domestic subsidiaries is 25%.

The income tax of the Company's subsidiary, Dongxing Securities (Hong Kong) Financial Holdings Limited (hereinafter referred to as "**Dongxing Hong Kong**") and its Hong Kong subsidiaries is calculated and paid in accordance with the income tax rate of the Hong Kong Special Administrative Region.

2 Value added tax (VAT)

According to the Notice on the Full Rollout of the Pilot Program for the Levy of Value-added Tax in Place of Business Tax (Cai Shui [2016] No. 36) (《關於全面推開營業税改征增值税試點的通知》(財税[2016]36號)), the Company and its domestic subsidiaries have been subject to a VAT on all taxable business since May 1, 2016. The Company and its major domestic subsidiaries are general taxpayers of VAT and are subject to a VAT rate of 6% in accordance with relevant tax regulations.

In accordance with the Circular regarding the Value-added Taxes Policies for Financial, Real Estate Development and Education Ancillary and Other Services (Cai Shui [2016] No. 140) (《關於明確金融、房地產開發、教育輔助等增值税政策的通知》(財税[2016]140號)), the Supplementary Circular regarding Issues concerning Value-added Taxes for Asset Management Products (Cai Shui [2017] No. 2) (《關於資管產品增值税有關問題的補充通知》(財税[2017]2號)) and the Circular on the Relevant Issues concerning Value-added Tax Levied on Asset Management Products (Cai Shui [2017] No. 56) (《關於資管產品增值税有關問題的通知》(財税[2017]56號)), VAT-taxable acts committed by a manager of asset management products during the operation of asset management products shall be governed by the method of simplified VAT taxation, and be subject to VAT at the levy rate of 3% with effect from January 1, 2018.

3 Urban maintenance and construction tax, and educational surtax

Urban maintenance and construction tax is levied at 5% or 7% on the turnover taxes paid. Educational surtax and local educational surtax are levied at 3% and 2% or 1% on the turnover taxes paid.

VII BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

1 Information of subsidiaries

(1) Subsidiaries acquired through self-establishment

Full name	Principal place of business	Place of registration	Registered capital	Business nature	Paid-in capital	Percentage of shareholding and voting rights		Held directly/ indirectly
						As at December 31, 2023	As at December 31, 2022	
Dongxing Securities Investment Co., Ltd.	Beijing	Pingtan Comprehensive Pilot Zone, Fujian Province	RMB2.0 billion	Investment in financial products, project investment, equity investment	RMB1.37 billion	100.00%	100.00%	Directly
Dongxing Capital Investment Management Co., Ltd. (東興資本投資管理有限公司)	Beijing	Shenzhen	RMB500 million	General business scope: investment management; investment consulting; equity investment; entrusted management of equity investment funds. Licensed business scope: financial advisory services	RMB366 million	100.00%	100.00%	Directly
Shanghai Banxing Industrial Development Co., Ltd. (上海伴興實業發展有限公司)	Shanghai	Shanghai	RMB250 million	Industrial investment, enterprise management, trade brokerage and agency, financial consulting, etc.	RMB250 million	100.00%	100.00%	Indirectly
Dongxing Fund Management Co., Ltd. (東興基金管理有限公司)	Beijing	Beijing	RMB200 million	Management of publicly offered securities investment funds and fund sales	RMB200 million	100.00%	100.00%	Directly
Dongxing Securities (Hong Kong) Financial Holdings Limited	Hong Kong, China	Hong Kong, China	HK$ 1,499,999,400	Investment holding	HK$ 1,499,999,400	100.00%	100.00%	Directly
Dongxing Securities (Hong Kong) Finance Company Limited (東興證券(香港)財務有限公司)	Hong Kong, China	Hong Kong, China	HK$5.00 million	/	HK$5.00 million	100.00%	100.00%	Indirectly
Dongxing Information Service (Shenzhen) Co., Ltd. (東興信息服務(深圳)有限公司)	Shenzhen	Shenzhen	HK$8.00 million	Information consulting services (excluding licensed information consulting services). (For items not subject to approval according to law, carry out operations independently with a business licence)	HK$8.00 million	100.00%	100.00%	Indirectly
Dongxing Securities (Hong Kong) Asset Management Company Limited	Hong Kong, China	Hong Kong, China	HK$610 million	Offering advice on securities and asset management	HK$610 million	100.00%	100.00%	Indirectly
Dongxing Voyage Company Limited	Hong Kong, China	British Virgin Islands	US$1	Issuance of bonds	US$1	100.00%	100.00%	Indirectly
Dongxing AM Segregated Portfolio Company	Hong Kong, China	Cayman Islands	US$100	Establishing asset management funds	US$100	100.00%	100.00%	Indirectly

(2) Subsidiaries acquired from business combinations under common control

Full name	Principal place of business	Place of registration	Registered capital	Business nature	Paid-in capital	Percentage of shareholding and voting rights	
						As at December 31, 2023	As at December 31, 2022
Dongxing Securities (Hong Kong) Company Limited	Hong Kong, China	Hong Kong, China	HK$734 million	Securities trading, advising on securities, and advising on corporate finance	HK$734 million	94.52%	94.52%

(3) Subsidiaries acquired from business combinations not under common control

Full name	Principal place of business	Place of registration	Registered capital	Business nature	Paid-in capital	Percentage of shareholding and voting rights	
						As at December 31, 2023	As at December 31, 2022
Dongxing Futures Co., Ltd.	Shanghai	Shanghai	RMB518 million	Commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management	RMB518 million	94.52%	94.52%

2 Consolidated structured entities

If the Group has power over a structured entity through contractual arrangements, is exposed to variable returns by participating in the activities of the structured entity, and has the ability to affect those returns through its power over the structured entity, the Group considers that it controls the structured entity and includes such structured entity into its consolidated financial statements. As of December 31, 2023, a total of 23 structured entities were consolidated into the Group's financial statements because the Group was entitled to significant variable returns and had the ability to use its power over the investees to affect the amount of such returns (December 31, 2022: 31). The equity held by other equity holders in the consolidated structured entities is presented under other liabilities in accordance with the contractual terms.

The operating results of the consolidated structured entities are as follows: (Unit: RMB in million)

	As at December 31, 2023	As at December 31, 2022
Total assets	5,939.65	5,457.56
Operating revenue	334.30	(681.13)
Net profit	317.92	15.35
Maximum risk exposure	5,914.34	5,438.74

3 Information on unconsolidated structured entities is presented in Note IX.

VIII NOTES TO MAIN ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1 Cash and bank balances

(1) Listed by categories

Items	As at December 31, 2023	As at December 31, 2022
Cash on hand	–	6,424.75
Deposits with banks	11,041,203,045.47	14,720,003,053.74
Including: Client deposits	9,258,700,065.70	11,726,901,614.52
Corporate deposits	1,782,502,979.77	2,993,101,439.22
Total	11,041,203,045.47	14,720,009,478.49

(2) Listed by currencies

	As at December 31, 2023		
	Amount in the original currency	Exchange rate	Amount in RMB
Cash on hand			
RMB	–	1.0000	–
Client deposits			
Cash held on behalf of clients			
RMB	8,035,099,512.51	1.0000	8,035,099,512.51
EUR	500.00	7.8592	3,929.60
HKD	67,998,009.29	0.9062	61,619,796.02
USD	7,519,437.29	7.0827	53,257,918.49
Subtotal			8,149,981,156.62
Client credit deposits			
RMB	1,108,718,909.08	1.0000	1,108,718,909.08
Total client deposits			9,258,700,065.70
Corporate deposits			
Corporate self-owned deposits			
RMB	1,369,574,779.49	1.0000	1,369,574,779.49
EUR	70,989.41	7.8592	557,919.97
HKD	194,234,587.32	0.9062	176,015,383.03
USD	33,363,689.00	7.0827	236,305,000.08
Subtotal			1,782,453,082.57
Corporate credit deposits			
RMB	49,897.20	1.0000	49,897.20
Total corporate deposits			1,782,502,979.77
Total			11,041,203,045.47

As at December 31, 2023, the Group had restricted cash and bank balances amounting to RMB157,594,884.50.

	As at December 31, 2022		
	Amount in the original currency	**Exchange rate**	**Amount in RMB**
Cash on hand			
RMB	6,424.75	1.0000	6,424.75
Client deposits			
Cash held on behalf of clients			
RMB	9,604,508,795.38	1.0000	9,604,508,795.38
EUR	500.00	7.4229	3,711.45
HKD	367,168,834.24	0.8933	327,991,919.63
USD	3,328,843.75	6.9646	23,184,065.18
Subtotal			9,955,688,491.64
Client credit deposits			
RMB	1,529,025,349.11	1.0000	1,529,025,349.11
HKD	271,115,833.17	0.8933	242,187,773.77
Total client deposits			11,726,901,614.52
Corporate deposits			
Corporate self-owned deposits			
RMB	1,605,184,892.69	1.0000	1,605,184,892.69
EUR	430.65	7.4229	3,196.67
HKD	1,536,010,253.96	0.8933	1,372,117,959.86
USD	2,243,805.56	6.9646	15,627,208.20
Subtotal			2,992,933,257.42
Corporate credit deposits			
RMB	168,181.80	1.0000	168,181.80
Total corporate deposits			2,993,101,439.22
Total			14,720,009,478.49

As at December 31, 2022, the Group had restricted cash and bank balances amounting to RMB124,993,933.41.

2 Deposits with clearing houses

(1) Listed by categories

	As at December 31, 2023	As at December 31, 2022
Deposits with clients	3,137,054,149.84	2,985,841,705.31
Deposits with corporate	588,154,998.91	1,318,387,681.68
Total	3,725,209,148.75	4,304,229,386.99

(2) Listed by currencies

	As at December 31, 2023		
	Amount in the original currency	Exchange rate	Amount in RMB
Deposits with clients			
Ordinary deposits with clients			
RMB	2,394,195,188.91	1.0000	2,394,195,188.91
HKD	15,454,718.49	0.9062	14,005,065.90
USD	3,710,768.35	7.0827	26,282,258.99
Subtotal			2,434,482,513.80
Credit deposits with clients			
RMB	702,571,636.04	1.0000	702,571,636.04
Total deposits with clients			3,137,054,149.84
Deposits with corporate			
Self-owned deposits with corporate			
RMB	588,154,998.91	1.0000	588,154,998.91
Total			3,725,209,148.75

	As at December 31, 2022		
	Amount in the original currency	Exchange rate	Amount in RMB
Deposits with clients			
Ordinary deposits with clients			
RMB	2,171,340,103.92	1.0000	2,171,340,103.92
HKD	18,263,820.19	0.8933	16,315,070.58
USD	5,783,825.07	6.9646	40,282,028.07
Subtotal			2,227,937,202.57
Credit deposits with clients			
RMB	757,904,502.74	1.0000	757,904,502.74
Total deposits with clients			2,985,841,705.31
Deposits with corporate			
Self-owned deposits with corporate			
RMB	1,318,387,681.68	1.0000	1,318,387,681.68
Total			4,304,229,386.99

3 Margin financing and securities lending business

(1) Receivable from margin clients

By categories:

	As at December 31, 2023	As at December 31, 2022
Receivable from margin clients of margin financing and securities lending	17,253,323,807.71	17,052,192,680.43
Margin financing	18,219,070.74	25,285,112.15
Subtotal	17,271,542,878.45	17,077,477,792.58
Less: Impairment loss allowance	(61,047,205.53)	(90,221,182.98)
Net receivable from margin clients	17,210,495,672.92	16,987,256,609.60

By financing entity:

	As at December 31, 2023	As at December 31, 2022
Domestic		
By counterparty		
– Individuals	12,759,435,246.85	11,934,174,850.61
– Institutions	4,493,888,560.86	5,118,017,829.82
	17,253,323,807.71	17,052,192,680.43
Less: Impairment loss allowance	(42,828,237.19)	(70,179,724.74)
Subtotal	17,210,495,570.52	16,982,012,955.69
Overseas		
By counterparty		
– Individuals	111.16	5,288,983.82
– Institutions	18,218,959.58	19,996,128.33
	18,219,070.74	25,285,112.15
Less: Impairment loss allowance	(18,218,968.34)	(20,041,458.24)
Subtotal	102.40	5,243,653.91
Total	17,210,495,672.92	16,987,256,609.60

Analysed by aging:

	As at December 31, 2023			
	Original carrying value		Impairment loss allowance	
	Amount	% of total	Amount	Proportion
Within 3 months	5,273,813,219.79	30.53%	(15,567,690.78)	0.30%
3 to 6 months	3,157,922,065.78	18.28%	(4,502,771.13)	0.14%
Over 6 months	8,839,807,592.88	51.19%	(40,976,743.62)	0.46%
Total	17,271,542,878.45	100.00%	(61,047,205.53)	0.35%

	As at December 31, 2022			
	Original carrying value		Impairment loss allowance	
	Amount	% of total	Amount	Proportion
Within 3 months	3,066,835,475.44	17.96%	(18,759,515.29)	0.61%
3 to 6 months	2,735,280,663.44	16.02%	(9,797,909.97)	0.36%
Over 6 months	11,275,361,653.70	66.02%	(61,663,757.72)	0.55%
Total	17,077,477,792.58	100.00%	(90,221,182.98)	0.53%

As at December 31, 2023, the amount of RMB26,000,660.62 not yet repaid by clients upon termination of forced liquidation contracts under the Group's margin business was recognised as accounts receivable (December 31, 2022: RMB26,408,473.07).

(2) Securities lending business

	As at December 31, 2023	As at December 31, 2022
Securities lending arrangement		
– Financial assets held for trading	20,934,346.10	298,924,115.32
– Securities received through refinancing	18,579,426.34	198,273,490.73
Total	39,513,772.44	497,197,606.05
Total amount of securities received through refinancing	18,581,200.00	352,496,508.00

As at December 31, 2023, no default events had occurred in the Group's securities lending business (December 31, 2022: nil).

(3) Fair value of collateral for the margin financing and securities lending

Types of collateral	As at December 31, 2023	As at December 31, 2022
Capital	1,822,051,657.89	2,301,887,245.82
Bonds	284,343,315.26	824,458,486.68
Stocks	43,509,097,640.58	47,369,069,481.88
Funds	1,159,058,315.76	1,339,834,684.31
Total	46,774,550,929.49	51,835,249,898.69

4 Derivative financial instruments

	As at December 31, 2023		
	Non-hedging instruments		
Items	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	7,960,000,000.00	–	–
Equity derivatives	14,268,883,430.24	414,972,691.21	423,558,830.84
Other derivatives	2,822,810,016.20	11,093,897.09	8,096,964.15
Total	25,051,693,446.44	426,066,588.30	431,655,794.99

	As at December 31, 2022		
	Non-hedging instruments		
Items	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	6,233,042,900.00	–	–
Equity derivatives	9,461,100,058.70	215,078,743.61	99,597,228.28
Other derivatives	953,595,064.04	747,495.43	18,055,868.30
Total	16,647,738,022.74	215,826,239.04	117,653,096.58

Under a daily mark-to-market settlement arrangement, any gains or losses of the Group's position in futures contracts and interest rate swap contracts were included in deposits with clearing houses and refundable deposits as at December 31, 2023. Accordingly, the net amount of futures contracts and interest rate swap contracts in derivative financial instruments was RMBNil. As of

December 31, 2023, the fair value of the Group's outstanding futures contracts was RMB-16,438,115.00 (December 31, 2022: RMB-100,156,905.00); the fair value of the outstanding interest rate swap contracts was RMB5,863,722.73 (December 31, 2022: RMB-6,600,172.59).

5 Reverse REPOs

(1) Presented by collateral types

Items	As at December 31, 2023	As at December 31, 2022
Stocks	1,622,486,237.60	1,801,275,985.65
Bonds	288,629,180.32	216,577,054.31
Subtotal	1,911,115,417.92	2,017,853,039.96
Less: Impairment loss allowance	(1,377,823,767.93)	(1,295,390,408.86)
Total	533,291,649.99	722,462,631.10

(2) Presented by business types

Items	As at December 31, 2023	As at December 31, 2022
Stock-pledged repurchase	1,622,486,237.60	1,801,275,985.65
Bond-pledged repurchase	231,653,028.85	216,577,054.31
Outright repurchase	56,976,151.47	–
Subtotal	1,911,115,417.92	2,017,853,039.96
Less: Impairment loss allowance	(1,377,823,767.93)	(1,295,390,408.86)
Total	533,291,649.99	722,462,631.10

The net amount of stock-pledge repurchase is analyzed by remaining life as follows:

Remaining life	As at December 31, 2023	As at December 31, 2022
Within 1 month (inclusive)	1,622,486,237.60	1,801,275,985.65
1 month to 3 months (inclusive)	–	–
3 months to 12 months (inclusive)	–	–
Over 12 months	–	–
Subtotal	1,622,486,237.60	1,801,275,985.65
Less: Impairment loss allowance	(1,377,823,767.93)	(1,295,390,408.86)
Total	244,662,469.67	505,885,576.79

If the collateral held depreciate in value, the Group may, in certain circumstances, require additional collateral. The Group has an obligation to return the collateral to its counterparties at the expiration of the contracts.

The fair value of the collateral received by the Group in reverse REPO business, the collateral allowed to be re-pledged and the collateral re-pledged are as below:

	As at December 31, 2023	As at December 31, 2022
Collateral received	693,493,830.15	1,081,423,884.03
Including: Collateral allowed to be re-pledged	141,695,919.52	–
Collateral re-pledged	64,804,299.84	–

For treasury bond reverse repo transactions conducted through the exchange, where matching is automatically executed by the exchange and the adequacy of the collateral value is guaranteed, the information of the counterparty's collateral pool cannot be obtained. Consequently, the fair value of the collateral mentioned above does not include the fair value of any collateral assets acquired through the exchange's treasury bond reverse repo transactions. As of December 31, 2023, the amount of the above-mentioned exchange's treasury bond reverse repo was RMB31,759,494.60 (December 31, 2022: RMB15,922,035.00).

6 Accounts receivable

(1) By details

	As at December 31, 2023	As at December 31, 2022
Clearing funds receivable	171,405,947.97	188,627,766.15
Accounts receivable from business revenue	106,231,844.09	151,811,797.73
Accounts receivable from margin financing and securities lending	26,000,660.62	26,408,473.07
Others	18,379,456.65	10,140,240.88
Subtotal	322,017,909.33	376,988,277.83
Less: Impairment loss allowance	(38,239,996.48)	(34,768,513.53)
Total	283,777,912.85	342,219,764.30

(2) Analysed by aging

	As at December 31, 2023			
	Original carrying value		Impairment loss allowance	
Items	Amount	% of total	Amount	Proportion
Within 1 year	273,385,915.33	84.90%	(3,256,512.80)	1.19%
1 to 2 years	8,553,031.89	2.66%	(2,836,742.96)	33.17%
2 to 3 years	7,366,151.17	2.29%	(1,729,444.14)	23.48%
More than 3 years	32,712,810.94	10.15%	(30,417,296.58)	92.98%
Total	322,017,909.33	100.00%	(38,239,996.48)	11.88%

	As at December 31, 2022			
	Original carrying value		Impairment loss allowance	
Items	Amount	% of total	Amount	Proportion
Within 1 year	332,797,056.70	88.28%	(2,365,149.94)	0.71%
1 to 2 years	7,697,693.65	2.04%	(1,477,970.64)	19.20%
2 to 3 years	18,613,029.87	4.94%	(16,143,144.44)	86.73%
More than 3 years	17,880,497.61	4.74%	(14,782,248.51)	82.67%
Total	376,988,277.83	100.00%	(34,768,513.53)	9.22%

For accounts receivable arising from the application of Accounting Standards for Business Enterprises No. 14 – Revenue, the Group applies the simplified ECL approach to measure its impairment loss allowance. For the rest of accounts receivable, the Group applies the general ECL approach to measure their impairment loss allowance. As at December 31, 2023 and December 31, 2022, the accounts receivable for which the general ECL approach was applied to measure the impairment loss allowance were in Stage 3 of credit impairment and mainly comprised of accounts receivable from margin financing and securities lending. The remaining receivables were in Stage 1 of credit impairment.

(3) Top five debtor units in accounts receivable as at the end of the year

Name	As at December 31, 2023	Nature of the debt	Aging	As a percentage of total accounts receivable
Wu Shengbo (武勝波)	14,945,028.09	Receivables from margin clients	More than 3 years	4.64%
Beijing Haidian District State-owned Capital Operation Co., Ltd. (北京市海淀區國有資本運營有限公司)	10,751,653.58	Bond underwriting fees	Within 1 year	3.34%
Dongxing Xingli Bond-type Securities Investment Fund (東興興利債券型證券投資基金)	6,960,517.64	Management fees receivable, etc.	Within 1 year	2.16%
Shanghai Yikun Investment Consultant Partnership Enterprise (Limited Partnership) (上海頤琨投資管理合夥企業 (有限合夥))	5,000,000.00	Income from financial advisory services	Within 1 year	1.55%
Dongxing Anyingbao Money Market Fund (東興安盈寶貨幣市場基金)	4,169,435.59	Management fees receivable, etc.	Within 1 year	1.29%
Total accounts receivable from top five debtors	41,826,634.90			12.98%

Name	As at December 31, 2022	Nature of the debt	Aging	As a percentage of total accounts receivable
Wu Shengbo (武勝波)	14,945,028.09	Receivables from margin clients	2 to 3 years	3.96%
Beijing Jiaman Clothing Co., Ltd. (北京嘉曼服飾股份有限公司)	4,773,764.15	Underwriting and sponsoring fees	Within 1 year	1.27%
Chuzhou Huike Optoelectronic Technology Co., Ltd. (滁州惠科光電科技有限公司)	4,499,820.00	Bond underwriting fees	More than 3 years	1.19%
Zhejiang Guanghua Technology Co., Ltd. (浙江光華科技股份有限公司)	4,485,177.96	Underwriting and sponsoring fees	Within 1 year	1.19%
Soochow Securities Co., Ltd. (東吳證券股份有限公司)	4,000,000.00	Bond underwriting fees	Within 1 year	1.06%
Total accounts receivable from top five debtors	32,703,790.20			8.67%

(4) As at December 31, 2023, the above accounts receivable from shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights were RMB2,856,240.11 (December 31, 2022: RMB3,676,200.00).

(5) For details on the amounts due from related parties included in the above receivables, please refer to note XII.

7 Refundable deposits

(1) By categories

	As at December 31, 2023	As at December 31, 2022
Performance deposits	1,612,784,218.15	2,587,601,568.31
Trading deposits	392,405,622.27	327,937,047.00
Credit deposits	22,617,466.33	26,948,648.47
Total	2,027,807,306.75	2,942,487,263.78

(2) By currencies

	As at December 31, 2023		
	Amount in the original currency	**Exchange rate**	**Amount in RMB**
Performance deposits			
RMB	1,612,784,218.15	1.0000	1,612,784,218.15
Subtotal			1,612,784,218.15
Trading deposits			
RMB	376,083,762.17	1.0000	376,083,762.17
HKD	500,000.00	0.9062	453,100.00
USD	2,240,495.87	7.0827	15,868,760.10
Subtotal			392,405,622.27
Credit deposits			
RMB	22,617,466.33	1.0000	22,617,466.33
Total			2,027,807,306.75

	As at December 31, 2022		
	Amount in the original currency	**Exchange rate**	**Amount in RMB**
Performance deposits			
RMB	2,587,601,568.31	1.0000	2,587,601,568.31
Subtotal			2,587,601,568.31
Trading deposits			
RMB	323,178,339.25	1.0000	323,178,339.25
HKD	3,222,059.50	0.8933	2,878,265.75
USD	270,000.00	6.9646	1,880,442.00
Subtotal			327,937,047.00

	As at December 31, 2022		
	Amount in the original currency	Exchange rate	Amount in RMB
Credit deposits			
RMB	26,948,648.47	1.0000	26,948,648.47
Total			2,942,487,263.78

8 Financial investments: financial assets held for trading

Financial assets classified as at fair value through profit or loss

	As at December 31, 2023	
	Fair value	Initial cost
Bonds	9,350,963,668.56	9,669,845,939.06
Stocks	1,542,646,417.30	1,422,105,185.38
Funds	4,948,914,698.45	5,354,466,032.40
Asset management products	1,383,093,693.45	1,451,579,853.47
Bank wealth management products	2,360,034,540.87	2,338,511,676.08
Others	733,870,130.88	1,099,997,423.16
Total	20,319,523,149.51	21,336,506,109.55

	As at December 31, 2022	
	Fair value	Initial cost
Bonds	10,297,297,168.25	10,817,314,027.41
Stocks	567,257,516.43	633,221,130.84
Funds	5,850,679,555.14	5,984,921,390.00
Asset management products	2,114,501,800.63	2,246,819,428.10
Bank wealth management products	777,187,988.60	777,155,392.58
Others	851,062,182.92	1,034,168,084.36
Total	20,457,986,211.97	21,493,599,453.29

As at December 31, 2023 and December 31, 2022, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

As at December 31, 2023, the fair value of asset-backed securities issued by shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights among the financial assets held for trading of the Group amounted to RMB11,639,656.00 (December 31, 2022: RMB92,176,456.00).

9 Financial investments: debt investments

	As at December 31, 2023			
	Initial cost	Interest	Impairment loss allowance	Carrying amount
Private debt instruments	66,152,600.00	13,636,745.87	79,789,345.87	–

	As at December 31, 2022			
	Initial cost	Interest	Impairment loss allowance	Carrying amount
Private debt instruments	65,210,900.00	11,191,507.14	–	76,402,407.14

As at December 31, 2023 and December 31, 2022, no financial assets held by the Group in its debt investments were issued by shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights.

10 Financial investments: other debt investments

	As at December 31, 2023				
	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated impairment loss allowance
Treasury bonds	4,070,000,000.00	30,773,294.44	13,554,351.30	4,114,327,645.74	–
Corporate bonds	14,059,216,335.58	364,818,927.34	(10,822,323.68)	14,413,212,939.24	161,855,952.67
Commercial papers	758,000,000.00	13,784,922.54	1,874,731.29	773,659,653.83	420,455.59
Financial bonds	3,482,548,860.70	69,571,911.07	19,617,326.53	3,571,738,098.30	792,677.51
Local government bonds	6,372,400,467.95	58,098,035.07	22,848,460.78	6,453,346,963.80	4,544,054.55
Interbank certificates of deposit	6,670,000,000.00	(119,377,688.02)	19,097,498.02	6,569,719,810.00	2,487,119.09
Others	390,576,457.60	4,439,000.78	782,581.11	395,798,039.49	223,692.37
Total	35,802,742,121.83	422,108,403.22	66,952,625.35	36,291,803,150.40	170,323,951.78

	As at December 31, 2022				
	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated impairment loss allowance
Treasury bonds	570,000,000.00	2,858,661.22	(3,192,055.07)	569,666,606.15	–
Corporate bonds	11,912,748,265.95	272,672,118.61	(221,784,197.88)	11,963,636,186.68	109,839,788.21
Commercial papers	1,766,000,000.00	23,343,771.88	(5,798,737.82)	1,783,545,034.06	114,490.75
Financial bonds	4,818,820,000.00	85,629,649.86	6,757,778.02	4,911,207,427.88	303,036.75
Local government bonds	9,475,290,000.00	327,871,913.03	(52,718,356.41)	9,750,443,556.62	1,361,677.09
Interbank certificates of deposit	5,000,000,000.00	(101,381,529.26)	13,584,229.26	4,912,202,700.00	488,422.57
Others	587,627,000.00	7,065,290.84	(10,283,048.96)	584,409,241.88	83,830.14
Total	34,130,485,265.95	618,059,876.18	(273,434,388.86)	34,475,110,753.27	112,191,245.51

As at December 31, 2023 and December 31, 2022, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

As at December 31, 2023 and December 31, 2022, no financial assets held by the Group in other debt investments were issued by shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights.

11 Financial investments: investments in other equity instruments

	As at December 31, 2023		
	Initial cost	Fair value	Dividend income recognised for the year
Non-trading equity instruments	4,808,530,503.86	4,601,935,908.72	211,298,005.98
Futures membership	1,400,000.00	1,400,000.00	–
Total	4,809,930,503.86	4,603,335,908.72	211,298,005.98

	As at December 31, 2022		
	Initial cost	Fair value	Dividend income recognised for the year
Non-trading equity instruments	3,531,233,190.88	3,115,174,763.17	100,693,512.76

As at December 31, 2023 and December 31, 2022, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

In 2023, the cumulative losses transferred from other comprehensive income to retained earnings in respect of the Group's derecognised investments in other equity instruments was RMB19,569,054.94 (2022: losses of RMB4,472,244.30).

As at December 31, 2023 and December 31, 2022, no financial assets held by the Group in investments in other equity instruments were issued by shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights.

12 Long-term equity investments

	As at December 31, 2023	As at December 31, 2022
Associates	207,185,480.71	224,322,206.40
Joint ventures	129,299,433.86	88,572,904.76
Total	336,484,914.57	312,895,111.16

(1) Details of long-term equity investments are as follows:

		Change in the current year			
Investee	As at January 1, 2023	Increase in investment	Net profit or loss adjusted under the equity method	Cash dividends or profits declared	As at December 31, 2023
Associates:					
Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership)(共青城東興博元投資中心(有限合夥))	57,852,635.17	–	12,978,147.77	–	70,830,782.94
Shanghang Xingyuan Equity Investment Partnership (Limited Partnership)(上杭興源股權投資合夥企業 (有限合夥))	93,656,666.01	–	(38,909,536.44)	–	54,747,129.57
Guizhou Yinian Medical Industry Investment Center (Limited Partnership)(貴州益年醫療產業投資中心(有限合夥))	4,923,389.56	–	427,432.17	–	5,350,821.73

Investee	As at January 1, 2023	Change in the current year			As at December 31, 2023
		Increase in investment	Net profit or loss adjusted under the equity method	Cash dividends or profits declared	
Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership)(揚州市廣陵東證新興產業投資基金合夥企業 (有限合夥))	42,704,414.80	–	5,611,408.42	–	48,315,823.22
Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership)(上饒高鐵經濟試驗區東投數字產業發展母基金 (有限合夥))	25,185,100.86	–	1,755,822.39	–	26,940,923.25
Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership)(東方招盈(深圳)私募股權基金結構調整產業投資合夥企業 (有限合夥))	–	1,000,000.00	–	–	1,000,000.00
Subtotal	224,322,206.40	1,000,000.00	(18,136,725.69)	–	207,185,480.71
Joint ventures:					
Mianyang Jujiu Equity Investment Center (Limited Partnership)(綿陽市聚九股權投資中心 (有限合夥))	88,572,904.76	–	41,064,029.10	(337,500.00)	129,299,433.86
Total	312,895,111.16	1,000,000.00	22,927,303.41	(337,500.00)	336,484,914.57

Investee	As at January 1, 2022	Change in the current year: Increase in investment	Change in the current year: Net profit or loss adjusted under the equity method	Change in the current year: Cash dividends or profits declared	As at December 31, 2022
Associates:					
Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership)(共青城東興博元投資中心(有限合夥))	87,497,754.20	–	(29,645,119.03)	–	57,852,635.17
Shanghang Xingyuan Equity Investment Partnership (Limited Partnership)(上杭興源股權投資合夥企業(有限合夥))	178,205,944.95	–	(26,550,309.94)	(57,998,969.00)	93,656,666.01
Guizhou Yinian Medical Industry Investment Center (Limited Partnership)(貴州益年醫療產業投資中心(有限合夥))	6,304,240.43	–	(1,380,850.87)	–	4,923,389.56
Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership)(揚州市廣陵東證新興產業投資基金合夥企業(有限合夥))	38,495,064.33	–	4,209,350.47	–	42,704,414.80
Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership)(上饒高鐵經濟試驗區東投數字產業發展母基金(有限合夥))	24,992,757.03	–	192,343.83	–	25,185,100.86
Subtotal	335,495,760.94	–	(53,174,585.54)	(57,998,969.00)	224,322,206.40
Joint ventures:					
Mianyang Jujiu Equity Investment Center (Limited Partnership)(綿陽市聚九股權投資中心(有限合夥))	59,296,736.60	–	29,276,168.16	–	88,572,904.76
Total	394,792,497.54	–	(23,898,417.38)	(57,998,969.00)	312,895,111.16

(2) Basic information of the above associates and joint ventures

Name of investee	Principal place of business	Place of registration	Business nature	Percentage of shareholding of the Group	
				As at December 31, 2023	As at December 31, 2022
Associates					
Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership) (a)	Shanghai	Jiujiang, Jiangxi Province	Equity investment	20.94%	20.94%
Shanghang Xingyuan Equity Investment Partnership (Limited Partnership) (b)	Shanghai	Longyan, Fujian Province	Equity investment	9.90%	9.90%
Guizhou Yinian Medical Industry Investment Center (Limited Partnership) (c)	Shanghai	Guiyang, Guizhou Province	Equity investment	20.00%	20.00%
Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership) (d)	Beijing	Yangzhou, Jiangsu Province	Equity investment	20.00%	20.00%
Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership) (e)	Jiangxi	Shangrao, Jiangxi Province	Equity investment	20.00%	20.00%
Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership) (f)	Guang-dong	Shenzhen, Guangdong Province	Equity investment	4.90%	N/A
Joint ventures					
Mianyang Jujiu Equity Investment Center (Limited Partnership) (g)	Shanghai	Mianyang, Sichuan Province	Equity investment	18.75%	18.75%

(a) Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership) was jointly established by Dongxing Capital Investment Management Co., Ltd. ("**Dongxing Capital**"), a wholly-owned subsidiary of Company, China Orient Asset Management Co., Ltd. and other enterprises in 2016.

(b) Shanghang Xingyuan Equity Investment Partnership (Limited Partnership) was jointly established by Dongxing Capital, a wholly-owned subsidiary of Company, Ningbo Meishan Free Trade Zone Yuansheng Investment Management Co., Ltd. (寧波梅山保税港區遠晟投資管理有限公司) and other enterprises in 2018.

(c) Guizhou Yinian Medical Industry Investment Center (Limited Partnership) was jointly established by Dongxing Capital, a wholly-owned subsidiary of Company, and other natural persons in 2019.

(d) Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership) was jointly established by Dongxing Capital, a wholly-owned subsidiary of Company, Yangzhou Guangling State-owned Assets Investment and Operation Co., Ltd. (揚州廣陵國有資產投資運營有限公司) and other enterprises in 2021.

(e) Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership) was jointly established by Dongxing Capital, a wholly-owned subsidiary of Company, and Shangrao High-Speed Rail Economic Pilot Zone Industrial Investment Development Co., Ltd. (上饒高鐵經濟試驗區產業投資發展有限公司) in 2021.

(f) Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership) (東方招盈(深圳)私募股權基金結構調整產業投資合夥企業(有限合夥)) was jointly established by Dongxing Capital, a wholly-owned subsidiary of Company, Shenzhen China Merchants Yingkui Equity Investment Fund Management Co., Ltd. (深圳市招商盈葵股權投資基金管理有限公司) and other enterprises in 2023.

(g) Mianyang Jujiu Equity Investment Center (Limited Partnership) was jointly established by Dongxing Capital (東興資本), the wholly-owned subsidiary of the Company, Sichuan Jiuzhou Electric Group Co., Ltd. (四川九洲電器集團有限責任公司) and other enterprises in 2019. Dongxing Capital committed a capital contribution of RMB60,000,000 and made an actual capital contribution of RMB36,000,000 in 2020. According to the Limited Partnership Agreement, theInvestment Decision Committee holds the decision-making authority over the actual investments of Mianyang Jujiu Equity Investment Center (Limited Partnership). The Investment Decision Committee consists of five members, with Dongxing Capital and two other investors holding two seats, two seats, and one seat, respectively. Pursuant to the Limited Partnership Agreement, decisions made by the Investment Decision Committee can only be implemented after obtaining the consent of two-thirds (inclusive) or more of the committee members participating in the voting. Therefore, Dongxing Capital and the other investor holding two seats on the Investment Decision Committee exercise joint control over Mianyang Jujiu Equity Investment Center (Limited Partnership).

(3) As at December 31, 2023 and December 31, 2022, the ability of investees to transfer funds to the Group was not restricted.

13 Fixed assets

	Buildings	Transportation equipment	Electronic and communication equipment	Office and other equipment	Total
Cost					
As at January 1, 2023	231,876,890.92	33,073,179.21	361,706,390.08	27,895,869.52	654,552,329.73
Additions during the year	–	1,819,195.33	41,645,934.68	2,535,669.44	46,000,799.45
Decrease in the year	–	(1,810,926.36)	(30,529,194.86)	(1,260,699.24)	(33,600,820.46)
Foreign currency translation differences	–	9,625.92	124,958.59	19,467.05	154,051.56
As at December 31, 2023	231,876,890.92	33,091,074.10	372,948,088.49	29,190,306.77	667,106,360.28
Accumulated depreciation					
As at January 1, 2023	152,532,172.03	25,475,599.34	275,948,261.86	19,436,415.07	473,392,448.30
Additions during the year	11,561,185.28	3,614,515.37	44,807,639.80	2,853,167.46	62,836,507.91
Decrease in the year	–	(1,634,091.01)	(26,825,612.76)	(1,168,741.65)	(29,628,445.42)
Foreign currency translation differences	–	9,529.66	123,742.48	16,991.07	150,263.21
As at December 31, 2023	164,093,357.31	27,465,553.36	294,054,031.38	21,137,831.95	506,750,774.00
Net value					
As at December 31, 2023	67,783,533.61	5,625,520.74	78,894,057.11	8,052,474.82	160,355,586.28

	Buildings	Transportation equipment	Electronic and communication equipment	Office and other equipment	Total
Cost					
As at January 1, 2022	231,876,890.92	31,875,848.30	318,021,480.65	26,472,359.00	608,246,578.87
Additions during the year	–	2,401,888.95	47,046,280.65	3,620,287.03	53,068,456.63
Decrease in the year	–	(1,261,045.00)	(4,105,508.23)	(2,320,241.29)	(7,686,794.52)
Foreign currency translation differences	–	56,486.96	744,137.01	123,464.78	924,088.75
As at December 31, 2022	231,876,890.92	33,073,179.21	361,706,390.08	27,895,869.52	654,552,329.73
Accumulated depreciation					
As at January 1, 2022	141,051,875.81	23,247,541.27	245,100,155.42	18,887,588.24	428,287,160.74
Additions during the year	11,480,296.22	3,420,570.49	34,163,634.35	2,728,097.03	51,792,598.09
Decrease in the year	–	(1,248,434.55)	(4,021,311.49)	(2,291,211.41)	(7,560,957.45)

	Buildings	Transportation equipment	Electronic and communication equipment	Office and other equipment	Total
Foreign currency translation differences	–	55,922.13	705,783.58	111,941.21	873,646.92
As at December 31, 2022	152,532,172.03	25,475,599.34	275,948,261.86	19,436,415.07	473,392,448.30
Net value					
As at December 31, 2022	79,344,718.89	7,597,579.87	85,758,128.22	8,459,454.45	181,159,881.43

As at December 31, 2023, the cost of buildings for which the Group had not completed the property right procedures amounted to RMB26,134,000.00, with a net value of RMB10,179,193.00 (December 31, 2022: cost of RMB26,134,000.00 and net value of RMB11,472,826.00. The management of the Group expects that the pending completion of the property right procedures will not affect the Group's ownership of these buildings, nor will it adversely impact the operations of the Group.

As at December 31, 2023 and December 31, 2022, the Group had no material fixed assets with ownership restrictions, no material temporarily idle fixed assets, no material fixed assets held under finance leases, and no material fixed assets classified as held for sale.

14 Investment properties

	Buildings
Cost	
As at January 1, 2023	51,519,824.04
Additions during the year	–
Decrease in the year	–
Exchange differences	–
As at December 31, 2023	51,519,824.04
Accumulated depreciation	
As at January 1, 2023	30,389,041.13
Additions during the year	2,558,379.84
Decrease in the year	–
Exchange differences	–

	Buildings
As at December 31, 2023	32,947,420.97
Carrying amount	
As at December 31, 2023	18,572,403.07
Cost	
As at January 1, 2022	51,519,824.04
Additions during the year	–
Decrease in the year	–
Exchange differences	–
As at December 31, 2022	51,519,824.04
Accumulated depreciation	
As at January 1, 2022	27,830,661.29
Additions during the year	2,558,379.84
Decrease in the year	–
Exchange differences	–
As at December 31, 2022	30,389,041.13
Carrying amount	
As at December 31, 2022	21,130,782.91

15 Right-of-use assets

	Buildings	Office and other equipment	Total
Cost			
As at December 31, 2022	620,671,227.77	3,755,570.04	624,426,797.81
Additions during the year	223,856,948.19	13,627.92	223,870,576.11
Decrease in the year	(270,032,367.95)	(204,216.20)	(270,236,584.15)
Foreign currency translation differences	810,306.98	–	810,306.98
As at December 31, 2023	575,306,114.99	3,564,981.76	578,871,096.75

	Buildings	Office and other equipment	Total
Accumulated depreciation			
As at December 31, 2022	275,317,776.66	397,696.14	275,715,472.80
Additions during the year	184,687,015.68	839,309.83	185,526,325.51
Decrease in the year	(106,585,557.56)	(78,759.16)	(106,664,316.72)
Foreign currency translation differences	342,034.34	–	342,034.34
As at December 31, 2023	353,761,269.12	1,158,246.81	354,919,515.93
Carrying amount			
As at December 31, 2023	266,909,958.65	2,597,323.23	269,507,281.88
As at December 31, 2022	385,008,603.28	3,044,053.45	388,052,656.73
Cost			
As at December 31, 2021	492,405,589.22	673,638.26	493,079,227.48
Additions during the year	211,128,284.51	3,245,440.72	214,373,725.23
Decrease in the year	(46,894,714.67)	(477,329.39)	(47,372,044.06)
Foreign currency translation differences	3,687,220.88	–	3,687,220.88
As at December 31, 2022	660,326,379.94	3,441,749.59	663,768,129.53
Accumulated depreciation			
As at December 31, 2021	131,898,281.87	339,961.14	132,238,243.01
Additions during the year	187,946,801.89	535,064.39	188,481,866.28
Decrease in the year	(46,536,209.17)	(477,329.39)	(47,013,538.56)
Foreign currency translation differences	2,008,902.07	–	2,008,902.07
As at December 31, 2022	275,317,776.66	397,696.14	275,715,472.80
Carrying amount			
As at December 31, 2022	385,008,603.28	3,044,053.45	388,052,656.73
As at December 31, 2021	360,507,307.35	333,677.12	360,840,984.47

16 Intangible assets

	Securities trading seat rights	Software	Total
Cost			
As at January 1, 2023	21,741,315.00	299,461,319.20	321,202,634.20
Additions during the year	–	42,289,603.47	42,289,603.47
Decrease in the year	(1,400,000.00)	(522,330.02)	(1,922,330.02)
Foreign currency translation differences	7,095.00	(5,240,829.46)	(5,233,734.46)
As at December 31, 2023	20,348,410.00	335,987,763.19	356,336,173.19
Accumulated amortisation			
As at January 1, 2023	19,850,000.00	240,678,132.94	260,528,132.94
Additions during the year	–	48,752,031.67	48,752,031.67
Decrease in the year	–	(496,497.35)	(496,497.35)
Foreign currency translation differences	–	(5,240,829.46)	(5,240,829.46)
As at December 31, 2023	19,850,000.00	283,692,837.80	303,542,837.80
Net value			
As at December 31, 2023	498,410.00	52,294,925.39	52,793,335.39
Cost			
As at January 1, 2022	21,699,663.05	249,829,133.52	271,528,796.57
Additions during the year	–	49,336,863.13	49,336,863.13
Decrease in the year	–	(148,795.65)	(148,795.65)
Foreign currency translation differences	41,651.95	444,118.20	485,770.15
As at December 31, 2022	21,741,315.00	299,461,319.20	321,202,634.20

	Securities trading seat rights	Software	Total
Accumulated amortisation			
As at January 1, 2022	19,850,000.00	201,720,905.15	221,570,905.15
Additions during the year	–	38,671,137.26	38,671,137.26
Decrease in the year	–	(148,795.65)	(148,795.65)
Foreign currency translation differences	–	434,886.18	434,886.18
As at December 31, 2022	19,850,000.00	240,678,132.94	260,528,132.94
Net value			
As at December 31, 2022	1,891,315.00	58,783,186.26	60,674,501.26

17 Goodwill

	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Dongxing Futures Co., Ltd.	20,000,000.00	–	–	20,000,000.00

The goodwill of the Group was generated from the acquisition of Dongxing Futures Co., Ltd. As at December 31, 2023 and December 31, 2022, no allowance for impairment of goodwill was made.

18 Deferred tax assets and deferred tax liabilities

(1) Deferred taxation

	As at December 31, 2023	As at December 31, 2022
Deferred tax assets	662,768,253.14	881,123,265.14
Deferred tax liabilities	(26,200,520.98)	(20,678,720.99)
Net amount	636,567,732.16	860,444,544.15

(2) Deferred tax assets and deferred tax liabilities before offset and the corresponding temporary differences

	As at December 31, 2023	
	Deductible/ (taxable) temporary differences	**Deferred taxation**
Impairment loss allowance for assets	1,499,734,964.75	374,740,709.66
Financial instruments at fair value through profit or loss	497,017,382.11	111,609,736.06
Employee benefits payable	332,353,339.16	83,088,334.79
Change in fair value of investments in other equity instruments	314,658,859.39	60,076,030.29
Lease liabilities	261,973,107.15	65,493,276.79
Unused tax losses	420,443,773.65	71,763,027.62
Differences in the useful life of fixed assets for depreciation purposes	6,440,255.39	1,062,642.14
Changes in fair value of other debt investments	745,599.39	123,023.90
Others	11,736,553.44	2,934,138.36
Subtotal of deferred tax assets	3,345,103,834.43	770,890,919.61
Right-of-use assets	(292,830,022.22)	(73,207,505.57)
Investment income recognised under the equity method	(151,741,320.60)	(37,935,330.15)
Changes in fair value of other debt investments	(67,698,225.56)	(16,924,556.39)
Differences in the useful life of fixed assets for depreciation purposes	(16,598,599.28)	(4,149,649.82)
Financial instruments at fair value through profit or loss	(4,344,425.40)	(1,086,106.35)
Others	(4,080,156.68)	(1,020,039.17)
Subtotal of deferred tax liabilities	(537,292,749.74)	(134,323,187.45)
Net deferred tax assets	2,807,811,084.69	636,567,732.16

	As at December 31, 2022	
	Deductible/ (taxable) temporary differences	**Deferred taxation**
Impairment loss allowance for assets	1,428,637,988.01	357,131,303.72
Employee benefits payable	587,654,617.23	146,913,654.31
Unused tax losses	412,641,356.57	68,628,658.09
Changes in fair value of other debt investments	273,434,388.89	67,423,052.01
Change in fair value of investments in other equity instruments	416,058,462.87	84,917,601.31
Financial instruments at fair value through profit or loss	726,367,735.77	169,056,340.25
Differences in the useful life of fixed assets for depreciation purposes	3,575,393.05	589,939.85
Lease liabilities	367,248,090.02	91,812,022.50
Others	13,676,847.74	3,419,211.94
Subtotal of deferred tax assets	4,229,294,880.15	989,891,783.98
Financial instruments at fair value through profit or loss	(2,141,443.32)	(535,360.83)
Investment income recognised under the equity method	(128,814,017.24)	(32,203,504.30)
Differences in the useful life of fixed assets for depreciation purposes	(16,121,847.64)	(4,030,461.91)
Right-of-use assets	(370,347,832.99)	(92,586,958.25)
Others	(363,818.16)	(90,954.54)
Subtotal of deferred tax liabilities	(517,788,959.35)	(129,447,239.83)
Net deferred tax assets	3,711,505,920.80	860,444,544.15

(3) Unused tax losses and deductible temporary differences not recognised as deferred tax assets

	As at December 31, 2023	As at December 31, 2022
Unused tax losses (a)	345,517,955.01	404,838,572.03
Deductible temporary differences	–	500,000.00
Total	345,517,955.01	405,338,572.03

(a) As at December 31, 2023, unused tax losses not recognised as deferred tax assets were primarily losses generated by Dongxing Securities (Hong Kong) Financial Holdings Limited.

19 Other assets

	As at December 31, 2023	As at December 31, 2022
Other receivables (1)	960,266,914.83	1,376,244,242.60
Prepaid income tax	118,825,172.34	642,379.34
Prepaid accounts	118,187,056.40	68,803,653.83
Commodity inventories	114,383,445.77	78,987,325.65
Interest receivable	37,093,812.30	41,643,812.30
VAT input tax to be deducted	18,729,905.06	18,131,246.82
Long-term prepaid expenses (2)	16,160,248.74	21,604,142.72
Dividends receivable	18,043.62	238,833.51
Others	–	4,343,756.92
Subtotal	1,383,664,599.06	1,610,639,393.69
Less: Impairment loss allowance	(87,116,275.17)	(81,443,812.05)
Total	1,296,548,323.89	1,529,195,581.64

As at December 31, 2023 and December 31, 2022, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

(1) Other receivables

(a) By details

	As at December 31, 2023	As at December 31, 2022
Prepaid OTC derivatives margin receivable	772,502,059.89	1,043,689,354.79
Options premium receivable	96,378,893.89	11,813,217.94
Deposits	44,473,524.32	46,165,206.78
Amounts receivable from defaulted bonds	11,695,264.37	11,695,264.37
Petty cash	7,483,731.95	17,560,175.22
Receivables from default disposal	–	212,485,011.45
Others	27,733,440.41	32,836,012.05
Subtotal	960,266,914.83	1,376,244,242.60
Less: Impairment loss allowance	(50,022,462.87)	(39,799,999.75)
Other receivables, net	910,244,451.96	1,336,444,242.85

(b) Analysed by aging

	As at December 31, 2023			
	Original carrying value		Impairment loss allowance	
Aging	Amount	% of total	Amount	Proportion
Within 1 year	717,919,570.86	74.76%	(3,084,420.14)	0.43%
1 to 2 years	194,038,306.78	20.21%	(19,411,588.83)	10.00%
2 to 3 years	6,848,166.26	0.71%	(1,318,119.83)	19.25%
More than 3 years	41,460,870.93	4.32%	(26,208,334.07)	63.21%
Total	960,266,914.83	100.00%	(50,022,462.87)	5.21%

	As at December 31, 2022			
	Original carrying value		Impairment loss allowance	
Aging	Amount	% of total	Amount	Proportion
Within 1 year	1,208,374,041.79	87.80%	(7,137,507.23)	0.59%
1 to 2 years	134,816,075.15	9.80%	(13,481,607.52)	10.00%
2 to 3 years	11,880,997.89	0.86%	(2,713,768.46)	22.84%
More than 3 years	21,173,127.77	1.54%	(16,467,116.54)	77.77%
Total	1,376,244,242.60	100.00%	(39,799,999.75)	2.89%

(c) Top five units in other receivables at the end of the year

Name	As at December 31, 2023	Nature of the debt	Aging	Proportion of total other receivables
Galaxy Derivatives Capital Management Company Limited	120,000,000.00	Prepaid OTC derivatives margin	Within 1 year	12.50%
Donghai Securities Company Limited (東海證券股份有限公司)	104,640,000.01	Prepaid OTC derivatives margin	1 to 2 years	10.90%
Shenyin & Wanguo Zhifu Investment Co., Ltd.	90,000,000.00	Prepaid OTC derivatives margin	Within 1 year	9.37%
Wang Peixuan	88,602,078.81	Option settlement receivables	Within 1 year	9.23%
Zhejiang Yongan Capital Management Co., Ltd. (浙江永安資本管理有限公司)	85,000,000.00	Prepaid OTC derivatives margin	Within 1 year	8.85%
Total	488,242,078.82			50.85%

Name	As at December 31, 2022	Nature of the debt	Aging	Proportion of total other receivables
Rao Luhua (饒陸華)	212,485,011.45	Receivables from default disposal	Within 1 year	15.44%
Zheshang Securities Co., Ltd.	202,694,034.00	Prepaid OTC derivatives margin	Within 1 year	14.73%
Founder Securities Co., Ltd.	166,433,350.00	Prepaid OTC derivatives margin	Within 1 year	12.09%
Donghai Securities Company Limited (東海證券股份有限公司)	104,640,000.01	Prepaid OTC derivatives margin	Within 1 year	7.60%
Orient Securities Company Limited	96,836,044.78	Prepaid OTC derivatives margin	Within 1 year	7.04%
Total	783,088,440.24			56.90%

As at December 31, 2023, the above accounts receivable due from shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights amounted to RMB52,500.00 (December 31, 2022: RMB52,500.00).

(2) Long-term prepaid expenses

	As at January 1, 2023	Increase for the year	Amortization for the year	Other changes	As at December 31, 2023
Fixed assets improvement fee	21,604,142.72	9,104,153.78	(14,581,925.17)	33,877.41	16,160,248.74

	As at January 1, 2022	Increase for the year	Amortization for the year	Other changes	As at December 31, 2022
Fixed assets improvement fee	25,836,411.19	8,438,181.62	(12,907,317.15)	236,867.06	21,604,142.72

20 Impairment loss allowance for assets

(1) Table of changes in impairment loss allowance for assets

	As at January 1, 2022	Increase for the year	Decrease/ (reversal) for the year	Transferred out for the year	Other changes	As at December 31, 2022
Receivable from margin clients	121,875,239.31	58,405,883.71	(89,049,285.93)	–	(1,010,654.11)	90,221,182.98
Reverse REPOs	1,189,330,025.41	196,254,062.92	(94,463,159.47)	–	4,269,480.00	1,295,390,408.86
Debt investments	43,264.82	47,870.98	(68,912.52)	–	(22,223.28)	–
Other debt investments	212,900,446.82	3,469,134.05	(104,188,240.30)	–	9,904.94	112,191,245.51
Accounts receivable	39,881,409.49	1,200,745.71	(9,054,425.20)	–	2,740,783.53	34,768,513.53
Other financial assets	73,844,756.53	7,599,055.52	–	–	–	81,443,812.05
Total	1,637,875,142.38	266,976,752.89	(296,824,023.42)	–	5,987,291.08	1,614,015,162.93

(2) Table of allowances for ECL

	As at December 31, 2023			
Categories of financial instruments	**Next 12-month ECL**	**Lifetime ECL (not credit impaired)**	**Lifetime ECL (credit impaired)**	**Total**
Allowance for impairment of receivable from margin clients	36,172,198.83	5,908,996.87	18,966,009.83	61,047,205.53
Allowance for impairment of reverse REPOs	–	–	1,377,823,767.93	1,377,823,767.93
Allowance for impairment of debt investments	–	–	79,789,345.87	79,789,345.87
Allowance for impairment of other debt investments	23,042,794.24	–	147,281,157.54	170,323,951.78
Allowance for bad debts of accounts receivable	4,947,350.45	–	33,292,646.03	38,239,996.48
Allowance for impairment of other financial assets	38,261,357.56	–	48,854,917.61	87,116,275.17
Total	102,423,701.08	5,908,996.87	1,706,007,844.81	1,814,340,542.76

	As at December 31, 2022			
Categories of financial instruments	**Next 12-month ECL**	**Lifetime ECL (not credit impaired)**	**Lifetime ECL (credit impaired)**	**Total**
Allowance for impairment of receivable from margin clients	64,739,263.80	6,425,847.17	19,056,072.01	90,221,182.98
Allowance for impairment of reverse REPOs	–	–	1,295,390,408.86	1,295,390,408.86
Allowance for impairment of other debt investments	4,080,611.76	–	108,110,633.75	112,191,245.51
Allowance for bad debts of accounts receivable	6,729,755.46	–	28,038,758.07	34,768,513.53
Allowance for impairment of other financial assets	28,038,894.39	–	53,404,917.66	81,443,812.05
Total	103,588,525.41	6,425,847.17	1,504,000,790.35	1,614,015,162.93

21 Assets with restricted ownership or right-of-use

Items	Reasons of restriction	As at December 31, 2023	As at December 31, 2022
Financial assets held for trading	Subject to a lock-up period	1,377,466,993.71	304,133,544.44
Financial assets held for trading	Exchange repurchase pledges and bond repurchase pledges	5,396,459,399.46	2,725,857,869.05
Financial assets held for trading	Financing out securities	20,934,346.10	298,924,115.32
Financial assets held for trading	Pledges for bond lending	10,691,729.45	–
Other debt investments	Exchange repurchase pledges and bond repurchase pledges	14,851,559,320.32	17,356,379,722.46
Other debt investments	Pledges for bond lending	3,626,340,929.52	3,529,302,866.63
Other debt investments	Guarantee for securities lending and refinancing	94,813,621.78	593,442,005.25
Investments in other equity instruments	Subject to a lock-up period	4,555,320.00	–
Investments in other equity instruments	Exchange repurchase pledges and bond repurchase pledges	2,402,581,067.00	2,873,994,640.50
Other assets	Inventories as collaterals for warehouse's receipt pledging	40,696,991.13	–
Total		27,826,099,718.47	27,682,034,763.65

22 Placements from financial institutions

Items	As at December 31, 2023	As at December 31, 2022
Placements from banks	4,616,529,994.44	1,500,632,083.33
Placements from securities lending and refinancing	505,661,654.76	2,057,284,280.57
Total	5,122,191,649.20	3,557,916,363.90

The analysis of the remaining life and the interest rate range of the placements from securities lending and refinancing:

	As at December 31, 2023		As at December 31, 2022	
	Carrying amount	Interest rate	Carrying amount	Interest rate
1 to 3 months (inclusive)	505,661,654.76	2.16%	52,231,995.95	2.50%
3 months to 12 months (inclusive)	–	–	2,005,052,284.62	2.10%
Total	505,661,654.76		2,057,284,280.57	

23 Short-term debt securities issued

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Commercial papers								
22 Dongxing Securities CP002 (22東興證券CP002)	1,000,000,000.00	2022/7/20	2023/1/12	1.95%	1,008,815,068.49	587,671.24	(1,009,402,739.73)	–
22 Dongxing Securities CP003 (22東興證券CP003)	1,000,000,000.00	2022/8/29	2023/8/24	2.04%	1,006,986,301.37	13,134,246.58	(1,020,120,547.95)	–
23 Dongxing Securities CP001 (23東興證券CP001)	1,000,000,000.00	2023/4/10	2024/4/9	2.72%	–	1,019,822,465.75	–	1,019,822,465.75
23 Dongxing Securities CP002 (23東興證券CP002)	1,000,000,000.00	2023/4/19	2024/4/18	2.74%	–	1,019,292,602.74	–	1,019,292,602.74
23 Dongxing Securities CP003 (23東興證券CP003)	1,000,000,000.00	2023/8/9	2024/6/19	2.30%	–	1,009,136,986.30	–	1,009,136,986.30
23 Dongxing Securities CP004 (23東興證券CP004)	1,000,000,000.00	2023/8/22	2024/8/22	2.28%	–	1,008,245,479.45	–	1,008,245,479.45
23 Dongxing Securities CP005 (23東興證券CP005)	1,500,000,000.00	2023/10/20	2024/10/18	2.60%	–	1,507,800,000.00	–	1,507,800,000.00
23 Dongxing Securities CP006 (23東興證券CP006)	1,000,000,000.00	2023/10/26	2024/9/18	2.73%	–	1,005,011,232.88	–	1,005,011,232.88
23 Dongxing Securities CP007 (23東興證券CP007)	1,500,000,000.00	2023/11/16	2024/11/15	2.68%	–	1,505,066,301.37	–	1,505,066,301.37
23 Dongxing Securities CP008 (23東興證券CP008)	600,000,000.00	2023/11/27	2024/2/27	2.64%	–	601,518,904.11	–	601,518,904.11
Subtotal					2,015,801,369.86	8,689,615,890.42	(2,029,523,287.68)	8,675,893,972.60
Beneficiary certificates (i)					277,040,193.17	2,437,239,628.12	(1,770,527,879.87)	943,751,941.42
Total					2,292,841,563.03	11,126,855,518.54	(3,800,051,167.55)	9,619,645,914.02

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
Corporate bonds								
22 Dongxing S1 (21東興S1)	2,000,000,000.00	2021/6/8	2022/5/26	2.90%	2,032,893,150.68	23,040,849.32	(2,055,934,000.00)	–
Subtotal					2,032,893,150.68	23,040,849.32	(2,055,934,000.00)	–
Commercial papers								
22 Dongxing Securities CP001 (22東興證券CP001)	1,000,000,000.00	2022/3/18	2022/6/17	2.40%	–	1,005,983,561.64	(1,005,983,561.64)	–
22 Dongxing Securities CP002 (22東興證券CP002)	1,000,000,000.00	2022/7/20	2023/1/12	1.95%	–	1,008,815,068.49	–	1,008,815,068.49
22 Dongxing Securities CP003 (22東興證券CP003)	1,000,000,000.00	2022/8/29	2023/8/24	2.04%	–	1,006,986,301.37	–	1,006,986,301.37
Subtotal					–	3,021,784,931.50	(1,005,983,561.64)	2,015,801,369.86
Beneficiary certificates (i)					454,625,280.76	5,504,671,714.46	(5,682,256,802.05)	277,040,193.17
Total					2,487,518,431.44	8,549,497,495.28	(8,744,174,363.69)	2,292,841,563.03

(i) It represents beneficiary certificates issued by the Company through the Inter-agency Private Placement Product Quotation and Service system with a maturity of less than one year. As at December 31, 2023, the outstanding beneficiary certificates accrued interest at fixed annual rates ranging from 2.15% to 2.77% (December 31, 2022: 2.4% to 2.65%).

24 Financial liabilities held for trading

	As at December 31, 2023		
Items	**Financial liabilities held for trading**	**Financial liabilities designated as at fair value through profit or loss**	**Total**
Beneficiary certificates	–	599,902,029.19	599,902,029.19
Bonds	51,320,350.00	–	51,320,350.00
Total	51,320,350.00	599,902,029.19	651,222,379.19

Items	As at December 31, 2022 Financial liabilities held for trading	Financial liabilities designated as at fair value through profit or loss	Total
Beneficiary certificates	–	1,432,202,543.50	1,432,202,543.50
Bonds	40,284,480.00	–	40,284,480.00
Total	40,284,480.00	1,432,202,543.50	1,472,487,023.50

25 REPOs

(1) Presented by collateral types

Collateral types	As at December 31, 2023	As at December 31, 2022
Bonds	21,594,580,777.32	23,916,190,782.85
Funds	2,745,163,957.54	2,521,422,958.50
Total	24,339,744,734.86	26,437,613,741.35

(2) Presented by business types

	As at December 31, 2023	As at December 31, 2022
Pledged sale and repurchase	21,125,026,981.34	23,916,190,782.85
Pledged quotation and repurchase	2,745,163,957.54	2,521,422,958.50
Outright repurchase	469,553,795.98	–
Total	24,339,744,734.86	26,437,613,741.35

(3) Amount of collateral

	As at December 31, 2023	As at December 31, 2022
Bonds	22,797,177,473.28	26,268,735,825.73
Funds	3,034,785,555.56	2,522,643,000.00
Total	25,831,963,028.84	28,791,378,825.73

(4) Remaining life and interest rate range of pledged quotation and repo transactions

	As at December 31, 2023	As at December 31, 2022
Within 1 month	1,314,123,056.86	1,089,661,395.75
1 to 3 months	100,647,339.04	1,503,644.94
3 months to 1 year	1,330,393,561.64	1,430,257,917.81
Total	2,745,163,957.54	2,521,422,958.50

As at December 31, 2023, the interest rate range of pledged quotation and repo transactions is 2.3%-7.18% (December 31, 2022: 2.2%-7.18%).

26 Accounts payable to brokerage clients

	As at December 31, 2023	As at December 31, 2022
General brokerage business		
– Individuals	9,167,064,516.49	10,935,469,983.63
– Institutions	2,136,503,479.36	3,001,049,328.36
Subtotal	11,303,567,995.85	13,936,519,311.99
Credit business		
– Individuals	1,389,993,825.00	1,602,687,384.83
– Institutions	432,168,065.35	699,361,221.00
Subtotal	1,822,161,890.35	2,302,048,605.83
Total	13,125,729,886.20	16,238,567,917.82

27 Employee benefits payable

Items	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Short-term employee benefits:				
Wages or salaries, bonuses, allowances and subsidies	595,725,700.38	847,583,400.00	(1,110,947,345.93)	332,361,754.45
Employee welfare	–	36,591,856.64	(36,538,638.95)	53,217.69
Social insurance	298,638.07	65,106,563.18	(65,186,928.50)	218,272.75
Including: Medical insurance	251,352.36	62,344,190.69	(62,413,933.30)	181,609.75
Work injury insurance	15,020.20	1,446,878.06	(1,449,604.41)	12,293.85
Maternity insurance	32,265.51	1,315,494.43	(1,323,390.79)	24,369.15
Housing funds	57,005.03	82,835,664.01	(82,855,657.01)	37,012.03
Labor union fees and staff education expenses	3,031,252.65	19,920,652.60	(21,104,147.96)	1,847,757.29
Termination benefits	3,178.65	1,898,281.63	(1,898,281.63)	3,178.65
Supplementary medical insurance	13,468.04	53,567,026.38	(53,567,026.38)	13,468.04
Others	6,656.96	19,904.73	(19,904.73)	6,656.96
Subtotal	599,135,899.78	1,107,523,349.17	(1,372,117,931.09)	334,541,317.86
Defined contribution plans:				
Including: Basic pension insurance	442,574.18	105,063,928.89	(105,179,632.47)	326,870.60
Annuity	–	89,024,322.49	(89,012,373.09)	11,949.40
Unemployment insurance	32,942.51	3,223,427.31	(3,226,919.34)	29,450.48
Subtotal	475,516.69	197,311,678.69	(197,418,924.90)	368,270.48
Total	599,611,416.47	1,304,835,027.86	(1,569,536,855.99)	334,909,588.34

Items	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
Short-term employee benefits:	1,075,838,458.89	1,187,438,700.00	(1,500,380,445.47)	762,896,713.42
Wages or salaries, bonuses, allowances and subsidies	762,896,713.42	1,052,130,000.00	(1,219,301,013.04)	595,725,700.38
Employee welfare	110,422.65	34,319,197.40	(34,429,620.05)	–
Social insurance	297,502.86	58,082,518.31	(58,081,383.10)	298,638.07
Including: Medical insurance	250,952.87	55,470,181.55	(55,469,782.06)	251,352.36
Work injury insurance	15,125.08	1,177,180.33	(1,177,285.21)	15,020.20
Maternity insurance	31,424.91	1,435,156.43	(1,434,315.83)	32,265.51
Housing funds	56,883.03	80,852,608.24	(80,852,486.24)	57,005.03
Labor union fees and staff education expenses	2,940,115.09	21,293,181.85	(21,202,044.29)	3,031,252.65
Termination benefits	–	1,458,773.38	(1,455,594.73)	3,178.65
Supplementary medical insurance	13,468.04	66,019,089.20	(66,019,089.20)	13,468.04
Others	6,274.30	21,711.42	(21,328.76)	6,656.96
Subtotal	766,321,379.39	1,314,177,079.80	(1,481,362,559.41)	599,135,899.78
Defined contribution plans:				
Including: Basic pension insurance	404,360.44	101,713,144.99	(101,674,931.25)	442,574.18
Annuity	–	112,594,184.13	(112,594,184.13)	–
Unemployment insurance	30,327.93	3,096,931.24	(3,094,316.66)	32,942.51
Subtotal	434,688.37	217,404,260.36	(217,363,432.04)	475,516.69
Total	766,756,067.76	1,531,581,340.16	(1,698,725,991.45)	599,611,416.47

The Group participates in the pension insurance and unemployment insurance schemes established by government authorities as required. Under these schemes, the Group contributes to the schemes at specified bases and rates. Meanwhile, the Group has established an enterprise annuity scheme for eligible employees, with contributions to the scheme made at a certain percentage of the total employee wages of the previous year. Beyond the aforementioned monthly contributions, the Group assumes no further payment obligations. Corresponding expenses are recognised in profit or loss as they are incurred.

28 Taxes payable

	As at December 31, 2023	As at December 31, 2022
Value-added tax	28,929,416.02	42,237,941.43
Taxes and levies withheld	8,814,072.32	30,284,558.28
Corporate income tax	3,513,536.36	145,273,819.43
City maintenance and construction tax	1,095,438.16	2,117,216.21
Educational surtax and local educational surtax	1,133,921.43	1,870,784.82
Others	907,821.24	352,251.75
Total	44,394,205.53	222,136,571.92

29 Accounts payable

	As at December 31, 2023	As at December 31, 2022
Securities settlement funds payable	476,622,207.05	328,632,159.53
Product sales expenses payable	34,415,999.06	15,792,475.46
Underwriting fees payable	32,028,556.28	31,883,100.62
Exchange trading unit fees payable	19,795,419.30	3,521,965.47
Payables for the investor protection fund	12,700,119.37	9,483,832.35
Handling fees payable for third-party custody business	7,146,324.52	14,944,677.91
Commission payable to brokers	3,157,738.10	4,097,866.05
Others	37,113,532.39	57,366,772.91
Total	622,979,896.07	465,722,850.30

As at December 31, 2023 and December 31, 2022, the aforementioned accounts payable did not include amounts payable to shareholders holding 5% (inclusive) or more of the shares of the Group with voting rights.

30 Contract liabilities

	As at December 31, 2023	As at December 31, 2022
Investment banking business	32,682,217.68	41,706,017.90
Advance receivable for sales of goods	3,458,969.70	8,471,450.00
Others	3,339,727.52	–
Total	39,480,914.90	50,177,467.90

31 Provisions

	As at December 31, 2022	Increase for the year	Decrease for the year	As at December 31, 2023
Commitment fee (1)	–	49,850,000.00	–	49,850,000.00
Others	–	2,558,116.47	–	2,558,116.47
Total	–	52,408,116.47	–	52,408,116.47

(1) On March 31, 2023, the Company received the Notice of Case Filing (Zheng Jian Li An Zi No. 03720230016) (《立案告知書》(證監立案字03720230016號)) from the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**"). Due to the Company's suspected failure to perform its duties diligently in the sponsorship, underwriting, and continuous supervision of the project concerning the initial public issuance of shares and listing on the STAR Market of Zeda Yisheng (Tianjin) Technology Co., Ltd. (澤達易盛(天津)科技股份有限公司), the CSRC decided to file a case against the Company in accordance with laws and regulations such as the Securities Law of the People's Republic of China and the Administrative Penalty Law of the People's Republic of China.

On September 21, 2023, the Company held a a meeting of the board of directors, at which it considered and approved the Proposal on the Proposed Establishment of a Special Fund Account for Compensation for the Zeda Yisheng Incident and Application for the Commitment System for Administrative Law Enforcement Parties of Securities and Futures (《關於擬設立澤達易盛事件賠付專項資金賬戶與申請適用證券期貨行政執法當事人承諾制度的議案》). It was agreed that the Company would establish a special fund account for compensation for the Zeda Yisheng incident jointly with other intermediaries and relevant parties to compensate eligible investors for their investment losses through efficient means such as judicial mediation, and apply to the CSRC for the commitment system for parties involved in the administrative law enforcement of securities and futures. On October 24, 2023, the Company received the Notice of Acceptance of Application for the Commitment for Administrative Law Enforcement Parties (Zheng Jian Cheng Nuo Shou Zi [2023] No. 16) (《行政執法當事人承諾申請受理通知書》(證監承諾受字[2023]16號)) issued by the CSRC, indicating that the Company's application for the commitment system for parties involved in the administrative law enforcement of securities and futures had been formally accepted by the CSRC.

On December 26, 2023, the Company received the Civil Mediation Letter ((2023) Hu 74 Min Chu No. 669) (《民事調解書》((2023)滬74民初669號)) issued by the Shanghai Financial Court. According to the Civil Mediation Letter, the Company, Pan-China Certified Public Accountants LLP (Special General Partnership), Beijing Kangda Law Firm, and other defendants were required to pay a compensation of RMB155,139,143.72 to all plaintiff investors within five days from the effective date of the Civil Mediation Letter. The Company's share of the compensation amounted to RMB110,164,305.96, as detailed in Note VIII.52. As of December 31, 2023, the compensation had been paid in full.

On December 31, 2023, based on the actual circumstances of the incident and relevant market precedents, the Company made a provision for commitment funds of RMB49.85 million for the incident, in accordance with the Implementation Rules for the Commitment System for Administrative Law Enforcement Parties of Securities and Futures (《證券期貨行政執法當事人承諾制度實施規定》) and the Accounting Standards for Business Enterprises No. 13 – Contingencies. As at the date of these financial statements, the commitment fee has not yet been finalized.

32 Long-term debt securities issued

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Subordinated bonds								
20 Dongxing C1 (20東興C1)	2,000,000,000.00	2020/5/21	2023/5/21	3.40%	2,040,869,590.19	27,130,409.81	(2,068,000,000.00)	–
Subtotal					2,040,869,590.19	27,130,409.81	(2,068,000,000.00)	–
Corporate bonds								
20 Dongxing F1 (20東興F1)	2,000,000,000.00	2020/3/17	2023/3/17	3.20%	2,050,325,206.06	13,674,793.94	(2,064,000,000.00)	–
20 Dongxing G4 (20東興G4)	1,000,000,000.00	2020/8/13	2023/8/13	3.57%	1,012,873,768.12	22,826,231.88	(1,035,700,000.00)	–
20 Dongxing G6 (20東興G6)	1,410,000,000.00	2020/10/27	2023/10/27	3.70%	1,417,770,743.60	44,399,256.40	(1,462,170,000.00)	–
21 Dongxing G1 (21東興G1)	1,660,000,000.00	2021/7/7	2024/7/7	3.42%	1,683,770,976.89	59,382,062.89	(56,772,000.00)	1,686,381,039.78
21 Dongxing G2 (21東興G2)	820,000,000.00	2021/7/7	2026/7/7	3.72%	832,168,376.12	31,277,584.91	(30,504,000.00)	832,941,961.03
21 Dongxing G4 (21東興G4)	900,000,000.00	2021/8/10	2024/8/10	3.08%	909,218,342.29	29,262,090.00	(28,710,566.04)	909,769,866.25
22 Dongxing G1 (22東興G1)	2,000,000,000.00	2022/4/19	2025/4/19	3.00%	2,036,586,197.98	62,515,723.27	(60,000,000.00)	2,039,101,921.25
22 Dongxing G2 (22東興G2)	1,600,000,000.00	2022/6/7	2025/6/7	2.90%	1,621,577,912.18	48,412,578.62	(46,400,000.00)	1,623,590,490.80
22 Dongxing G3 (22東興G3)	2,000,000,000.00	2022/7/7	2023/7/13	2.39%	2,019,537,100.02	29,048,899.98	(2,048,586,000.00)	–
22 Dongxing G4 (22東興G4)	1,150,000,000.00	2022/10/24	2023/10/25	2.10%	1,151,310,625.49	22,906,074.51	(1,174,216,700.00)	–
22 Dongxing G5 (22東興G5)	850,000,000.00	2022/10/24	2025/10/24	2.63%	851,285,762.13	23,424,182.39	(22,355,000.00)	852,354,944.52
22 Dongxing G6 (22東興G6)	1,300,000,000.00	2022/11/8	2025/11/8	2.68%	1,300,521,287.27	36,475,220.12	(34,840,000.00)	1,302,156,507.39
23 Dongxing G1 (23東興G1)	1,400,000,000.00	2023/7/10	2026/7/10	2.89%	–	1,414,849,363.89	–	1,414,849,363.89
DXVOYAE B2408	USD400,000,000.00	2019/8/15	2024/8/15	3.25%	2,807,516,429.17	147,585,076.90	(92,094,251.47)	2,863,007,254.60
Subtotal					19,694,462,727.32	1,986,039,139.70	(8,156,348,517.51)	13,524,153,349.51
Total					21,735,332,317.51	2,013,169,549.51	(10,224,348,517.51)	13,524,153,349.51

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
Subordinated bonds								
19 Dongxing C1 (19東興C1)	2,000,000,000.00	2019/4/22	2022/4/22	4.20%	2,057,668,631.00	26,331,369.00	(2,084,000,000.00)	-
20 Dongxing C1 (20東興C1)	2,000,000,000.00	2020/5/21	2023/5/21	3.40%	2,037,724,936.10	71,144,654.09	(68,000,000.00)	2,040,869,590.19
Subtotal					4,095,393,567.10	97,476,023.09	(2,152,000,000.00)	2,040,869,590.19
Corporate bonds								
17 Dongxing 03 (17東興03)	900,000,000.00	2017/6/15	2022/6/15	4.99%	924,042,181.44	20,867,818.56	(944,910,000.00)	-
19 Dongxing F2 (19東興F2)	3,000,000,000.00	2019/7/12	2022/7/12	3.98%	3,055,648,932.54	63,751,067.46	(3,119,400,000.00)	-
20 Dongxing F1 (20東興F1)	2,000,000,000.00	2020/3/17	2023/3/17	3.20%	2,047,180,551.97	67,144,654.09	(64,000,000.00)	2,050,325,206.06
20 Dongxing G4 (20東興G4)	1,000,000,000.00	2020/8/13	2023/8/13	3.57%	1,011,301,441.08	37,272,327.04	(35,700,000.00)	1,012,873,768.12
20 Dongxing G6 (20東興G6)	1,410,000,000.00	2020/10/27	2023/10/27	3.70%	1,415,553,762.47	54,386,981.13	(52,170,000.00)	1,417,770,743.60
21 Dongxing G1 (21東興G1)	1,660,000,000.00	2021/7/7	2024/7/7	3.42%	1,681,160,914.00	59,382,062.89	(56,772,000.00)	1,683,770,976.89
21 Dongxing G2 (21東興G2)	820,000,000.00	2021/7/7	2026/7/7	3.72%	831,394,791.21	31,277,584.91	(30,504,000.00)	832,168,376.12
21 Dongxing G3 (21東興G3)	2,100,000,000.00	2021/8/10	2022/8/11	2.69%	2,116,508,163.86	40,137,236.14	(2,156,645,400.00)	-
21 Dongxing G4 (21東興G4)	900,000,000.00	2021/8/10	2024/8/10	3.08%	908,133,436.63	28,804,905.66	(27,720,000.00)	909,218,342.29
21 Dongxing G5 (21東興G5)	2,000,000,000.00	2021/9/13	2022/9/14	2.69%	2,016,213,698.63	37,734,301.37	(2,053,948,000.00)	-
21 Dongxing G6 (21東興G6)	2,500,000,000.00	2021/11/10	2022/11/11	2.79%	2,509,936,986.30	59,813,013.70	(2,569,750,000.00)	-
22 Dongxing G1 (22東興G1)	2,000,000,000.00	2022/4/19	2025/4/19	3.00%	-	2,044,133,367.79	(7,547,169.81)	2,036,586,197.98
22 Dongxing G2 (22東興G2)	1,600,000,000.00	2022/6/7	2025/6/7	2.90%	-	1,627,615,648.03	(6,037,735.85)	1,621,577,912.18
22 Dongxing G3 (22東興G3)	2,000,000,000.00	2022/7/7	2023/7/13	2.39%	-	2,027,084,269.83	(7,547,169.81)	2,019,537,100.02
22 Dongxing G4 (22東興G4)	1,150,000,000.00	2022/10/24	2023/10/25	2.10%	-	1,155,650,248.13	(4,339,622.64)	1,151,310,625.49
22 Dongxing G5 (22東興G5)	850,000,000.00	2022/10/24	2025/10/24	2.63%	-	854,493,309.30	(3,207,547.17)	851,285,762.13
22 Dongxing G6 (22東興G6)	1,300,000,000.00	2022/11/8	2025/11/8	2.68%	-	1,305,426,947.65	(4,905,660.38)	1,300,521,287.27
DXVOYAE B2408	USD400,000,000.00	2019/8/15	2024/8/15	3.25%	2,562,871,972.80	336,941,856.37	(92,297,400.00)	2,807,516,429.17
Subtotal					21,079,946,832.93	9,851,917,600.05	(11,237,401,705.66)	19,694,462,727.32
Total					25,175,340,400.03	9,949,393,623.14	(13,389,401,705.66)	21,735,332,317.51

33 Lease liabilities

	As at December 31, 2023	As at December 31, 2022
Lease liabilities	238,160,247.24	386,071,950.77

As of December 31, 2023, the lease payments related to the lease contracts that the Group had signed but not yet commenced to execute amounted to RMB17,702,566.53 (December 31, 2022: RMB34,294,523.12).

34 Other liabilities

	As at December 31, 2023	As at December 31, 2022
Other payables (1)	3,869,513,138.81	2,039,555,949.65
Notes payable	89,729,851.34	–
Futures risk reserve	22,369,636.88	20,900,866.74
Amounts payable to other equity holders of consolidated structured entities	15,896,837.53	6,485,036.61
Deferred income	780,483.00	993,342.00
Total	3,998,289,947.56	2,067,935,195.00

(1) Other payables

	As at December 31, 2023	As at December 31, 2022
Margin payable for OTC business	3,763,560,022.01	1,995,117,049.50
Deposits for warehouse's receipt pledging	34,540,800.00	–
Options premium payable	21,811,924.88	5,912,305.92
Accounts payable for current transactions	7,569,769.62	6,690,629.20
Social security contributions and housing fund withheld	416,390.77	566,850.28
Others	41,614,231.53	31,269,114.75
Total	3,869,513,138.81	2,039,555,949.65

As of December 31, 2023 and December 31, 2022, the aforementioned other payables did not include payables to shareholders holding 5% (inclusive) or more of the shares of the Group with voting rights.

35 Classification and measurement of financial instruments

	As at December 31, 2023					
		Measured at fair value through other comprehensive income		Measured at fair value through profit or loss		
Items of financial assets	Financial assets at amortised cost	Financial assets classified as at fair value through other comprehensive income	Non-trading equity instrument investments designated as at fair value through other comprehensive income	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial assets designated as at fair value through profit or loss as per Hedging Accounting standards
Cash and bank balances	11,041,203,045.47	–	–	–	–	–
Deposits with clearing houses	3,725,209,148.75	–	–	–	–	–
Receivable from margin clients	17,210,495,672.92	–	–	–	–	–
Derivative financial assets	–	–	–	426,066,588.30	–	–
Reverse REPOs	533,291,649.99	–	–	–	–	–
Accounts receivable	283,777,912.85					
Refundable deposits	2,027,807,306.75	–	–	–	–	–
Financial assets held for trading	–	–	–	20,319,523,149.51	–	–
Other debt investments	–	36,291,803,150.40	–	–	–	–
Investments in other equity instruments	–	–	4,603,335,908.72	–	–	–
Other financial assets	910,262,495.58	–	–	–	–	–
Total	35,732,047,232.31	36,291,803,150.40	4,603,335,908.72	20,745,589,737.81	–	–

	As at December 31, 2023			
		Measured at fair value through profit or loss		
Items of financial liabilities	Financial liabilities at amortised cost	Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial liabilities designated as at fair value through profit or loss as per Hedging Accounting standards
Placements from financial institutions	5,122,191,649.20	–	–	–
Short-term debt securities issued	9,619,645,914.02	–	–	–
Financial liabilities held for trading	–	51,320,350.00	599,902,029.19	–
Derivative financial liabilities	–	431,655,794.99	–	–
REPOs	24,339,744,734.86	–	–	–
Accounts payable to brokerage clients	13,125,729,886.20	–	–	–
Accounts payable	622,979,896.07	–	–	–
Long-term debt securities issued	13,524,153,349.51	–	–	–
Lease liabilities	238,160,247.24	–	–	–
Other financial liabilities	3,975,139,827.68	–	–	–
Total	70,567,745,504.78	482,976,144.99	599,902,029.19	–

	As at December 31, 2022					
		Measured at fair value through other comprehensive income		Measured at fair value through profit or loss		
Items of financial assets	Financial assets at amortised cost	Financial assets classified as at fair value through other comprehensive income	Non-trading equity instrument investments designated as at fair value through other comprehensive income	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial assets designated as at fair value through profit or loss as per Hedging Accounting standards
Cash and bank balances	14,720,009,478.49	–	–	–	–	–
Deposits with clearing houses	4,304,229,386.99	–	–	–	–	–
Receivable from margin clients	16,987,256,609.60	–	–	–	–	–
Derivative financial assets	–	–	–	215,826,239.04	–	–
Reverse REPOs	722,462,631.10	–	–	–	–	–
Accounts receivable	342,219,764.30	–	–	–	–	–
Refundable deposits	2,942,487,263.78	–	–	–	–	–
Financial assets held for trading	–	–	–	20,457,986,211.97	–	–
Debt investments	76,402,407.14	–	–	–	–	–
Other debt investments	–	34,475,110,753.27	–	–	–	–
Investments in other equity instruments	–	–	3,115,174,763.17	–	–	–
Other financial assets	1,336,683,076.36	–	–	–	–	–
Total	41,431,750,617.76	34,475,110,753.27	3,115,174,763.17	20,673,812,451.01	–	–

	As at December 31, 2022			
		Measured at fair value through profit or loss		
Items of financial liabilities	Financial liabilities at amortised cost	Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial liabilities designated as at fair value through profit or loss as per Hedging Accounting standards
Placements from financial institutions	3,557,916,363.90	–	–	–
Short-term debt securities issued	2,292,841,563.03	–	–	–
Financial liabilities held for trading	–	40,284,480.00	1,432,202,543.50	–
Derivative financial liabilities	–	117,653,096.58	–	–
REPOs	26,437,613,741.35	–	–	–
Accounts payable to brokerage clients	16,238,567,917.82	–	–	–
Accounts payable	465,722,850.30	–	–	–
Long-term debt securities issued	21,735,332,317.51	–	–	–
Lease liabilities	386,071,950.77	–	–	–
Other financial liabilities	2,046,040,986.26	–	–	–
Total	73,160,107,690.94	157,937,576.58	1,432,202,543.50	–

36 Share capital

		Changes for the year					
	As at January 1, 2023	Issuance of new shares	Bonus shares	Capitalization of surplus reserve	Others	Subtotal	As at December 31, 2023
Total number of shares	3,232,445,520.00	–	–	–	–	–	3,232,445,520.00

		Changes for the year					
	As at January 1, 2022	Issuance of new shares	Bonus shares	Capitalization of surplus reserve	Others	Subtotal	As at December 31, 2022
Total number of shares	3,232,445,520.00	–	–	–	–	–	3,232,445,520.00

37 Capital reserve

	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Share premium	13,761,149,188.72	–	–	13,761,149,188.72
Other capital reserves	794,297.58	–	–	794,297.58
Total	13,761,943,486.30	–	–	13,761,943,486.30

	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
Share premium	13,761,149,188.72	–	–	13,761,149,188.72
Other capital reserves	794,297.58	–	–	794,297.58
Total	13,761,943,486.30	–	–	13,761,943,486.30

38 Other comprehensive income

(1) Table of other comprehensive income attributable to the parent company in the balance sheet

	As at January 1, 2023	Amount attributable to the parent after tax	Other comprehensive income reclassified to retained earnings	As at December 31, 2023
Changes in fair value of other debt investments	(199,014,391.48)	250,761,918.01	–	51,747,526.53
Credit impairment provisions for other debt investments	84,142,777.21	43,781,203.04	–	127,923,980.25
Changes in fair value of investments in other equity instruments	(318,206,738.26)	78,792,483.32	19,569,054.94	(219,845,200.00)
Foreign currency translation differences	66,814,526.91	(14,163,781.16)	–	52,650,745.75
Total	(366,263,825.62)	359,171,823.21	19,569,054.94	12,477,052.53

	As at January 1, 2022	Amount attributable to the parent after tax	Other comprehensive income reclassified to retained earnings	As at December 31, 2022
Changes in fair value of other debt investments	(117,776,183.02)	(81,238,208.46)	–	(199,014,391.48)
Credit impairment provisions for other debt investments	159,690,030.77	(75,547,253.56)	–	84,142,777.21
Changes in fair value of investments in other equity instruments	(159,165,099.91)	(163,513,882.65)	4,472,244.30	(318,206,738.26)
Foreign currency translation differences	30,818,735.61	35,995,791.30	–	66,814,526.91
Total	(86,432,516.55)	(284,303,553.37)	4,472,244.30	(366,263,825.62)

(2) Table of other comprehensive income attributable to the parent company in the income statement

	2023			
Items	Amount before income tax for the year	Less: Transfer out from which were recognised in other comprehensive income in the previous periods	Less: income tax expense	Amount attributable to the parent after tax
Other comprehensive income to be reclassified to profit or loss				
Changes in fair value of other debt investments	301,180,942.22	32,737,505.86	(83,156,530.07)	250,761,918.01
Credit impairment provisions for other debt investments	60,214,800.33	(2,096,219.13)	(14,337,378.16)	43,781,203.04
Foreign currency translation differences	(14,163,781.16)	–	–	(14,163,781.16)
Other comprehensive income not reclassified to profit or loss				
Changes in fair value of investments in other equity instruments	104,515,011.37	–	(25,722,528.05)	78,792,483.32
Total	451,746,972.76	30,641,286.73	(123,216,436.28)	359,171,823.21

Items	2022			
	Amount before income tax for the year	Less: Transfer out from which were recognised in other comprehensive income in the previous periods	Less: income tax expense	Amount attributable to the parent after tax
Other comprehensive income to be reclassified to profit or loss				
Changes in fair value of other debt investments	(204,464,779.83)	96,147,168.54	27,079,402.83	(81,238,208.46)
Credit impairment provisions for other debt investments	(27,296,068.35)	(73,433,603.07)	25,182,417.86	(75,547,253.56)
Foreign currency translation differences	35,995,791.30	–	–	35,995,791.30
Other comprehensive income not reclassified to profit or loss				
Changes in fair value of investments in other equity instruments	(218,018,510.19)	–	54,504,627.54	(163,513,882.65)
Total	(413,783,567.07)	22,713,565.47	106,766,448.23	(284,303,553.37)

39 Surplus reserve

Items	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Statutory surplus reserve (1)	1,539,933,494.17	73,783,647.29	–	1,613,717,141.46
Discretionary surplus reserve	355,231,888.07	–	–	355,231,888.07
Total	1,895,165,382.24	73,783,647.29	–	1,968,949,029.53

Items	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
Statutory surplus reserve (1)	1,421,664,119.00	118,269,375.17	–	1,539,933,494.17
Discretionary surplus reserve	355,231,888.07	–	–	355,231,888.07
Total	1,776,896,007.07	118,269,375.17	–	1,895,165,382.24

(1) In accordance with the provisions of the Company Law of the People's Republic of China and the Company's articles of association, the statutory surplus reserve is appropriated at 10% of the net profit of the Company for the period. Appropriation may cease once the cumulative balance of the statutory surplus reserve exceeds 50% of the registered capital of the Company.

In 2023, the Group appropriated RMB73,783,647.29 as the statutory surplus reserve (2022: RMB118,269,375.17).

40 General reserves

Items	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
General reserves	1,745,005,897.42	106,827,724.75	–	1,851,833,622.17
Trading risk reserves	1,654,663,173.63	73,783,647.29	–	1,728,446,820.92
Total	3,399,669,071.05	180,611,372.04	–	3,580,280,443.09

Items	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
General reserves	1,532,713,845.76	212,292,051.66	–	1,745,005,897.42
Trading risk reserves	1,536,393,798.46	118,269,375.17	–	1,654,663,173.63
Total	3,069,107,644.22	330,561,426.83	–	3,399,669,071.05

In accordance with the regulations of regulatory authorities such as the Ministry of Finance and the CSRC, the Company appropriates general reserves and trading risk reserves at 10% of its net profit, respectively. In addition, the general reserves and trading risk reserves also include the general reserves appropriated by the Company and its subsidiaries according to the applicable laws and regulations of their respective industries or regions.

In 2023, the Group appropriated RMB106,827,724.75 as general reserves (2022: RMB212,292,051.66).

In 2023, the Group appropriated RMB73,783,647.29 as trading risk reserves (2022: RMB118,269,375.17).

41 Retained profits

	2023	2022
At the beginning of the year	4,128,234,175.21	4,904,775,406.97
Add: Net profits attributable to shareholders of the parent company during the current year	819,739,772.59	517,197,649.74
Less: Appropriation to statutory surplus reserve	(73,783,647.29)	(118,269,375.17)
Appropriation to general reserves	(106,827,724.75)	(212,292,051.66)
Appropriation to trading risk reserves	(73,783,647.29)	(118,269,375.17)
Distribution to shareholders	(161,622,276.00)	(840,435,835.20)
Other comprehensive income carried forward to retained earnings	(19,569,054.94)	(4,472,244.30)
At the end of the year	4,512,387,597.53	4,128,234,175.21

On June 27, 2023, upon the approval of the shareholders' general meeting, the Company declared the following cash dividend: based on the total share capital of 3,232,445,520 shares, a cash dividend of RMB0.50 per 10 shares (tax inclusive) was distributed to all A-share shareholders, amounting to a total cash dividend of RMB161,622,276.00 (tax inclusive).

On June 23, 2022, upon the approval of the shareholders' general meeting, the Company declared the following cash dividend: based on the total share capital of 3,232,445,520 shares, a cash dividend of RMB2.60 per 10 shares (tax inclusive) was distributed to all A-share shareholders, amounting to a total cash dividend of RMB840,435,835.20 (tax inclusive).

As at December 31, 2023, the Group's retained profit included the balance of surplus reserves attributable to the subsidiaries of the Company in the amount of RMB128,714,067.90 (December 31, 2022: RMB126,934,210.08).

42 Net fee and commission income

	2023	2022
Net income from securities brokerage business	600,130,653.27	710,722,775.33
Income from securities brokerage business	787,883,890.61	967,480,601.35
Including: Brokerage trading of securities	683,750,858.19	817,228,351.04
Leasing of trading unit seats	56,060,533.82	99,104,055.18
Agency sale of financial products[(1)]	48,072,498.60	51,148,195.13
Expenses on securities brokerage business	(187,753,237.34)	(256,757,826.02)
Including: Brokerage trading of securities	(187,753,237.34)	(256,757,826.02)
Net income from futures brokerage business	32,574,884.64	53,040,753.79
Income from futures brokerage business	102,325,820.34	186,079,736.50
Expenses on futures brokerage business	(69,750,935.70)	(133,038,982.71)
Net income from investment banking business	583,586,153.81	1,151,856,802.67
Income from investment banking business	602,415,814.05	1,168,015,859.28
Including: Securities underwriting business	422,027,909.18	984,617,985.23
Securities sponsorship business	32,913,018.48	45,352,756.62
Financial advisory business[(2)]	147,474,886.39	138,045,117.43
Expenses of investment banking business	(18,829,660.24)	(16,159,056.61)
Including: Securities underwriting business	(18,829,660.24)	(16,159,056.61)
Net income from asset management business	62,567,140.12	75,296,084.85
Income from asset management business	64,390,456.70	79,748,846.32
Expenses of asset management business	(1,823,316.58)	(4,452,761.47)
Net income from fund management business	153,293,746.36	129,695,723.24
Income from fund management business	153,293,746.36	129,695,723.24
Net income from investment advisory business	28,995,870.86	16,721,878.02
Income from investment advisory business	28,995,870.86	16,721,878.02
Net income from other fee and commission	1,050,421.24	1,295,019.93
Income from other fee and commission	1,069,453.59	1,295,019.93
Expenses on other fee and commission	(19,032.35)	–
Total	1,462,198,870.30	2,138,629,037.83
Including: Total fee and commission income	1,740,375,052.51	2,549,037,664.64
Total fee and commission expenses	(278,176,182.21)	(410,408,626.81)

(1) Income from agency sale of financial products

	2023	
	Total sales amount	**Total commission income**
Agency sale of financial products – Funds and others	3,804,589,480.30	48,072,498.60

	2022	
	Total sales amount	**Total commission income**
Agency sale of financial products – Funds and others	2,421,101,872.05	51,148,195.13

(2) Net income from financial advisory business

Items	**2023**	**2022**
Net income from financial advisory business for mergers and acquisitions and restructuring	3,141,509.43	943,396.23
– Domestically listed companies	3,141,509.43	943,396.23
Net income from financial advisory business for financing	21,258,897.06	12,684,797.37
Net income from other financial advisory business	123,074,479.90	124,416,923.83
Total	147,474,886.39	138,045,117.43

(3) Asset management business

	2023				
	Mutual funds	**Private funds**	**Collective assets**	**Single assets**	**Special assets**
Product quantity at the end of the year	18	8	110	22	10
Number of clients at the end of the year	397,632	24	2,823	22	190
Including: Individual clients	397,305	3	2,588	1	–
Institutional clients	327	21	235	21	190
Entrusted funds at the beginning of the year	21,813,735,977.28	2,356,968,569.77	12,932,408,082.14	4,868,449,872.30	3,122,000,000.00
Including: Own capital investment	40,528,785.12	353,225,021.21	1,041,020,156.95	–	–
Individual clients	8,944,562,746.60	39,015,899.66	7,738,237,234.43	–	–
Institutional clients	12,828,644,445.56	1,964,727,648.90	4,153,150,690.76	4,868,449,872.30	3,122,000,000.00
Entrusted funds at the end of the year	41,973,702,510.68	2,368,968,569.77	12,966,927,576.16	5,343,433,052.74	28,184,407,800.00
Including: Own capital investment	718,153,302.33	354,225,021.21	1,005,301,595.51	324,544,361.27	–
Individual clients	20,872,433,373.84	39,015,899.66	5,553,276,212.05	95,179,167.50	–
Institutional clients	20,383,115,834.51	1,975,727,648.90	6,408,349,768.60	4,923,709,523.97	28,184,407,800.00
Initial cost of the main entrusted assets at the end of the year	49,331,544,779.06	1,914,368,544.50	16,879,651,085.72	5,805,417,387.95	28,414,681,387.88
Including: Stocks	501,529,122.65	–	98,724,150.73	1,274,604,725.78	–
Treasury bonds	1,576,679,345.40	–	99,964,977.02	–	–
Other bonds	30,111,653,257.63	–	13,502,600,909.36	2,651,085,835.96	–
Funds	–	–	168,853,976.33	55,090,254.59	–
Interbank certificates of deposit	8,193,157,836.47	–	1,710,881,331.78	–	–
Other investment products	8,948,525,216.91	1,914,368,544.50	1,298,625,740.50	1,824,636,571.62	28,414,681,387.88
Net income from asset management business in the current year	153,293,746.36	5,159,369.87	44,473,217.44	7,077,477.34	5,857,075.47

	2022				
	Mutual funds	Private funds	Collective assets	Single assets	Special assets
Product quantity at the end of the year	19	7	112	15	5
Number of clients at the end of the year	176,036	22	4,178	15	34
Including: Individual clients	175,823	3	3,937	–	–
Institutional clients	213	19	241	15	34
Entrusted funds at the beginning of the year	12,920,501,961.46	2,356,968,569.77	11,310,110,854.65	12,863,344,638.29	19,200,924,253.81
Including: Own capital investment	76,192,134.30	353,225,021.21	1,025,379,167.98	1,049,164,759.57	–
Individual clients	6,097,577,391.19	39,015,899.66	6,394,431,679.41	872,345,731.22	–
Institutional clients	6,746,732,435.97	1,964,727,648.90	3,890,300,007.26	10,941,834,147.50	19,200,924,253.81
Entrusted funds at the end of the year	21,813,735,977.28	2,356,968,569.77	12,932,408,082.14	4,868,449,872.30	3,122,000,000.00
Including: Own capital investment	40,528,785.12	353,225,021.21	1,041,020,156.95	–	–
Individual clients	8,944,562,746.60	39,015,899.66	7,738,237,234.43	–	–
Institutional clients	12,828,644,445.56	1,964,727,648.90	4,153,150,690.76	4,868,449,872.30	3,122,000,000.00
Initial cost of the main entrusted assets at the end of the year	26,621,329,620.89	1,914,368,544.50	13,423,194,316.92	3,267,620,470.03	3,185,776,438.77
Including: Stocks	204,669,854.11	–	356,939,782.45	1,140,714,970.47	–
Treasury bonds	1,011,452,899.16	–	22,671,078.08	150,637,126.03	–
Other bonds	16,078,466,927.01	–	10,431,842,283.96	474,176,859.76	–
Funds	–	–	835,093,927.20	437,179,406.12	–
Interbank certificates of deposit	4,403,146,130.75	–	–	39,070,000.00	–
Other investment products	4,923,593,809.86	1,914,368,544.50	1,776,647,245.23	1,025,842,107.65	3,185,776,438.77
Net income from asset management business in the current year	129,695,723.24	8,912,688.85	55,718,254.69	6,106,088.28	4,559,053.03

43 Net interest income

Items	2023	2022
Interest income		
Interest income from cash and bank balances and deposits with clearing houses	344,033,868.57	408,419,490.23
Including: Interest income from client deposits	263,328,081.99	304,620,691.61
Interest income from corporate deposits	80,705,786.58	103,798,798.62
Interest income from margin financing and securities lending business	990,176,869.29	1,137,344,305.93
Interest income from reverse REPOs	6,246,200.79	167,527,028.68
Including: Interest income from stock-pledged repurchase	504,027.43	155,396,450.22
Interest income from other debt investments	1,195,063,796.12	1,154,208,265.27
Interest income from debt investments	2,270,772.00	25,914,633.06
Others	1,627,310.33	6,377,358.48
Subtotal	2,539,418,817.10	2,899,791,081.65
Interest expenses		
Interest expenses on accounts payable to brokerage clients	(47,671,422.07)	(68,918,898.38)
Interest expenses on REPOs	(571,374,307.88)	(454,816,454.45)
Including: Interest expenses on pledged quotation and repurchase	(74,737,624.56)	(593,605.64)
Interest expenses on short-term borrowings	–	(2,235,886.11)
Interest expenses on placements from financial institutions	(95,139,333.16)	(63,268,490.21)
Including: Interest expenses of securities lending and refinancing	(55,280,647.00)	(34,124,489.90)
Interest expenses on long-term debt securities issued	(581,088,057.64)	(809,968,124.91)
Interest expenses on short-term debt securities issued	(98,953,270.68)	(57,209,399.90)
Interest expenses on lease liabilities	(12,470,553.19)	(13,693,006.33)
Interest expenses on other financial liabilities calculated by the effective interest rate method	(25,937,111.15)	(15,410,016.70)
Subtotal	(1,432,634,055.77)	(1,485,520,276.99)
Net profit or loss attributable to other holders of interests in the consolidated structured entities	(2,568,854.86)	93,222,562.15
Net interest income	1,104,215,906.47	1,507,493,366.81

44 Investment income

	2023	2022
Investment income from financial instruments	907,079,709.29	657,139,384.86
Including: Gains generated during the holding period	728,817,511.34	569,043,448.36
– Financial instruments held for trading[(1)]	517,519,505.36	468,349,935.60
– Investments in other equity instruments	211,298,005.98	100,693,512.76
Profit or loss from disposal of financial instruments	178,262,197.95	88,095,936.50
– Financial instruments held for trading[(1)]	272,612,378.17	134,332,048.86
– Other debt investments	188,623,508.20	11,787,021.92
– Derivative financial instruments	(282,973,688.42)	(58,023,134.28)
Long-term equity investment income accounted for under the equity method	22,927,303.41	(23,898,417.38)
Total	930,007,012.70	633,240,967.48

In 2023 and 2022, there were no significant restrictions on the repatriation of investment income for the Group.

(1) Statement of investment income from financial instruments held for trading:

	2023	2022
Financial assets classified as at fair value through profit or loss		
– Profit or loss during holding period	517,519,505.36	470,397,109.96
– Profit or loss from disposal	(53,235,926.57)	130,406,865.86
Financial liabilities classified as at fair value through profit or loss		
– Profit or loss during holding period	–	–
– Profit or loss from disposal	191,365,876.26	(14,876,735.67)
Financial liabilities designated as at fair value through profit or loss		
– Profit or loss during holding period	–	(2,047,174.36)
– Profit or loss from disposal	134,482,428.48	18,801,918.67

45 Gains and losses arising from changes in fair value

	2023	2022
Financial assets held for trading	198,382,254.84	(1,667,188,842.38)
Derivative financial instruments	(7,997,670.42)	(73,862,232.66)
Financial liabilities held for trading	(220,389,806.28)	381,301,454.10
Total	(30,005,221.86)	(1,359,749,620.94)

46 Other operating revenue

	2023	2022
Income from commodity sales	1,237,024,953.88	483,665,728.53
Income from rentals	3,504,067.38	1,470,317.65
Others	4,657,374.76	3,327,664.68
Total	1,245,186,396.02	488,463,710.86

47 Tax and surcharges

	2023	2022
City maintenance and construction tax	10,425,633.84	15,751,824.33
Educational surtax and local educational surtax	7,509,997.84	11,706,054.09
Housing property tax	2,530,877.23	2,241,238.98
Others	4,190,709.88	1,959,107.73
Total	24,657,218.79	31,658,225.13

48 Operating and administrative expenses

	2023	2022
Staff costs	1,304,835,027.86	1,531,581,340.16
Depreciation and amortization expenses	311,696,790.26	291,852,918.78
Postal and telecommunication expenses	98,658,772.58	94,992,021.03
Product sales and advertising expenses	73,847,058.34	89,445,957.12
Electronic equipment operating expenses	65,396,452.65	61,592,400.23
Conference travelling and transportation expenses	48,408,185.68	27,415,042.45
Exchange membership fee	35,629,460.77	38,798,766.09
Business promotion and entertainment expenses	34,748,227.93	43,774,117.01
Utilities and building management fees	24,687,439.84	24,411,070.09
Investor protection funds	21,468,767.61	15,653,421.68
Others	137,273,493.29	171,877,111.05
Total	2,156,649,676.81	2,391,394,165.69

49 Provision for impairment losses under expected credit loss model

	2023	2022
Credit impairment loss on reverse REPOs	85,358,609.51	101,790,903.45
Credit impairment loss on debt investments	79,340,299.67	(21,041.54)
Credit impairment loss on accounts receivable	3,404,161.20	(7,853,679.49)
Credit impairment loss on receivable from margin clients	(29,451,507.31)	(30,643,402.22)
Credit impairment losses on other debt investments	58,118,581.21	(100,719,106.25)
Credit impairment losses on other financial assets	5,672,463.12	7,599,055.52
Total	202,442,607.40	(29,847,270.53)

50 Other operating costs

	2023	2022
Cost of commodity sales	1,233,673,066.44	484,076,015.74
Others	2,558,379.84	2,558,379.84
Total	1,236,231,446.28	486,634,395.58

51 Non-operating revenue

	2023	2022	Amount included in non-recurring profit or loss in the current period
Government grants (1)	322,859.00	5,776,616.96	322,859.00
Others	2,184,311.88	1,426,985.90	2,184,311.88
Total	2,507,170.88	7,203,602.86	2,507,170.88

(1) The breakdown of government grants

Grant items	2023	2022	Related to assets/income
Post stabilization subsidy	–	1,762,872.96	Related to income
Funds for supporting enterprise development	322,859.00	3,590,885.00	Related to income
Others	–	422,859.00	Related to income
Total	322,859.00	5,776,616.96	

52 Non-operating expenses

	2023	2022	Amount included in non-recurring profit or loss in the current period
Compensation paid for Zeda Yisheng event (note VIII 31)	110,164,305.96	–	110,164,305.96
Provisions (note VIII 31)	52,408,116.47	–	52,408,116.47
External donations	5,000,000.00	5,000,000.00	5,000,000.00
Expenditure on breach of contract compensation	6,535,130.13	801,800.00	6,535,130.13
Others	1,133,820.71	238,110.64	1,133,820.71
Total	175,241,373.27	6,039,910.64	175,241,373.27

53 Income tax expense

(1) The composition of income tax expense

Items	2023	2022
Current income tax expenses	18,338,086.12	307,673,726.82
Deferred income tax expenses	102,498,363.00	(274,252,344.72)
Total	120,836,449.12	33,421,382.10

(2) The relationship between income tax expense and accounting profit

Reconciliation between income tax expense and accounting profit as follows:

		2023	2022
Profit before taxation	1,877,960,889.50	1,778,908,960.38	942,460,716.36
Income tax expense calculated at a rate of 25%	469,490,222.38	444,727,240.10	235,615,179.09
Effect of different applicable tax rates of subsidiaries	(6,188,588.57)	(2,548,918.98)	(3,161,482.26)
Effect of non-deductible expenses	1,829,192.21	31,573,687.75	25,827,226.94
Effect of non-taxable income	(173,127,531.11)	(265,431,337.26)	(163,591,376.84)
Effect of the unrecognised unused tax losses and deductible temporary differences for the period	7,763,584.98	19,036,563.61	26,385,737.27
Differences arising from final income tax settlement	(10,669,245.69)	796,845.00	722,470.32
Others	(140,422.21)	230,979.13	(961,305.40)
Income tax expense	277,907,882.42	228,385,059.35	120,836,449.12

54 Earnings per share

The basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue. The specific calculation of basic earnings per share is as follows:

Items		2023	2022
Profit:			
Net profit for the year attributable to ordinary shareholders of the Company	1,598,821,750.95	1,544,324,857.74	819,739,772.59
Shares:			
Weighted average number of ordinary shares in issue	3,232,445,520.00	3,232,445,520.00	3,232,445,520.00
Basic earnings per share	0.495	0.478	0.254

In 2023 and 2022, the Company had no dilutive potential ordinary shares.

55 Notes to the cash flow statement

(1) Supplemental information on cash flow statement

	2023	2022
Reconciliation of net profit to cash flows from operating activities		
Net profit	821,624,267.24	517,096,515.66
Add: Provision for impairment losses under expected credit loss model	202,442,607.40	(29,847,270.53)
Depreciation of investment properties	2,558,379.84	2,558,379.84
Depreciation of fixed assets	62,836,507.91	51,792,598.09
Amortisation of intangible assets	48,752,031.67	38,671,137.26
Amortisation of long-term prepaid expenses	14,581,925.17	12,907,317.15
Depreciation of right-of-use assets	185,526,325.51	188,481,866.28
Gain and losses on disposal of fixed assets, intangible assets and other long-term assets	(2,837,752.98)	(74,642.90)
Gains and losses arising from changes in fair value	30,005,221.86	1,359,749,620.94
Net income from non-operating interest	(504,822,686.61)	(297,016,481.08)
Foreign exchange gains and losses	(7,757,335.47)	(3,242,381.02)
Investment gains and losses	(422,848,817.59)	(88,582,117.30)
Changes in deferred tax	102,498,363.00	(274,252,344.72)
Decrease in operating receivables	1,415,934,821.81	2,343,220,051.67
(Decrease)/Increase in operating payables	(3,113,905,232.99)	7,553,694,231.04
Net cash flows generated from operating activities	(1,165,411,374.23)	11,375,156,480.38

(2) Cash inflows associated with other operating activities

	2023	2022
Net decrease in amounts due to/from related parties	2,225,525,871.72	797,264,996.66
Other operating revenue	1,245,186,396.02	488,463,710.86
Net decrease in refundable deposits	914,679,957.03	–
Other income	12,977,815.95	17,799,235.45
Non-operating revenue	2,294,311.88	6,990,743.86
Others	–	93,222,562.15
Total	4,400,664,352.60	1,403,741,248.98

(3) Cash outflows associated with other operating activities

	2023	2022
Other operating costs	1,143,943,215.10	484,076,015.74
Operating and administrative expenses	698,951,898.70	567,959,906.75
Non-operating expenses	122,833,256.80	6,039,910.64
Net increase in refundable deposits	–	464,433,191.76
Others	2,568,854.86	–
Total	1,968,297,225.46	1,522,509,024.89

(4) Composition of cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022
Cash in hand	–	6,424.75
Bank deposits on demand	10,871,392,242.87	14,571,895,848.40
Deposits with clearing houses on demand	3,718,268,615.30	4,302,340,952.78
Balance of cash and cash equivalents	14,589,660,858.17	18,874,243,225.93

56 Foreign currency monetary items

Items	As at December 31, 2023		
	Balance of foreign currency	Exchange rate	Balance in RMB equivalent
Cash and bank balances			
Including: USD	40,883,126.29	7.0827	289,562,918.57
EUR	71,489.41	7.8592	561,849.57
HKD	262,232,596.61	0.9062	237,635,179.05
Total			527,759,947.19
Deposits with clearing houses			
Including: USD	3,710,768.35	7.0827	26,282,258.99
HKD	15,454,718.49	0.9062	14,005,065.90
Total			40,287,324.89
Refundable deposits			
Including: USD	2,240,495.87	7.0827	15,868,760.10
HKD	500,000.00	0.9062	453,100.00
Total			16,321,860.10
Long-term debt securities issued			
Including: USD	404,225,401.98	7.0827	2,863,007,254.60

Items	As at December 31, 2022		
	Balance of foreign currency	Exchange rate	Balance in RMB equivalent
Cash and bank balances			
Including: USD	5,572,649.31	6.9646	38,811,273.38
EUR	930.65	7.4229	6,908.12
HKD	2,174,294,921.37	0.8933	1,942,297,653.26
Total			1,981,115,834.76
Deposits with clearing houses			
Including: USD	5,783,825.07	6.9646	40,282,028.07
HKD	18,263,820.19	0.8933	16,315,070.58
Total			56,597,098.65
Refundable deposits			
Including: USD	270,000.00	6.9646	1,880,442.00
HKD	3,222,059.50	0.8933	2,878,265.75
Total			4,758,707.75
Long-term debt securities issued			
Including: USD	403,112,372.45	6.9646	2,807,516,429.17

IX INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

1 Interests in structured entities initiated by the Group but not included in consolidated financial statements

The structured entities initiated by the Group but not included in consolidated financial statements primarily include asset management schemes and investment funds initiated by the Group. Acting as the manager of these structured entities, the Group, on behalf of its clients, invests the raised funds into relevant underlying assets in accordance with the product contracts. The interests of the Group in these unconsolidated structured entities mainly consist of direct investment holdings and/or the receipt of management fee income and performance-based remuneration through the management of these structured entities. The variable returns related to these structured entities borne by the Group indicate that the Group acts as an agent rather than the primary obligor of these structured entities. Therefore, the Group does not consolidate such structured entities.

In 2023 and 2022, the total fee income derived by the Group from the asset management plans and investment funds initiated but not included in consolidated financial statements by the Group amounted to RMB215,860,886.48 and RMB204,991,808.09, respectively.

As at December 31, 2023 and December 31, 2022, the carrying amounts and the maximum exposure to loss of the relevant asset items in the balance sheet of the Group representing its interests in the structured entities initiated but not included in consolidated financial statements by the Group are set out as follows:

	As at December 31, 2023	As at December 31, 2022
Financial assets held for trading	1,481,593,019.38	1,481,533,382.52
Long-term equity investments	336,484,914.57	312,895,111.16
Total	1,818,077,933.95	1,794,428,493.68

2 Interests in structured entities initiated by third parties but not included in consolidated financial statements

As at December 31, 2023 and December 31, 2022, the carrying amounts and the maximum exposure to loss of the relevant asset items in the balance sheet of the Group representing its interests in the structured entities initiated by third parties but not included in consolidated financial statements are set out as follows:

	As at December 31, 2023	As at December 31, 2022
Financial assets held for trading	7,511,304,221.36	7,396,508,790.09

X TRANSFER OF FINANCIAL ASSETS

In the ordinary course of business, the Group enters into certain transactions that transfer recognized financial assets to third parties or customers.

If the transfer of these financial assets meets the conditions for derecognition, the relevant financial assets are fully or partially derecognized. When the Group retains substantially all the risks and rewards of the transferred assets, the Group continues to recognize such assets in the statement of financial position.

1 REPO transactions

All the transferred financial assets that have not been derecognized include the securities delivered as collateral to counterparties in the REPO transactions under the outright repurchase business. Under such transactions, the counterparties are allowed to re-pledge those securities in the absence of default by the Group, but have an obligation to return the above-mentioned securities to the Group on the agreed maturity date. In certain circumstances, if relevant securities increase or decrease in value, the Group may require counterparties to return part of the collateral or be required to place additional collateral to counterparties. For the aforementioned transactions, the Group believes that it retains substantially all the risks and rewards of the relevant securities, and therefore does not derecognize the relevant securities. Meanwhile, the Group recognizes the cash received as a financial liability.

2 Securities lending arrangement

All the transferred financial assets that have not been derecognised include securities lent to customers for them to sell in securities lending transactions. In such transactions, the Group requires customers to provide sufficient collateral that can fully cover the credit exposure arising from securities lending, and the customers are simultaneously obligated to return the aforementioned securities to the Group in accordance with the terms of the agreement. In certain circumstances, if relevant securities increase or decrease in value, the Group may need to return part of the collateral to the customer or may require the customer to place additional collateral. For the aforementioned transactions, the Group believes that it retains substantially all the risks and rewards of the relevant securities, and therefore does not derecognise the relevant securities.

The following table presents an analysis of the carrying amounts of financial assets that have been transferred to third parties or customers but do not meet the conditions for derecognition, along with the related financial liabilities:

	As at December 31, 2023		As at December 31, 2022	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
REPO transaction	542,974,855.15	420,068,754.79	–	–
Securities lending arrangement	20,934,346.10	–	298,924,115.32	–
Total	563,909,201.25	420,068,754.79	298,924,115.32	–

XI SEGMENT REPORTING

The Group identify reportable segments based on operating segments which are determined based on the Group's internal organisational structure, management requirements and internal reporting mechanisms, and discloses segment information.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) it can generate revenue and incur expenses in its daily operations; (2) the Group's management can regularly review the operating results of this component to make decisions about resource allocation and to assess its performance; and (3) the Group is able to obtain financial information regarding the financial position and operating results of this component. Two or more operating segments may be combined into a single operating segment if they share similar economic characteristics and meet certain conditions.

The Group organizes and manages its business operations based on the nature of the business and the products and services provided. Each operating segment of the Group is a business unit or subsidiary that offers products and services exposed to risks different from those of other operating segments and earns returns different from those of other operating segments. The following is a summary of the detailed information regarding the operating segments:

Wealth management business primarily includes securities brokerage business and credit business;

Proprietary investment business primarily includes equity investment business, and fixed-income investment business conducted with self-owned funds;

Investment banking business primarily includes equity financing business, bond financing business, and financial advisory business;

Asset management business primarily includes asset management business of securities company and publicly offered fund management business;

Other businesses primarily include futures business, alternative investment business, private fund management business and overseas business;

Segment profit/(loss) refers to the profit earned or loss incurred by each segment before the allocation of income tax expenses, which is submitted to management for resource allocation and performance evaluation purposes.

Segment assets/liabilities are allocated to each segment. Inter-segment offsets primarily consist of the offsets for adjustments of own funds among inter-segment transactions. Segment performance excludes income tax expenses, while segment assets and liabilities include prepaid taxes and tax payable, respectively.

Segment revenues are all derived from the Chinese mainland and Hong Kong, and the locations of non-current assets are all within the Chinese mainland and Hong Kong.

The Group's business is not conducted for specific customers, and there is no single customer that accounts for 10% or more of the Group's operating revenue.

	For the year ended December 31, 2023 and as at December 31, 2023						
	Wealth management business	Proprietary investment	Investment banking	Asset management	Other businesses	Offset	Total
Operating revenue	1,652,269,944.82	906,301,948.49	350,150,634.59	221,368,210.84	1,605,085,129.29	–	4,735,175,868.03
Including: Net fee and commission income	747,344,498.31	92,373,245.85	328,849,226.98	183,974,526.89	109,657,372.27	–	1,462,198,870.30
Investment income	(62,457,133.91)	593,658,616.08	17,671,363.13	(2,756,332.78)	383,890,500.18	–	930,007,012.70
Other revenue	967,382,580.42	220,270,086.56	3,630,044.48	40,150,016.73	1,111,537,256.84	–	2,342,969,985.03
Operating expenses	1,068,524,936.97	202,634,543.49	292,907,629.99	213,858,415.61	1,842,055,423.22	–	3,619,980,949.28
Operating profit	583,745,007.85	703,667,405.00	57,243,004.60	7,509,795.23	(236,970,293.93)	–	1,115,194,918.75
Total profit	581,115,978.69	703,667,405.00	(105,886,528.29)	7,637,834.41	(244,073,973.45)	–	942,460,716.36
Total assets	22,733,629,480.09	56,386,146,613.30	26,702,752.73	2,247,474,357.70	27,999,335,385.46	(10,113,744,957.40)	99,279,543,631.88
Total liabilities	19,427,295,691.67	37,774,807,104.55	25,901,644.14	73,195,515.53	15,416,182,685.86	(546,215,496.69)	72,171,167,145.06
Supplementary information							
Depreciation and amortization expenses	178,698,793.98	45,485,884.99	26,322,217.27	27,207,543.11	33,982,350.91	–	311,696,790.26
Capital expenditures	28,227,454.75	5,583,738.33	398,216.38	1,353,883.10	61,918,898.22	–	97,482,190.78
Provision for impairment losses under ECL model	53,049,309.51	56,133,365.20	–	–	93,259,932.69	–	202,442,607.40

	For the year ended December 31, 2022 and as at December 31, 2022						
	Wealth management business	Proprietary investment	Investment banking	Asset management	Other businesses	Offset	Total
Operating revenue	1,681,474,166.46	350,934,948.69	908,052,120.86	102,939,383.63	385,793,101.77	–	3,429,193,721.41
Including: Net fee and commission income	857,134,354.84	98,578,468.47	892,234,397.22	182,504,211.19	108,177,606.11	–	2,138,629,037.83
Investment income	68,038,877.63	182,859,742.53	8,244,691.69	(40,783,715.00)	414,881,370.63	–	633,240,967.48
Other revenue	756,300,933.99	69,496,737.69	7,573,031.95	(38,781,112.56)	(137,265,874.97)	–	657,323,716.10
Operating expenses	1,204,582,156.96	49,706,071.36	563,228,156.29	292,413,261.15	769,909,870.11	–	2,879,839,515.87
Operating profit	476,892,009.50	301,228,877.33	344,823,964.57	(189,473,877.52)	(384,116,768.34)	–	549,354,205.54
Total profit	480,690,889.38	301,228,877.33	344,812,164.57	(190,361,035.80)	(385,852,997.72)	–	550,517,897.76
Total assets	23,331,549,890.41	54,931,591,511.25	33,080,086.27	1,570,243,116.16	31,225,613,198.78	(9,338,680,513.75)	101,753,397,289.12
Total liabilities	19,837,391,621.01	37,548,204,116.27	32,787,644.70	50,803,479.57	19,133,024,258.03	(937,464,922.54)	75,664,746,197.04
Supplementary information							
Depreciation and amortization expenses	167,700,064.03	26,225,433.60	35,573,933.23	24,647,146.54	37,706,341.38	–	291,852,918.78
Capital expenditures	38,054,584.80	3,232,840.21	9,376,242.70	4,906,757.78	55,232,090.79	–	110,802,516.28
Provision for impairment losses under ECL model	64,782,400.78	(100,853,675.73)	(200,000.00)	–	6,424,004.42	–	(29,847,270.53)

XII RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The conditions and pricing of transactions between the Group and the Company, and related parties are conducted in the ordinary course of business and are approved by the respective decision-making authorities based on the transaction type and content.

1 The parent company of the Company

Name	Place of registration	Nature of business	Registered capital	Percentage of voting rights	Percentage of shareholding
China Orient	Beijing	Asset management	RMB68.243 billion	45.00%	45.00%

China Orient originated from China Orient Asset Management Company (中國東方資產管理公司). China Orient Asset Management Company was a wholly state-owned limited liability company established with the approval of the State Council and established by the Ministry of Finance in October 1999. With the approval of the State Council, China Orient Asset Management Company

completed a comprehensive restructuring in September 2016. It was subsequently re-established as China Orient Asset Management Co., Ltd. through joint sponsorship by the Ministry of Finance and the National Council for Social Security Fund, with a registered capital of RMB55.363 billion. Thereafter, through the introduction of strategic investors, the registered capital of China Orient Asset Management Co., Ltd. was increased to RMB68.243 billion.

2 The subsidiaries of the Company

For information on subsidiaries, please refer to Note VII.1.

3 The associates and joint ventures of the Group

For information on associates and joint ventures, please refer to Note VIII.12.

4 Other related parties having related party transactions with the Group but not having a controlling relationship

Name of related party	Relationship with the Group
China United Insurance Holding Corporation (中華聯合保險集團股份有限公司)	Under the ultimate control of the same parent
China United Property Insurance Company Limited (中華聯合財產保險股份有限公司)	Under the ultimate control of the same parent
China United Life Insurance Co., Ltd. (中華聯合人壽保險股份有限公司)	Under the ultimate control of the same parent
China Orient Asset Management (International) Holding Limited (中國東方資產管理(國際)控股有限公司)	Under the ultimate control of the same parent
Orient Golden Credit Service Co., Ltd.	Under the ultimate control of the same parent
Golden Credit Rating International Co., Ltd. (東方金誠國際信用評估有限公司)	Under the ultimate control of the same parent
Bank of Dalian Co., Ltd. ("**Bank of Dalian**")	Under the ultimate control of the same parent
Daye Trust Co., Ltd. (大業信託有限責任公司)	Under the ultimate control of the same parent
Orient Bangxin Financial Property Investment Co., Ltd. (東方邦信置業有限公司)	Under the ultimate control of the same parent
Dongyin (Tianjin) Enterprise Management Consulting Co., Ltd. (東銀(天津)企業管理諮詢有限公司)	Under the ultimate control of the same parent
Shanghai Ruifeng International Building Enterprise Management Co., Ltd. (上海瑞豐國際大廈企業管理有限公司)	Under the ultimate control of the same parent
Shanghai Fengyin Catering Management Co., Ltd. (上海豐垠餐飲管理有限公司)	Under the ultimate control of the same parent

Name of related party	Relationship with the Group
Shanghai Dongxing Investment Holdings Development Co., Ltd. (上海東興投資控股發展有限公司)	Under the ultimate control of the same parent
Orient Bangxin Venture Capital Co., Ltd. (東方邦信創業投資有限公司) ("**Bangxin Venture Capital**")	Under the ultimate control of the same parent
Orient Qianhai Asset Management (Hangzhou) Co., Ltd. (東方前海資產管理(杭州)有限公司)	Under the ultimate control of the same parent
Orient Bangxin (Beijing) Property Management Co., Ltd. (東方邦信(北京)物業管理有限公司)	Under the ultimate control of the same parent

5 Pricing policy

The Group conducts regular business with related parties on general commercial terms.

6 The following significant related-party transactions occurred between the Group and its related parties during the year

(1) Related-party transactions with the parent company

Related party transactions

	2023	2022
Income from fee and commission	44,465,634.79	53,571,208.59
Including: income from brokerage business	208,010.85	92,208.76
income from investment banking business	42,769,199.43	51,353,502.62
income from asset management business	601,632.06	1,059,459.48
Interest expenses	1,845,716.22	35,510.32
Operating and administrative expenses	555,923.76	562,657.11

Related transaction balance

	As at December 31, 2023	As at December 31, 2022
Accounts receivable	2,856,240.11	3,676,200.00
Financial assets held for trading	11,639,656.00	92,176,456.00
Right-of-use assets	694,904.75	1,250,828.51
Other assets		
– Deposits	52,500.00	52,500.00
Accounts payable to brokerage clients	58,883,534.57	19,665,124.08
Lease liabilities	728,571.45	1,266,138.78

(2) Related party transactions with United Insurance

Related party transactions

	2023	2022
Income from fee and commission	724,559.20	1,036,670.87
Including: income from brokerage business	623,153.68	964,929.45
income from investment banking business	80,188.68	–
income from asset management business	21,216.84	71,741.42
Interest expenses	394.52	–
Investment income	(2,307,112.29)	1,420,363.16
Gains and losses arising from changes in fair value	(1,103,306.21)	219,688.31
Operating and administrative expenses	45,058,458.66	62,228,028.58
Other operating costs	2,979,575.72	–

Related transaction balance

	As at December 31, 2023	As at December 31, 2022
Right-of-use assets	204,714.91	–
Other assets	10,251,818.09	11,456,313.46
– Prepaid OTC derivatives margin receivable	7,345,818.12	11,272,701.46
– Deposits	10,000.00	183,612.00
– Others	2,895,999.97	–
Derivative financial liabilities	1,672,895.49	5,187,232.81
Lease liabilities	168,716.18	–
Other liabilities	20,747,798.98	5,029,915.92
– Margin payable for OTC business	20,747,798.98	5,029,915.92

United Insurance refers to China United Insurance Holding Corporation (中華聯合保險集團股份有限公司) and its subsidiaries.

(3) Related party transactions with Bank of Dalian

Related party transactions

	2023	2022
Income from fee and commission	384,351.51	350,083.46
Including: income from brokerage business	6,993.02	81,618.13
income from investment banking business	377,358.49	–
income from asset management business	–	268,465.33
Interest income	19,268.36	31,283,464.45
Operating and administrative expenses	5,921,247.32	24,377,346.42

Related transaction balance

	As at December 31, 2023	As at December 31, 2022
Cash and bank balances	683,390.98	6,261,204.98
Accounts payable to brokerage clients	40,382.40	30,703.28

(4) Related party transactions with Shanghai Dongxing

Related party transactions

	2023	2022
Income from fee and commission	4,000,613.21	1,011,462.67
Including: net income from brokerage business	–	29,906.07
income from investment banking business	4,000,613.21	981,556.60
Interest expenses	1,057,854.82	1,053,997.08
Investment income	(29,405,802.27)	–
Gains and losses arising from changes in fair value	(40,059,078.90)	98,173,597.72
Operating and administrative expenses	12,803,574.76	10,984,313.24

Related transaction balance

	As at December 31, 2023	As at December 31, 2022
Derivative financial assets	53,111,668.24	93,170,747.14
Right-of-use assets	22,177,700.85	30,471,521.79
Other assets	3,109,904.26	6,129,346.30
– Deposits	3,109,904.26	6,129,346.30
Accounts payable to brokerage clients	387.38	21,449.41
Derivative financial liabilities	–	6,566,614.42
Lease liabilities	23,351,165.67	31,490,534.20
Other liabilities	155,054,034.00	349,192,034.00
– Margin payable for OTC business	155,054,034.00	349,192,034.00

Shanghai Dongxing refers to Shanghai Dongxing Investment Holdings Development Co., Ltd. (上海東興投資控股發展有限公司) and its subsidiaries.

Shanghai Dongxing completed a business combination under common control with Bangxin Venture Capital in 2023. When preparing its 2023 consolidated financial statements, Shanghai Dongxing adjusted the relevant items in its comparative statements, as if the combined reporting entity had existed since the date when the ultimate controlling party first obtained control. Consequently, the Company's related party transactions with Bangxin Venture Capital for the year 2022 were also consolidated and presented within Shanghai Dongxing.

(5) Related party transactions with other related parties under the ultimate control of the same parent

Related party transactions

	2023	2022
Income from fee and commission	904,676.95	374,316.80
Including: income from brokerage business	330,483.54	–
income from investment banking business	235,849.06	235,849.06
income from asset management business	335,012.99	138,467.74
Operating and administrative expenses	529,846.80	754,716.96

Related transaction balance

	As at December 31, 2023	As at December 31, 2022
Accounts payable to brokerage clients	458,103.50	16,346.95
Accounts payable	532,845.60	–

(6) Guarantees from related parties

On August 15, 2019, Dongxing Voyage Co., Ltd., an overseas wholly-owned special purpose company under the Company's wholly-owned subsidiary Dongxing Hong Kong, completed the overseas issuance of US$400 million fixed-rate senior unsecured bonds. The bonds have a term of 5 years with a coupon rate of 3.25%. The Company provided a guarantee for the bonds.

(7) Borrowing or lending of funds with related parties

In 2023 and 2022, the Group did not engage in any borrowing or lending of funds with related parties.

(8) Asset transfer and debt restructuring involving related parties

In 2023 and 2022, the Group did not have any asset transfer and debt restructuring involving related parties.

(9) Joint investment by related parties

(a) As of December 31, 2023, as a principal, the Company, together with its related parties, namely, Orient Bangxin Financial Property Investment Co., Ltd. and Ningbo Financial Asset Management Co., Ltd. (寧波金融資產管理股份有限公司), invested in a collective asset management plan managed by the Company, with a total scale of RMB1.049 billion (December 31, 2022: RMB1.049 billion). Among them, the capital contribution balance from Orient Bangxin Financial Property Investment Co., Ltd. was RMB700 million (December 31, 2022: RMB700 million); the capital contribution balance from Ningbo Financial Asset Management Co., Ltd. was RMB182 million (December 31, 2022: RMB182 million), and the capital contribution balance from the Company's own funds was RMB167 million (December 31, 2022: RMB167 million). The investment income realized from the Company's own funds for the year was RMB0 (2022: RMB0).

(b) In July 2023, the then-existing collective asset management plan managed by the Company, in which the Company, as the principal, co-invested with its related party Bank of Dalian, was liquidated. (As of December 31, 2022, the total scale of the collective asset management plan managed by the Company, in which the Company, as the principal, co-invested with its related party Bank of Dalian, was RMB167 million. Among them, the capital contribution balance from Bank of Dalian was RMB141 million, and the capital contribution balance from the Company was RMB26 million. No management fees were charged for the collective asset management plan in 2022.)

(c) In 2023, the total scale of new collective asset management plan managed by the Company and co-invested by the Company and Bank of Dalian was RMB1.002 billion. Among them, Bank of Dalian contributed RMB1.000 billion to subscribe for shares in the collective asset management plan, while the Company contributed RMB2.07 million with its own funds to subscribe for shares in the collective asset management plan. The investment income realized from the own funds in the collective asset management plan for the year was RMB220,133.41, and the management fee income was RMB239,503.80.

(d) In 2023, China Orient subscribed for RMB950 million worth of limited partnership interests in the private equity fund "Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership)" actually managed by Dongxing Capital Investment Management Co., Ltd. Dongxing Capital directly subscribed for RMB49 million worth of general partnership interests.

(10) Other related party transactions

(a) As of December 31, 2023, the market value of the fund products issued or managed by the Company and held by its related natural persons totaled RMB303,458.54 (December 31, 2022: RMB1,531,136.53).

(b) In 2023, the Company purchased and sold bonds issued by China Orient in the secondary market amounting to RMB50 million (2022: Nil).

(c) In 2023, the distribution and sales of bonds by the Company to ABC Life Insurance Co., Ltd. (農銀人壽保險股份有限公司) amounted to RMB199.888 million (2022: RMB19.99 million), and spot bond sales amounted to RMB302.1934 million (2022: Nil). Mr. Lai Guanrong, an independent director of the Company, resigned as the vice chairman of ABC Life Insurance Co., Ltd. in November 2022, and the affiliated relationship between ABC Life Insurance Co., Ltd. and the Company terminated in November 2023.

(d) In 2023, the Company and Bank of Dalian, as lead underwriters, underwrote bonds with an amount of RMB50 million (2022: Nil), and distributed and sold these bonds.

(11) Remuneration for key management personnel

		2023	**2022**
		RMB0'000	*RMB0'000*
Remuneration for key management personnel	822.25	1,105.57	1,414.95

Key management personnel refers to those who have the power and responsibility for planning, directing and controlling the activities of the enterprise, including directors and senior management.

XIII COMMITMENTS AND PENDING LITIGATION

1 Capital expenditure commitment

As at December 31, 2023 and December 31, 2022, the Group and the Company had not entered into any externally significant capital expenditure contracts.

2 Pending litigation

In the ordinary course of business, the Group and the Company may be involved in claims, litigation or regulatory investigations. As at December 31, 2023 and December 31, 2022, the Group and the Company were not involved in any significant legal or arbitration cases. Such significant cases refer to those for which if an unfavorable judgment occurs, the Group and the Company expect that they will have a significant impact on their financial position or operating results.

XIV RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

1 Policies for and structure of risk management

(1) Policies of risks management

Since its establishment, the Group has strictly complied with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines for the Internal Control of Securities Companies (《證券公司內部控制指引》) and the requirements of other relevant laws, regulations, and rules. It has clearly defined the risk management responsibilities of the board of directors, the supervisory committee, the management team, and various departments, and has established a comprehensive risk management organizational structure and a multi-layered internal control mechanism. By implementing a comprehensive risk management system, the Group continuously optimizes the governance framework for risk management, risk management strategies, risk monitoring indicators, risk assessment processes, risk response measures, and risk reporting system. It fosters a risk culture to ensure the effective operation of mechanisms for risk identification, monitoring, assessment, and control. Risk management is integrated throughout the pre-event, in-process, and post-event stages to ensure that the Company's risks are measurable, controllable, and tolerable. In line with the characteristics of its business development, the Group imposes strict risk controls, particularly on innovative businesses, with a focus on risk management in the pre-event and in-process stages. It continuously revises and improves relevant risk monitoring indicators and risk assessment processes for innovative businesses to ensure that the Company's mechanisms for risk identification, monitoring, assessment, and control operate effectively in this area as well.

(2) Risk management organizational structure

The Group has established a four-tier risk management structure comprising the board of directors, the supervisory committee, the management team, the chief risk officer, and the chief compliance officer; dedicated risk management departments; and business operating departments, functional management departments, branches, and subsidiaries.

The board of directors serves as the highest authority for risk management within the Group, bearing ultimate responsibility for comprehensive risk management. It reviews and approves the fundamental policies for the Group's comprehensive risk management; is responsible for approving the Group's overall risk management strategy and major policies; determines the overall risk tolerance level of the Group; reviews and approves the Company's risk appetite, risk tolerance, and major risk limits; appoints and evaluates chief risk officer, and determines its remuneration, and establishes a direct communication mechanism with the chief risk officer; and oversees and evaluates the comprehensiveness and effectiveness of risk management. The board of directors exercises its risk management functions through its subordinate risk control committee and audit committee.

The supervisory committee of the Company assumes the supervisory responsibility for comprehensive risk management, responsible for inspecting and monitoring the performance of duties by the board of directors and the management team in risk management and urging rectification.

The management team serves as the execution and management body for the Company's risk management, bearing primary responsibility for comprehensive risk management. Its main duties include: implementing the risk management policies established by the board of directors; organizing the establishment and improvement of effective risk management system and mechanism; and organizing the identification, assessment, and management of various risks.

The chief risk officer is responsible for the comprehensive risk management of the Company, with duties encompassing all aspects of the Company's operations. Responsibilities include: drafting the fundamental policies and establishing related workflows for the risk management; supervising all departments in establishing and improving relevant business systems and corresponding risk management rules, inspecting and evaluating the implementation and effectiveness of each department's risk management measures and procedures, and requiring corrections or enhancements; recommending to the board of directors and the management team the formulation, revision, or adjustment of risk appetite, risk tolerance, and risk limits related to the Company's business based on market conditions and business development; conducting risk assessments for the major decisions and primary business activities of the Company; providing risk management consultation and organizing relevant training for senior management, various departments, and branches; and reporting the risk management status of the Company to the risk control committee and the board of directors of the Company, and regulatory authorities.

The chief compliance officer is fully responsible for the compliance management of the Group and reports to the board of directors. Key responsibilities include: organizing the formulation of fundamental compliance management system and other compliance management systems, and supervising their implementation by subordinate units; where there are changes in laws, regulations, or rules, promptly advising the board of directors or senior management and guiding relevant departments to assess the impact on compliance management, and revising or improving relevant systems and business processes; conducting compliance reviews and signing the compliance review opinions on the Group's internal rules and regulations, major decisions, new product and business proposals, etc.; supervising and inspecting the compliance of the Group and its staff in business management and professional practice; assisting the board of directors and senior management in establishing and implementing an information wall, conflict of interest management, and anti-money laundering systems; providing compliance consultation and organizing compliance training for senior management and subordinate units in accordance with the Company's policies; upon discovering any illegal or non-compliant activities or compliance risk exposures within the Company, reporting promptly to the board of directors and the principal person in charge of management in accordance with the articles of association, proposing corrective measures, and

urging rectification; and cooperating with securities regulatory authorities in their inspections and investigations of the Company, and tracking and evaluating the implementation of regulatory opinions and requirements.

The Group has established three dedicated risk management departments: the risk management department, the compliance and legal department, and the audit department. The risk management department, under the leadership of the chief risk officer, promotes the comprehensive risk management efforts of the Group. Its responsibilities include planning and implementing the risk management strategy of the Company; building and improving the risk management system; reviewing the operational risks associated with the Company's business activities and providing risk management recommendations for business decisions; conducting risk identification, assessment, monitoring, reporting, and resolution; and guiding, supervising, assisting, and inspecting the risk management work of various departments, branches, and subsidiaries.

The compliance and legal department is primarily responsible for building and improving the compliance management system; providing compliance consultations for all business activities, conducting compliance reviews for various new businesses, and fostering a culture of compliance within the Group; implementing the Group's information wall and anti-money laundering system, and managing professional conduct of employees; and managing the Group's legal affairs, reviewing various contracts of the Group, and providing legal advice and guidance. The audit department primarily supervises, evaluates, and provides recommendations in an independent, objective manner regarding the financial revenues and expenditures, economic activities, internal controls, and risk management of the Company. It is responsible for providing materials to the audit committee of the Company to support and facilitate its audit decisions; and conducts planned, periodic or ad hoc audits of the head office departments, branches, and subsidiaries of the Company as appropriate.

The three dedicated risk management departments, namely the risk management department, the compliance and legal department, and the audit department, operate independently of each other. By establishing working mechanisms for information sharing, coordinated handling, and mutual assistance, they prevent and mitigate risks across the three stages of pre-event, in-process, and post-event, thereby constructing a three-dimensional and complete risk management system. These three dedicated risk management departments have established information communication channels with various business departments, branches, and their internal compliance and risk control positions. They maintain smooth communication and coordination mechanisms with each business department and branch, issuing compliance reminders, risk alerts, risk reports, and other documents to provide risk prevention and supervision for the business activities of each department and branch. Business operating departments and functional management departments are responsible for front-line monitoring and management of their respective business risks.

The Group incorporates the risk management of its subsidiaries into a unified system and implements vertical management of their risk management efforts. Each subsidiary establishes risk management policies and structures tailored to its own business development, referencing the Group's aforementioned risk management policies and organizational structures.

2 Credit risk

Credit risk refers to the risk of loss arising from a counterparty's failure to fulfill its contractual obligations. The credit risk of the Group primarily stems from the following aspects: first, in securities trading agency business, if the Company fails to require clients to deposit sufficient trading margins in advance according to law, and the client's funds are insufficient to cover the required payments on the settlement date, or if a shortfall in client funds occurs for other reasons, the Group is obligated to settle on behalf of the client, which may result in losses; second, for financial assets such as cash and cash balances, deposits with clearing houses, refundable deposits, reverse REPOs, and accounts receivable, as well as bond investments, the credit risk primarily involves counterparty's default and issuer's default of the underlying securities, with the maximum exposure equal to the carrying amount of these assets; third, for margin financing and securities lending business, agreed repurchase securities trading business, and stock pledge repo transactions, the credit risk mainly involves the risk of clients default by failing to repay the principal and interest of liabilities in full and on time.

To mitigate the credit risk arising from brokerage business, securities trading conducted by the Group on behalf of clients are settled on a full-margin basis, thereby avoiding settlement risks associated with the agency business.

The deposits with banks, deposits with clearing houses and refundable deposits of the Group are all placed in reputable commercial banks, China Securities Depository and Clearing Corporation Limited and relevant exchanges. For bond pledge-style repurchase under reverse REPOs, risks are mitigated by selecting creditworthy counterparties and eligible collateral. Accounts receivable primarily consist of amounts due from business income and various deposits, which carry relatively low credit risk. Additionally, based on impairment testing, sufficient provision for impairment has been made for accounts receivable. By strengthening credit investigations, contract management, and other measures, the credit risk of such financial assets has been reduced to a relatively low level. The Group controls credit risk in fixed-income securities investments by investing in treasury bonds, policy financial bonds, and bonds with high credit ratings, emphasizing the analysis of the issuer's qualifications. It also diversifies investments to disperse credit risk.

The Group's credit risk control for margin financing and securities lending business, and stock pledge-style repo transaction is mainly achieved through appropriateness management, credit assessment and granting, black and grey list management of clients, daily market monitoring, client risk alerts, forced liquidation, and judicial recourse.

Measurement of ECL

For financial assets measured at amortised cost (including receivable from margin clients, reverse REPOs and debt investment) and debt instrument investments measured at fair value through other comprehensive income (including other debt investment), models and assumptions are used in the measurement of ECL. These models and assumptions involve future macroeconomic conditions and the credit behavior of customers (such as the probability of customer default and the corresponding losses).

The significant judgments and assumptions made by the Group in the ECL model of the above-mentioned financial assets mainly include:

– Selecting appropriate ECL models and determining the relevant key parameters;

– Determining the criteria for significant increase in credit risk, and definition of default and credit impairment;

– Adopting forward-looking information and its weighting for the measurement of ECL;

– Forecasting of future cash flows of financial assets in the third stage.

For financial assets included in the measurement of ECL, the Group uses an impairment model in which the credit quality of the financial assets has changed in three stages since the initial recognition of the financial assets to measure the ECL respectively, including:

(1) A financial instrument whose credit risk has not increased significantly since initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group.

(2) If a significant increase in credit risk since initial recognition is identified, but it will not be regarded as the instrument for credit impairment, the Group will transfer it to Stage 2.

(3) If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.

Criteria of significant increase in credit risk

The Group evaluates the financial instruments at each financial statement date after considering whether a significant increase in credit risk has occurred since initial recognition. An ECL allowance for financial assets is recognised according to the stage of ECL, which reflects the reasonable information and evidence available about the significant increase in credit risk and is also forward-looking. The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

For financing-related businesses, the Company fully considers factors such as the credit status of the financing entity, contract duration, the sector to which the collateral securities belong, liquidity, lock-up conditions, concentration, volatility, performance guarantee status, and the operating conditions of the listed company to which the collateral securities belong, setting different warning and liquidation lines for different financing entities or contracts. Indicators that suggest a significant increase in credit risk include: principal or interest is overdue for more than 30 days (inclusive) but not exceeding 90 days after the contract payment date; a client's credit status in margin financing and securities lending business is warning, maintaining a collateral ratio not lower than 130% but less than 150%; and for stock pledge repo transactions, the collateral ratio remained not lower than 100% but less than 130% for the 5 trading days prior to the reporting date.

For bond investment business, indicators that suggest a significant increase in credit risk include: a bond is overdue for more than 30 days (inclusive) but not exceeding 90 days after the contract payment date; the latest rating of the bond issuer or the bond has been downgraded by more than two levels compared to the external rating at the initial recognition, and the latest external rating of the bond issuer or the bond is below investment grade.

If the default risk of a financial asset is low, and the borrower is highly capable of meeting its contract cash flow obligations in short term, the financial instrument is considered to have a lower credit risk even if there is a negative change in the economic situation and operating environment over a longer period of time, but it may not necessarily reduce the borrower's performance of its contract cash flow obligations. As at December 31, 2023, the Group considered cash and bank balances, deposits with clearing houses, refundable deposits, and financial instruments such as bond reverse repurchase under reverse REPOs as having lower credit risk, and consequently, no longer compared whether the credit risk at the balance sheet date had significantly increased compared to that at initial recognition.

Definition of default and credit-impaired assets

When determining whether a financial instrument has suffered credit impairment, the criteria adopted by the Group are consistent with the internal credit risk management objectives for the relevant financial instruments, while taking into account both quantitative and qualitative indicators. The Group defines a financial instrument as credit-impaired, which is fully aligned with the definition of in default, when it meets one or more of the following conditions:

- The debtor is more than 90 days (inclusive) past due on its contractual payments;

- The financing assets business of the financing category has taken forced liquidation measures, and the value of the collateral can no longer cover the financing amount;

- In margin financing and securities lending, the client's credit status is pre-liquidation, and the collateral ratio is less than 130%;
- In the stock pledge repo transactions, the collateral ratio remains below 100% for the 5 trading days prior to the reporting date;
- The latest external ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor is in significant financial difficulty;
- An active market for that financial asset has disappeared because of financial difficulty;
- Concessions have been made by the lender relating to the debtor's financial difficulty;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring.

When a financial asset experiences credit impairment, it may be caused by the combined effect of multiple events, and not necessarily by an individually identifiable event.

The Group measures the loss allowance for a Stage 1 financial instrument at an amount equal to the next 12 months ECLs. The Group measures the loss allowance for financial instrument in Stage 2 and Stage 3 at an amount equal to the lifetime ECLs. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. The Group has measured the loss allowance for these financial assets at an amount equal to the lifetime ECLs.

For Stage 1 and Stage 2 financial assets related to margin financing business and bond investment business, management assesses loss allowances using a risk parameter model approach that incorporates key parameters, including probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). For above credit-impaired financial assets classified under Stage 3, management measures the loss allowances by estimating the future cash flows associated with the financial assets.

Models and parameters for measuring ECL

Based on whether there has been a significant increase in credit risk and whether credit impairment has occurred, the Group measures impairment provisions for different financial assets using either 12-month or lifetime ECLs.

In measuring ECL, the Group fully considers the impact of forward-looking information. ECLs represent the discounted result of the product of the PD, LGD, and EAD, all adjusted for forward-looking effects:

– PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation. Key factors considered by the Group in calculating the PD include: for financing business, the ratio of collateral value to financing liabilities and the volatility characteristics of the collateral securities; for bond investment business, externally assessed credit rating information, etc.

– LGD refers to the Group's expectation of the extent of loss on the exposure at default. Key factors considered by the Group in calculating the LGD include: for financing business, the liquidation value of collateral securities after forced liquidation; for bond investment business, the type of issuer and bond, etc.

– EAD refers to the amount expected to be repaid to the Group within the next 12 months or over the remaining lifetime, upon the occurrence of a default.

Forward-looking information

Both the assessment of a significant increase in credit risk and the calculation of ECLs involve adjustments based on forward-looking information. The Group identifies the key economic factors affecting credit risk and ECLs of each asset portfolio based on historical data analysis.

The forward-looking adjustment primarily encompasses two aspects: first, the calculation of forward-looking factors, which determines these factors under normal, optimistic, and pessimistic scenarios based on historical data of macroeconomic indicators and expert forecasts; and second, the assignment of weights to multiple scenarios. The calculation of forward-looking factors incorporates industry practice and experience. Based on internal and external data, a comprehensive set of alternative indicators is constructed, and a quantitative model relationship between macroeconomic conditions and risk parameters is established to predict information on risk parameters. The impact of macroeconomic factors is taken into account on expected credit risk, thereby determining the ECLs.

For margin financing and securities lending business, the Group conducts analysis based on the characteristics of the business and identifies economic indicators relevant to business risk, including the annualized volatility of the CSI 1000 Index and the year-on-year growth rate of total loan balances of financial institutions. By establishing the relationship between these economic indicators and the risk features of

the business, forward-looking adjustments are made to the PD for financiers in margin financing and securities lending, resulting in expected PD under normal, optimistic, and pessimistic scenarios.

For bond investments, the Group utilizes publicly released macroeconomic data from authoritative third-party institutions and historical PD data published by international rating agencies to establish a prediction regression model of default rate. This model identifies key economic indicators affecting expected default rates, primarily including year-on-year growth rate of the Producer Price Index (PPI) in the PRC, year-on-year growth rate of total retail sales of consumer goods and year-on-year growth rate of new RMB loans in China at the end of the year. Through regression analysis, the Group determines the relationship between the aforementioned macroeconomic indicators and the PD of issuers over a relatively complete economic cycle, and forecasts economic indicators to determine the expected PD for issuers. Based on the latest historical default rates of global issuers published by international rating agencies and combined with upward and downward adjustments to macroeconomic indicator parameters, the expected issuer default rates under optimistic and pessimistic scenarios are determined. Based on the latest annual global issuer default rate data published by international rating agencies, combined with upward and downward adjustments of macroeconomic indicator parameters, the expected issuer default rates under optimistic and pessimistic scenarios are determined. The forecast values used by the Group to assess ECLs as at December 31, 2023 under the baseline scenario were: year-on-year growth rate of the Producer Price Index (PPI) in the PRC at -1.4%, year-on-year growth rate of total retail sales of consumer goods at 8.24%, and year-on-year growth rate of new RMB loans in China at the end of the year at 10.1%. Considering reasonable estimates of loss rates upon bond default, and with reference to industry practices, management judgment, and expert opinions, the Group applied different loss rates to defaulted bonds for the calculation of ECLs.

The Group comprehensively considers the current economic situation and various supportive policies implemented by governments and others, updating relevant economic indicators used for forward-looking measurements based on the latest economic forecasts. Similar to other economic forecasts, estimates of projected economic indicators and their likelihood of occurrence carry a high degree of inherent uncertainty; therefore, actual outcomes may differ materially from the forecasts. The Group believes these forecasts represent the Company's best estimate of possible outcomes.

The Group considers that all asset portfolios shall incorporate three different scenarios to appropriately reflect the non-linear characteristics of key economic indicator developments. The Group combines statistical analysis and expert judgment to determine scenario weights, also considering the range of possible outcomes each scenario represents. The Group reassesses the number and characteristics of scenarios at each balance sheet date. As at December 31, 2023 and December 31, 2022, the Group has set three scenarios – optimistic, baseline, and pessimistic – for the analysis of major product types, with weights of 20%, 55%, and 25%, respectively.

In determining whether a significant increase in credit risk has occurred, the Group utilizes the lifetime PD under the baseline and other scenarios, multiplied by their respective scenario weights, while also considering qualitative, quantitative, and ceiling indicators. The Group measures the relevant loss allowance using either the weighted 12-month ECLs or the weighted lifetime ECLs. The aforementioned weighted credit loss is calculated by multiplying the ECLs under each scenario by the corresponding scenario weight.

Sensitivity analysis

The ECL measurement model will use model parameters, macroeconomic variables for forward-looking forecast, the weights of economic scenarios, and other factors considered when applying expert judgement. Changes in these parameters, assumptions and judgement will have an impact on the measurement of a significant increase in credit risk and ECLs. The Company regularly re-examines the model every year, and appropriately amends and enhances the parameters and assumptions used within the models based on external economic environment and internal observable data.

The Company has conducted a sensitivity analysis on the economic indicators used in forward-looking measurement, which shows that when the weights of the optimistic and pessimistic scenarios change by 10%, the impact on the provision for ECLs made by the Group will not be significant.

At the same time, the Company has also conducted a sensitivity analysis on the stage classification of credit risk. As at December 31, 2023 and December 31, 2022, assuming that there was no significant increase in credit risk since the initial recognition that might lead to transfer of all the financial instruments in Stage 2 to Stage 1, the impact on the ECLs recognised in the balance sheet would not be significant.

Collateral and other credit enhancements

The Group adopts a series of policies and credit enhancements to lower credit risk exposure to acceptable levels. Among them, the most common method is to provide collateral or guarantee. The amount and type of collateral required depend on an assessment on the credit risk of the counterparty. The collaterals under the receivable from margin clients and repurchase agreements are mainly stocks and bonds. The management of the Group regularly monitors the market value of the collateral, requests additional collateral when needed according to the contract, and monitors changes in the market value of the collateral when reviewing the adequacy of loss provision.

Credit risk exposure analysis

The asset quality of clients in the margin financing business of the Group remained sound. As at December 31, 2023 and December 31, 2022, most of the margin financing business maintained a collateral ratio not lower than the liquidation line, and

sufficient collateral information existed indicating that defaults on these assets were not anticipated. For its bond investment business, the Company employs public market credit ratings as an access criterion, with investments only being approved for those bonds meeting both internal and external rating standards. The vast majority of the bond investments held by the Group carries an external credit rating of investment grade (AA) or above.

(1) Maximum exposure to credit risk without taking into account of any collateral and other credit enhancements

The maximum credit risk exposure at the balance sheet date, without taking into account collateral or other credit enhancement measures, refers to the carrying amount of financial assets after deducting impairment provisions. The maximum credit risk exposure amount of the Group is presented as follows:

	The Group	
	As at December 31, 2023	**As at December 31, 2022**
Deposits with banks	11,041,203,045.47	14,720,003,053.74
Deposits with clearing houses	3,725,209,148.75	4,304,229,386.99
Receivable from margin clients	17,210,495,672.92	16,987,256,609.60
Derivative financial assets	426,066,588.30	215,826,239.04
Reverse REPOs	533,291,649.99	722,462,631.10
Accounts receivable	283,777,912.85	342,219,764.30
Refundable deposits		
Financial investments	2,027,807,306.75	2,942,487,263.78
Including: Financial assets held for trading	10,050,535,374.90	11,322,567,845.65
Debt investments	–	76,402,407.14
Other debt investments	36,291,803,150.40	34,475,110,753.27
Other financial assets	910,262,495.58	1,336,683,076.36
Total credit risk exposure within the balance sheet	82,500,452,345.91	87,445,249,030.97

(2) Measurement of ECL

The loss allowance recognised in the current year is primarily affected by the following factors:

Increases in the current year are primarily attributable to loss allowance accrued on newly added financial assets, changes in PD, LGD and expected cash flow recovery rate of existing businesses affected by market changes, impact on ECL measurement from stage transfers, as well as impairment charges resulting from updates to model parameters and assumptions;

Reversals in the current year include the reversal of corresponding loss allowance caused by the redemption or disposal of financial assets, and impairment reversals resulting from updates to model parameters and assumptions;

Stage transfers are attributable to the movement of financial assets between Stage 1, Stage 2, and Stage 3 due to a significant increase (or decrease) in their credit risk or the occurrence of credit impairment, which correspondingly leads to a change in the measurement basis for the loss allowance between the 12-month and the lifetime basis;

Other movements refer to the impact of foreign currency translation on the ECLs of assets denominated in foreign currencies.

(a) Allowance for impairment of receivable from margin clients:

	Stage 1 Next 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (credit impaired)**	**Total**
Balance as at January 1, 2023	64,739,263.80	6,425,847.17	19,056,072.01	90,221,182.98
Increases	25,527,565.77	3,044,072.70	729,011.29	29,300,649.76
Reversals	(53,523,705.45)	(4,113,818.09)	(1,114,633.53)	(58,752,157.07)
Stage transfers:				
Stage 1 to stage 2	(2,206,054.55)	2,206,054.55	–	–
Stage 1 to stage 3	(18,030.20)	–	18,030.20	–
Stage 2 to stage 1	1,653,159.46	(1,653,159.46)	–	–
Other changes	–	–	277,529.86	277,529.86
Balance as at December 31, 2023	36,172,198.83	5,908,996.87	18,966,009.83	61,047,205.53

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2022	97,251,868.94	7,742,849.13	16,880,521.24	121,875,239.31
Increases	54,201,809.58	2,088,891.40	2,115,182.73	58,405,883.71
Reversals	(85,712,058.72)	(3,337,227.21)	–	(89,049,285.93)
Stage transfers:				
Stage 1 to stage 2	(1,106,255.65)	1,106,255.65	–	–
Stage 1 to stage 3	(60,368.04)	–	60,368.04	–
Stage 2 to stage 1	1,174,921.80	(1,174,921.80)	–	–
Other changes	(1,010,654.11)	–	–	(1,010,654.11)
Balance as at December 31, 2022	64,739,263.80	6,425,847.17	19,056,072.01	90,221,182.98

(b) Allowance for impairment of reverse REPOs:

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2023	–	–	1,295,390,408.86	1,295,390,408.86
Increases	–	–	97,438,731.08	97,438,731.08
Reversals	–	–	(12,080,121.57)	(12,080,121.57)
Amounts written off and transferred out	–	–	(3,652,810.44)	(3,652,810.44)
Other changes	–	–	727,560.00	727,560.00
Balance as at December 31, 2023	–	–	1,377,823,767.93	1,377,823,767.93

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2022	247,649.37	–	1,189,082,376.04	1,189,330,025.41
Increases	–	–	196,254,062.92	196,254,062.92
Reversals	(247,649.37)	–	(94,215,510.10)	(94,463,159.47)
Other changes	–	–	4,269,480.00	4,269,480.00
Balance as at December 31, 2022	–	–	1,295,390,408.86	1,295,390,408.86

(c) Allowance for impairment of debt investments:

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2023	–	–	–	–
Increases	–	–	79,340,299.67	79,340,299.67
Reversals	–	–	–	–
Other changes	–	–	449,046.20	449,046.20
Balance as at December 31, 2023	–	–	79,789,345.87	79,789,345.87

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2022	43,264.82	–	–	43,264.82
Increases	47,870.98	–	–	47,870.98
Reversals	(68,912.52)	–	–	(68,912.52)
Other changes	(22,223.28)	–	–	(22,223.28)
Balance as at December 31, 2022	–	–	–	–

(d) Allowance for impairment of other debt investments:

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2023	4,080,611.76	–	108,110,633.75	112,191,245.51
Increases	21,392,828.34	–	40,819,470.96	62,212,299.30
Reversals	(2,444,770.92)	–	(1,648,947.17)	(4,093,718.09)
Other changes	14,125.06	–	–	14,125.06
Balance as at December 31, 2023	23,042,794.24	–	147,281,157.54	170,323,951.78

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2022	20,346,278.67	50,433,038.61	142,121,129.54	212,900,446.82
Increases	3,469,134.05	–	–	3,469,134.05
Reversals	(19,744,705.90)	(50,433,038.61)	(34,010,495.79)	(104,188,240.30)
Other changes	9,904.94	–	–	9,904.94
Balance as at December 31, 2022	4,080,611.76	–	108,110,633.75	112,191,245.51

	As at December 31, 2023			
	Next 12-month ECL	Lifetime ECL	Lifetime ECL (credit impaired)	Total
Receivable from margin clients				
Original carrying value	16,457,898,263.12	789,679,071.76	23,965,543.57	17,271,542,878.45
Allowance for credit impairment	(36,172,198.83)	(5,908,996.87)	(18,966,009.83)	(61,047,205.53)
Carrying amount	16,421,726,064.29	783,770,074.89	4,999,533.74	17,210,495,672.92
Reverse REPOs				
Original carrying value	288,629,180.32	–	1,622,486,237.60	1,911,115,417.92
Allowance for credit impairment	–	–	(1,377,823,767.93)	(1,377,823,767.93)
Carrying amount	288,629,180.32	–	244,662,469.67	533,291,649.99
Accounts receivable				
Original carrying value	288,035,262.88	–	33,982,646.45	322,017,909.33
Allowance for credit impairment	(4,947,350.45)	–	(33,292,646.03)	(38,239,996.48)
Carrying amount	283,087,912.43	–	690,000.42	283,777,912.85
Debt investments				
Original carrying value	–	–	79,789,345.87	79,789,345.87
Allowance for credit impairment	–	–	(79,789,345.87)	(79,789,345.87)
Carrying amount	–	–	–	–
Other debt investments				
Carrying amount	36,281,785,822.80	–	10,017,327.60	36,291,803,150.40
Allowance for credit impairment	(23,042,794.24)	–	(147,281,157.54)	(170,323,951.78)
Other financial assets				
Original carrying value	859,921,774.33	–	137,456,996.42	997,378,770.75
Allowance for credit impairment	(38,261,357.56)	–	(48,854,917.61)	(87,116,275.17)
Carrying amount	821,660,416.77	–	88,602,078.81	910,262,495.58

	As at December 31, 2022			
	Next 12-month ECL	Lifetime ECL	Lifetime ECL (credit impaired)	Total
Receivable from margin clients				
Original carrying value	16,475,710,361.89	575,193,737.24	26,573,693.45	17,077,477,792.58
Allowance for credit impairment	(64,739,263.80)	(6,425,847.17)	(19,056,072.01)	(90,221,182.98)
Carrying amount	16,410,971,098.09	568,767,890.07	7,517,621.44	16,987,256,609.60
Reverse REPOs				
Original carrying value	216,577,054.31	–	1,801,275,985.65	2,017,853,039.96
Allowance for credit impairment	–	–	(1,295,390,408.86)	(1,295,390,408.86)
Carrying amount	216,577,054.31	–	505,885,576.79	722,462,631.10
Accounts receivable				
Original carrying value	348,949,519.76	–	28,038,758.07	376,988,277.83
Allowance for credit impairment	(6,729,755.46)	–	(28,038,758.07)	(34,768,513.53)
Carrying amount	342,219,764.30	–	–	342,219,764.30
Debt investments				
Original carrying value	76,402,407.14	–	–	76,402,407.14
Allowance for credit impairment	–	–	–	–
Carrying amount	76,402,407.14	–	–	76,402,407.14
Other debt investments				
Carrying amount	34,464,707,103.35	–	10,403,649.92	34,475,110,753.27
Allowance for credit impairment	(4,080,611.76)	–	(108,110,633.75)	(112,191,245.51)
Other financial assets				
Original carrying value	1,364,721,970.75	–	53,404,917.66	1,418,126,888.41
Allowance for credit impairment	(28,038,894.39)	–	(53,404,917.66)	(81,443,812.05)
Carrying amount	1,336,683,076.36	–	–	1,336,683,076.36

3 Market risk

The market risk encountered by the Group refers to the impact on the value of the Group's assets arising from changes in market prices, interest rates, or exchange rates, including interest rate risk, foreign exchange risk, and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk primarily affects interest-bearing assets and interest-bearing liabilities. The interest-bearing assets of the Group mainly consist of cash and bank balances, deposits with clearing houses, refundable deposits, reverse REPOs, bond investments, and other fixed-income investments. The interest-bearing liabilities mainly consist of short-term debt securities issued, placements from financial institutions, financial liabilities held for trading, REPOs, accounts payable to brokerage clients and long-term debt securities issued. The Group utilizes sensitivity analysis as a primary tool for monitoring interest rate risk. The sensitivity analysis measures the impact of reasonably possible changes in interest rates on total profit and on other comprehensive income (excluding corporate income tax effects), assuming all other variables remain constant. The Group monitors and manages the interest rate risk of its investment portfolio through sensitivity indicators and value at risk (VaR) and conducts regular stress tests to assess changes in various risk control indicators under different stress scenarios. For securities brokerage business, the currency and maturity of cash held on behalf of clients and accounts payable to brokerage clients are matched. The currency and maturity structure of interest-sensitive assets and liabilities in the Group's brokerage business are substantially aligned, keeping interest rate risk under control.

The Group's financial instruments subject to interest rate risk, presented at the earlier of the contractually agreed repricing date or maturity date as at the end of the reporting period, are as follows:

	As at December 31, 2023						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and bank balances	10,838,162,071.40	111,700,000.00	78,140,000.00	–	–	13,200,974.07	11,041,203,045.47
Deposits with clearing houses	3,723,046,436.10	–	–	–	–	2,162,712.65	3,725,209,148.75
Refundable deposits	2,027,780,311.88	–	–	–	–	26,994.87	2,027,807,306.75
Receivable from margin clients	1,885,970,460.69	4,794,134,762.18	10,333,341,976.88	–	–	197,048,473.17	17,210,495,672.92
Derivative financial assets	–	–	–	–	–	426,066,588.30	426,066,588.30
Reverse REPOs	532,898,115.74	–	–	–	–	393,534.25	533,291,649.99
Accounts receivable	–	–	–	–	–	283,777,912.85	283,777,912.85
Financial investments							
Including: Financial assets held for trading	81,895,699.96	454,993,166.01	3,204,581,862.11	3,811,179,906.35	1,731,652,153.38	11,035,220,361.70	20,319,523,149.51
Debt investments	–	–	–	–	–	–	–
Other debt investments	442,673,146.46	1,484,814,593.65	10,080,069,393.45	19,975,844,011.91	3,865,518,087.74	442,883,917.19	36,291,803,150.40
Investments in other equity instruments	–	–	–	–	–	4,603,335,908.72	4,603,335,908.72
Other financial assets	–	–	–	–	–	910,262,495.58	910,262,495.58
Total assets	19,532,426,242.23	6,845,642,521.84	23,696,133,232.44	23,787,023,918.26	5,597,170,241.12	17,914,379,873.35	97,372,776,029.24

	As at December 31, 2023						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Short-term debt securities issued	45,629,000.00	1,218,455,000.00	8,276,159,000.00	–	–	79,402,914.02	9,619,645,914.02
Placements from financial institutions	5,115,000,000.00	–	–	–	–	7,191,649.20	5,122,191,649.20
Financial liabilities held for trading	159,333,768.41	100,012,201.11	296,401,943.25	93,253,158.20	–	2,221,308.22	651,222,379.19
Derivative financial liabilities	–	–	–	–	–	431,655,794.99	431,655,794.99
REPOs	22,888,856,695.98	100,325,000.00	1,320,000,000.00	–	–	30,563,038.88	24,339,744,734.86
Accounts payable to brokerage clients	12,996,807,695.53	–	–	–	–	128,922,190.67	13,125,729,886.20
Accounts payable	–	–	–	–	–	622,979,896.07	622,979,896.07
Long-term debt securities issued	–	–	5,393,080,000.00	7,970,000,000.00	–	161,073,349.51	13,524,153,349.51
Lease liabilities	–	6,992,853.89	8,725,518.57	218,034,013.97	4,407,860.81	–	238,160,247.24
Other financial liabilities	–	–	–	–	–	3,975,139,827.68	3,975,139,827.68
Total liabilities	41,205,627,159.92	1,425,785,055.00	15,294,366,461.82	8,281,287,172.17	4,407,860.81	5,439,149,969.24	71,650,623,678.96
Net position	(21,673,200,917.69)	5,419,857,466.84	8,401,766,770.62	15,505,736,746.09	5,592,762,380.31	12,475,229,904.11	25,722,152,350.28

	As at December 31, 2022						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and bank balances	13,701,422,560.47	311,464,398.36	684,009,247.73	–	–	23,113,271.93	14,720,009,478.49
Deposits with clearing houses	4,302,340,952.78	–	–	–	–	1,888,434.21	4,304,229,386.99
Refundable deposits	2,942,454,599.59	–	–	–	–	32,664.19	2,942,487,263.78
Receivable from margin clients	2,227,895,304.45	4,719,465,778.54	9,798,726,554.56	–	–	241,168,972.05	16,987,256,609.60
Derivative financial assets	–	–	–	–	–	215,826,239.04	215,826,239.04
Reverse REPOs	721,807,611.79	–	–	–	–	655,019.31	722,462,631.10
Accounts receivable	26,408,473.07	–	–	–	–	315,811,291.23	342,219,764.30
Financial investments							
Including: Financial assets held for trading	532,067,975.81	1,036,291,011.95	2,008,273,367.03	4,697,443,242.29	2,146,930,322.94	10,036,980,291.95	20,457,986,211.97
Debt investments	76,402,407.14	–	–	–	–	–	76,402,407.14
Other debt investments	367,126,936.29	1,036,307,347.20	8,812,185,862.26	18,868,379,663.79	4,879,691,895.56	511,419,048.17	34,475,110,753.27
Investments in other equity instruments	–	–	–	–	–	3,115,174,763.17	3,115,174,763.17
Other financial assets	4,551,024.89	–	–	–	–	1,332,132,051.47	1,336,683,076.36
Total assets	24,902,477,846.28	7,103,528,536.05	21,303,195,031.58	23,565,822,906.08	7,026,622,218.50	15,794,202,046.72	99,695,848,585.21

	As at December 31, 2022						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Short-term debt securities issued	1,122,788,000.00	115,957,000.00	1,037,740,000.00	–	–	16,356,563.03	2,292,841,563.03
Placements from financial institutions	1,500,000,000.00	50,000,000.00	2,000,000,000.00	–	–	7,916,363.90	3,557,916,363.90
Financial liabilities held for trading	71,430,064.02	62,417,098.04	1,182,758,743.80	155,881,117.64	–	–	1,472,487,023.50
Derivative financial liabilities	–	–	–	–	–	117,653,096.58	117,653,096.58
REPOs	24,790,430,690.28	201,503,000.00	1,420,000,000.00	–	–	25,680,051.07	26,437,613,741.35
Accounts payable to brokerage clients	16,236,401,955.10	–	–	–	–	2,165,962.72	16,238,567,917.82
Accounts payable	–	–	–	–	–	465,722,850.30	465,722,850.30
Long-term debt securities issued	–	2,000,000,000.00	7,560,000,000.00	11,915,840,000.00	–	259,492,317.51	21,735,332,317.51
Lease liabilities	–	237,525.86	30,208,290.24	340,935,702.01	14,690,432.66	–	386,071,950.77
Other financial liabilities	–	–	–	–	–	2,046,040,986.26	2,046,040,986.26
Total liabilities	43,721,050,709.40	2,430,114,623.90	13,230,707,034.04	12,412,656,819.65	14,690,432.66	2,941,028,191.37	74,750,247,811.02
Net position	(18,818,572,863.12)	4,673,413,912.15	8,072,487,997.54	11,153,166,086.43	7,011,931,785.84	12,853,173,855.35	24,945,600,774.19

Sensitivity analysis

The Group employs sensitivity analysis as a primary tool for monitoring interest rate risk. Assuming all other variables remain constant, the impact of reasonably possible changes in interest rates on the Group's total profit and other comprehensive income (excluding corporate income tax effects) is as follows:

	2023	
	Impact on total profit	**Impact on other comprehensive income**
A parallel increase of 100 basis points in market interest rate	(185,445,404.01)	(748,340,295.05)
A parallel decrease of 100 basis points in market interest rate	185,445,404.01	772,804,820.64

	2022	
	Impact on total profit	**Impact on other comprehensive income**
A parallel increase of 100 basis points in market interest rate	(156,212,341.56)	(773,106,314.32)
A parallel decrease of 100 basis points in market interest rate	156,212,341.56	801,677,948.50

The impact on total profit refers to the effect on changes in interest income from net interest-earning positions within the next year, assuming interest rates change by a specified amount.

The impact on other comprehensive income refers to the effect of fair value changes resulting from the revaluation of other debt investments held at the end of a year, based on a given interest rate change.

The aforementioned sensitivity analysis assumes a parallel upward or downward shift in the yields of assets and liabilities across all duration; therefore, it does not reflect the potential effects that may arise if only certain interest rates change while others remain unchanged. This projection is also based on other simplified assumptions, including that all positions will be held until maturity.

The assumption does not represent the Group's policies regarding capital deployment and interest rate risk management; therefore, the aforementioned impacts may differ from actual circumstances.

Furthermore, the above analysis of the effects of interest rate changes serves only as an illustration, showing the estimated changes in total profit and other comprehensive income under various projected yield scenarios and the Group's current interest rate risk profile. However, this impact does not account for potential risk management actions that management may undertake to manage interest rate risk.

(2) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in foreign exchange rates.

The foreign exchange risk of the Group primarily relates to its operations (which involve settlement and payments in currencies other than the Group's functional currency).

Foreign currency assets and liabilities held by the Group constitute a relatively small proportion of its total assets and liabilities. As at December 31, 2023, net foreign currency assets accounted for approximately 2.53% of the Group's net assets (December 31, 2022: 3.55%), indicating no significant foreign exchange risk. Measured by the revenue structure of the Group, the majority of transactions are settled in Renminbi, and the proportion of foreign currency transactions is not significant for the Group. The Group believes that, given the small proportion of foreign currency assets, liabilities, and revenue relative to total assets, liabilities, and revenue, the foreign exchange risk associated with its operations is not material.

(3) Other price risks

Price risk is the risk associated with fluctuations in the future cash flows or fair value of a financial instrument as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), regardless of whether those changes are caused by factors specific to the individual financial instrument or the issuer, or certain factors affecting all similar financial instruments traded in the market. The price risk of the Group primarily arises from positions held in proprietary investment activities. To manage the risk effectively, the Group primarily adopts the following measures: first, by constructing securities investment portfolios and utilizing financial derivative instruments to implement effective risk hedging; second, by centrally managing the risk exposures of all positions, with independent risk monitoring, analysis, and reporting conducted through two lines of defense – the internal risk control function within business units and the risk management department – to promptly identify and address risks; third, by implementing a risk license management to control metrics such as the scale of risk exposure, concentration levels, and loss limits, with periodic adjustments made to adapt to evolving market risks, business conditions, or risk tolerance; and fourth, by evaluating both the relative and absolute risk of portfolios through methods such as scenario analysis and stress testing.

Sensitivity analysis

Assuming, based on the financial assets held for trading and investments in other equity instruments as of the balance sheet date, that the market price of equity instruments increases or decreases by 10%, with all other variables held constant, the impact on the Group's total profit and other comprehensive income (excluding corporate income tax effects) is as follows:

	2023	
	Impact on total profit	**Impact on other comprehensive income**
Market price increasing by 10%	1,033,564,865.54	460,333,590.87
Market price decreasing by 10%	(1,033,564,865.54)	(460,333,590.87)

	2022	
	Impact on total profit	**Impact on other comprehensive income**
Market price increasing by 10%	1,003,698,029.20	311,517,476.32
Market price decreasing by 10%	(1,003,698,029.20)	(311,517,476.32)

4 Liquidity risk

Liquidity risk refers to the risks arising from securities company's inability to obtain sufficient funds at reasonable costs in a timely manner to settle debts due, fulfill other payment obligations, and satisfy the funding needs in conducting normal business operations.

The Group continuously prioritizes and strengthens the liquidity risk management, consistently refining the liquidity risk management system. The funds management department is responsible for the centralized management and allocation of funds, closely monitoring and effectively managing the maturity structure of assets and liabilities to ensure that the funds of the Group meet business operation needs, pay off maturing debts, and mitigate risk impacts. Furthermore, the Group maintains a strong credit profile in both domestic exchanges and interbank markets. It supplements short-term financing funds through relatively stable interbank borrowing and repurchase agreements, and long-term working capital through the issuance of corporate bonds and subordinated bonds. Consequently, the overall liquidity position of the Group is maintained at a relatively safe level.

The Group has established a liquidity risk limit and early warning system. Based on the business scale, nature, complexity, liquidity risk appetite, and external market developments, the Group sets liquidity risk limits and monitors their implementation. It continuously improves the risk

indicator system based on the liquidity coverage ratio and net stable funding ratio, coordinating asset allocation, liability issuance, and business constraints according to the risk indicators. The Group consistently strengthens the liquidity risk monitoring of business data and establishes corresponding management mechanisms to enhance liquidity risk management at the business end. The Group has established a liquidity risk reporting mechanism, specifying the types, contents, formats, frequencies, and reporting paths for liquidity risk reports to ensure that the board of directors, management, and other managers are promptly informed of the liquidity risk level and its management status. The Group continuously strengthens intraday liquidity management by conducting advance cash flow forecasts and financing arrangements to ensure sufficient intraday liquidity positions, promptly meeting intraday payment needs under both normal and stressed scenarios. The Group actively expands and maintains financing channels to ensure the stability and reliability of funding sources. The Group has established a high-quality liquidity reserve pool, maintains a certain amount of liquid reserve assets, monitors their liquidity, and ensures the reasonableness of their size and structure to address emergency liquidity gaps of the Group and mitigate liquidity risk. The Group continuously improves the liquidity risk emergency response mechanism, formulates liquidity risk emergency plans, conducts regular drills, and continuously updates and refines the emergency response procedures to ensure it can meet liquidity needs in emergency situations and prevent extreme liquidity risk events.

Undiscounted cash flows classified by contract term

The undiscounted cash flows of the financial assets and financial liabilities held by the Group are analyzed and presented below by the maturity of remaining contractual obligations. The undiscounted cash flows shown in the table include cash flows for both interest and principal. For floating-rate items, the undiscounted amounts are calculated based on the interest rates prevailing at the end of the reporting period.

Undiscounted cash flows classified by contract term

	As at December 31, 2023						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and bank balances	10,546,006,993.30	304,246,892.92	112,880,925.00	78,908,825.00	–	–	11,042,043,636.22
Deposits with clearing houses	3,725,209,148.75	–	–	–	–	–	3,725,209,148.75
Refundable deposits	2,027,807,306.75	–	–	–	–	–	2,027,807,306.75
Receivable from margin clients	4,999,533.74	1,927,678,145.35	4,930,475,358.08	10,645,336,038.05	–	–	17,508,489,075.22
Derivative financial assets	426,066,588.30	–	–	–	–	–	426,066,588.30
Reverse REPOs	519,975,156.87	13,340,494.60	–	–	–	–	533,315,651.47
Accounts receivable	283,777,912.85	–	–	–	–	–	283,777,912.85
Financial investments							
Including: Financial assets held for trading	10,981,773,585.50	20,976,839.48	506,982,045.14	3,496,593,970.55	4,105,227,947.23	1,946,629,503.34	21,058,183,891.24
Other debt investments	1,206,519.56	523,762,509.95	1,687,972,117.54	11,085,279,856.82	22,157,628,781.65	4,528,335,132.18	39,984,184,917.70
Investments in other equity instruments	4,603,335,908.72	–	–	–	–	–	4,603,335,908.72
Other financial assets	910,262,495.58	–	–	–	–	–	910,262,495.58
Total assets	34,030,421,149.92	2,790,004,882.30	7,238,310,445.76	25,306,118,690.42	26,262,856,728.88	6,474,964,635.52	102,102,676,532.80

	As at December 31, 2023						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Short-term debt securities issued	–	45,698,672.17	1,226,438,201.51	8,481,117,771.05	–	–	9,753,254,644.73
Placements from financial institutions	–	5,122,373,461.08	592,177.04	–	–	–	5,122,965,638.12
Financial liabilities held for trading	–	160,955,802.66	100,126,338.10	296,887,080.23	93,253,158.20	–	651,222,379.19
Derivative financial liabilities	431,655,794.99	–	–	–	–	–	431,655,794.99
REPOs	–	22,912,238,606.11	101,078,308.22	1,358,374,657.54	–	–	24,371,691,571.87
Accounts payable to brokerage clients	13,125,729,886.20	–	–	–	–	–	13,125,729,886.20
Accounts payable	622,979,896.07	–	–	–	–	–	622,979,896.07
Long-term debt securities issued	–	–	46,037,406.74	5,567,629,692.55	8,494,019,246.41	–	14,107,686,345.70
Lease liabilities	–	12,958,263.99	17,452,999.49	95,098,852.76	140,504,183.94	–	266,014,300.18
Other financial liabilities	3,975,139,827.68	–	–	–	–	–	3,975,139,827.68
Total liabilities	18,155,505,404.94	28,254,224,806.01	1,491,725,431.10	15,799,108,054.13	8,727,776,588.55	–	72,428,340,284.73
Net position	15,874,915,744.98	(25,464,219,923.71)	5,746,585,014.66	9,507,010,636.29	17,535,080,140.33	6,474,964,635.52	29,674,336,248.07

	As at December 31, 2022						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and bank balances	13,202,535,832.40	779,464,398.36	672,009,247.73	66,000,000.00	–	–	14,720,009,478.49
Deposits with clearing houses	4,304,229,386.99	–	–	–	–	–	4,304,229,386.99
Refundable deposits	2,942,487,263.78	–	–	–	–	–	2,942,487,263.78
Receivable from margin clients	8,574,325.32	2,282,607,498.91	4,876,169,427.27	10,128,592,824.92	–	–	17,295,944,076.42
Derivative financial assets	215,826,239.04	–	–	–	–	–	215,826,239.04
Reverse REPOs	723,101,261.24	–	–	–	–	–	723,101,261.24
Accounts receivable	342,219,764.30	–	–	–	–	–	342,219,764.30
Financial investments							
Including: Financial assets held for trading	10,120,057,909.38	361,497,990.68	1,079,148,109.79	2,294,405,722.55	5,296,251,588.14	2,412,758,942.94	21,564,120,263.48
Debt investments	76,402,407.14	–	–	–	–	–	76,402,407.14
Other debt investments	–	506,151,178.15	1,236,188,886.37	9,699,468,853.72	21,261,370,186.08	7,204,560,058.56	39,907,739,162.88
Investments in other equity instruments	3,115,174,763.17	–	–	–	–	–	3,115,174,763.17
Other financial assets	1,336,683,076.36	–	–	–	–	–	1,336,683,076.36
Total assets	36,387,292,229.12	3,929,721,066.10	7,863,515,671.16	22,188,467,401.19	26,557,621,774.22	9,617,319,001.50	106,543,937,143.29

	As at December 31, 2022						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Short-term debt securities issued	–	1,132,532,552.07	116,683,567.61	1,058,384,207.56	–	–	2,307,600,327.24
Placements from financial institutions	–	1,501,677,197.24	52,787,876.77	2,023,806,170.11	–	–	3,578,271,244.12
Financial liabilities held for trading	–	71,430,064.02	62,417,098.04	1,182,758,743.80	155,881,117.64	–	1,472,487,023.50
Derivative financial liabilities	117,653,096.58	–	–	–	–	–	117,653,096.58
REPOs	–	24,811,577,277.89	202,558,082.62	1,459,716,027.40	–	–	26,473,851,387.91
Accounts payable to brokerage clients	16,238,567,917.82	–	–	–	–	–	16,238,567,917.82
Accounts payable	465,722,850.30	–	–	–	–	–	465,722,850.30
Long-term debt securities issued	–	–	2,108,922,382.18	7,823,910,784.36	12,720,433,143.23	–	22,653,266,309.77
Lease liabilities	–	–	38,340,695.26	113,859,545.09	222,652,127.72	1,097,056.85	375,949,424.92
Other financial liabilities	2,046,040,986.26	–	–	–	–	–	2,046,040,986.26
Total liabilities	18,867,984,850.96	27,517,217,091.22	2,581,709,702.48	13,662,435,478.32	13,098,966,388.59	1,097,056.85	75,729,410,568.42
Net position	17,519,307,378.16	(23,587,496,025.12)	5,281,805,968.68	8,526,031,922.87	13,458,655,385.63	9,616,221,944.65	30,814,526,574.87

5 Capital management

The Company's objectives on capital management are as follows:

- To establish a risk control indicators system with net capital as the core to ensure compliance with external regulatory requirements;
- To ensure the Company's ability to maintain a stable operation so as to continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

The Company calculates net capital, and prepares and submits risk regulatory reports in accordance with the relevant regulations of the CSRC. Among them, net capital refers to a risk regulatory indicator derived from the net assets of a securities company after risk adjustments are made to its asset items and other items.

Meanwhile, the Company has established internal control systems commensurate with risk regulatory indicators, as well as a dynamic risk monitoring and capital replenishment mechanism, to ensure that net capital and other risk regulatory indicators remain in compliance with standards. The Company submits monthly risk regulatory reports to the local regulatory authority.

As at December 31, 2023 and December 31, 2022, the Company met the capital management objectives set by external regulatory requirements.

XV FAIR VALUE DISCLOSURE

1 Fair value of assets and liabilities measured at fair value

Level 1 fair value measurement refers to the fair value measurement derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurement refers to the fair value measurement derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 fair value measurement refers to the fair value measurement derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	As at December 31, 2023			
Items	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Financial assets held for trading				
Bonds	1,184,089,648.05	7,793,374,001.89	373,500,018.62	9,350,963,668.56
Stocks	640,744,653.66	–	901,901,763.64	1,542,646,417.30
Funds	4,390,486,962.23	292,248,275.57	266,179,460.65	4,948,914,698.45
Bank wealth management products	1,480,933,312.11	542,651,000.00	336,450,228.76	2,360,034,540.87
Asset management products	–	1,383,093,693.45	–	1,383,093,693.45
Others	–	270,967,657.97	462,902,472.91	733,870,130.88
Subtotal	7,696,254,576.05	10,282,334,628.88	2,340,933,944.58	20,319,523,149.51
Other debt investments	–	36,281,785,822.80	10,017,327.60	36,291,803,150.40
Investments in other equity instruments	1,113,186,726.05	3,455,890,530.00	34,258,652.67	4,603,335,908.72
Derivative financial assets	9,822,249.99	90,020,828.20	326,223,510.11	426,066,588.30
Total assets	8,819,263,552.09	50,110,031,809.88	2,711,433,434.96	61,640,728,796.93
Financial liabilities held for trading				
Financial liabilities held for trading purposes	–	51,320,350.00	–	51,320,350.00
Financial liabilities designated as at fair value through profit or loss	–	–	599,902,029.19	599,902,029.19
Subtotal	–	51,320,350.00	599,902,029.19	651,222,379.19
Derivative financial liabilities	926,420.00	403,338,722.27	27,390,652.72	431,655,794.99
Total liabilities	926,420.00	454,659,072.27	627,292,681.91	1,082,878,174.18

Items	As at December 31, 2022 Quoted prices in active markets Level 1	 Significant observable inputs Level 2	 Significant unobservable inputs Level 3	 Total
Financial assets held for trading				
Bonds	1,277,255,638.18	8,607,455,411.69	412,586,118.38	10,297,297,168.25
Stocks	281,308,229.13	49,449.40	285,899,837.90	567,257,516.43
Funds	5,348,034,263.19	397,576,967.59	105,068,324.36	5,850,679,555.14
Bank wealth management products	477,108,892.39	–	300,079,096.21	777,187,988.60
Asset management products	–	2,114,501,800.63	–	2,114,501,800.63
Others	–	170,730,790.00	680,331,392.92	851,062,182.92
Subtotal	7,383,707,022.89	11,290,314,419.31	1,783,964,769.77	20,457,986,211.97
Other debt investments	–	34,463,288,110.68	11,822,642.59	34,475,110,753.27
Investments in other equity instruments	82,495,278.59	2,992,321,300.00	40,358,184.58	3,115,174,763.17
Derivative financial assets	–	140,051,997.44	75,774,241.60	215,826,239.04
Total assets	7,466,202,301.48	48,885,975,827.43	1,911,919,838.54	58,264,097,967.45
Financial liabilities held for trading				
Financial liabilities held for trading purposes	–	40,284,480.00	–	40,284,480.00
Financial liabilities designated as at fair value through profit or loss	–	–	1,432,202,543.50	1,432,202,543.50
Subtotal	–	40,284,480.00	1,432,202,543.50	1,472,487,023.50
Derivative financial liabilities	480,420.00	108,167,705.22	9,004,971.36	117,653,096.58
Total liabilities	480,420.00	148,452,185.22	1,441,207,514.86	1,590,140,120.08

2 Basis for determining the market value used for continuous fair value measurement categorised within level 1

If there is an active market for financial assets and liabilities held for trading, other debt investments and investment in other equity instruments, the quoted market price is used to establish the fair value of the financial instruments at the balance sheet date.

3 Valuation techniques used and the qualitative and quantitative information of key parameters for continuous fair value measurement categorised within level 2

Financial instruments	Fair value as at December 31, 2023	Fair value as at December 31, 2022	Valuation techniques and inputs
Financial assets			
Debt instruments	47,531,050,354.69	46,063,064,822.37	China Bond/China Securities Valuation. Future cash flows are estimated based on the contractual amount and coupon rate, and discounted at a rate reflecting the counterparty credit risk.
Stocks and non-trading equity instruments	–	49,449.40	Market price adjustment method. Fair value is determined by the latest transaction price.
Funds	292,248,275.57	397,576,967.59	Market price combination method. The value is determined based on the market value of the underlying financial assets and associated costs.
Asset management products	1,383,093,693.45	2,114,501,800.63	Market price combination method. The value is determined based on the market value of the underlying financial assets and associated costs.
Equity return swap	90,020,828.20	140,051,997.44	The fair value is determined by the difference between the returns on the relevant equity securities calculated based on the exchange quotations of the underlying assets to which the contract is linked, and the fixed income agreed upon in the swap agreement between the Company and the counterparty.
Bank wealth management products	542,651,000.00	–	Market price combination method. The value is determined based on the market value of the underlying financial assets and associated costs.
Others	270,967,657.97	170,730,790.00	Market price combination method. The value is determined based on the market value of the underlying financial assets and associated costs.
Subtotal	50,110,031,809.88	48,885,975,827.43	

Financial instruments	Fair value as at December 31, 2023	Fair value as at December 31, 2022	Valuation techniques and inputs
Financial liabilities			
Equity return swap	(397,329,341.71)	(95,607,785.22)	The fair value is determined by the difference between the returns on the relevant equity securities calculated based on the exchange quotations of the underlying assets to which the contract is linked, and the fixed income agreed upon in the swap agreement between the Company and the counterparty.
Bonds	(51,320,350.00)	(40,284,480.00)	China Bond/China Securities Valuation. Future cash flows are estimated based on the contractual amount and coupon rate, and discounted at a rate reflecting the counterparty credit risk.
Other derivative instruments	(6,009,380.56)	(12,559,920.00)	Market price adjustment method. Fair value is determined after adjustment based on market quotations.
Subtotal	(454,659,072.27)	(148,452,185.22)	
Total	49,655,372,737.61	48,737,523,642.21	

4 Valuation techniques used and the qualitative and quantitative information of key parameters for continuous fair value measurement categorised within level 3

Financial instruments	Fair value as at December 31, 2023	Fair value as at December 31, 2022	Valuation techniques and inputs	Unobservable significant inputs
Financial assets				
Stocks and non-trading equity instruments	936,160,416.31	326,258,022.48	Fair value is determined using the comparable company method, with an appropriate liquidity discount applied. Average Price Asian Options Model.	Market multiplier, liquidity discount of comparable company
Options	326,223,510.11	75,774,241.60	Fair value is calculated based on an option valuation model.	Implied volatility

Financial instruments	Fair value as at December 31, 2023	Fair value as at December 31, 2022	Valuation techniques and inputs	Unobservable significant inputs
Funds	266,179,460.65	209,175,906.39	Fair value is determined using the comparable company method, with an appropriate liquidity discount applied, and discounted at a rate reflecting the risk of the underlying investment.	Liquidity discount
Unlisted equity	432,565,822.91	576,223,810.89	Fair value is determined by methods such as the comparable company method and discounted cash flow.	Liquidity discount, discount rate, etc.
Bank wealth management products	336,450,228.76	300,079,096.21	Discounted cash flows and future cash flows are estimated based on contractual agreements.	Discount rate, projected future cash flows
Bonds	383,517,346.22	424,408,760.97	Discounted cash flows and future cash flows are estimated based on contractual agreements.	Discount rate, projected future cash flows
Others	30,336,650.00	–	Discounted cash flows and future cash flows are estimated based on contractual agreements.	Discount rate, projected future cash flows
Subtotal	2,711,433,434.96	1,911,919,838.54		
Financial liabilities				
Options	(27,390,652.72)	(9,004,971.36)	Fair value is calculated based on an option valuation model.	Implied volatility
Beneficiary certificate	(599,902,029.19)	(1,432,202,543.50)	Fair value is calculated based on an option valuation model.	Implied volatility

Financial instruments	Fair value as at December 31, 2023	Fair value as at December 31, 2022	Valuation techniques and inputs	Unobservable significant inputs
Subtotal	(627,292,681.91)	(1,441,207,514.86)		
Total	2,084,140,753.05	470,712,323.68		

5 Transfers between Level 1 and Level 2

In 2023 and 2022, no significant transfers occurred between Level 1 and Level 2 for the Group.

6 The following table sets forth the movements in financial instruments measured at fair value categorised within level 3

	Investments in other equity instruments	Financial assets held for trading	Other debt investments	Financial liabilities held for trading	Derivative financial assets	Derivative financial liabilities
As at January 1, 2023	40,358,184.58	1,783,964,769.77	11,822,642.59	(1,432,202,543.50)	75,774,241.60	(9,004,971.36)
Total impact recognised in profit or loss for the year	–	169,168,409.01	79,419.68	105,135,438.13	360,142,259.16	(150,822,463.21)
Total impact recognised in other comprehensive income for the year	(7,499,531.91)	–	(890,608.49)	–	–	–
Increase	1,400,000.00	1,224,669,236.22	–	(401,761,000.00)	4,157,624.81	(59,628,221.43)
Decrease	–	(582,047,337.48)	(994,126.18)	1,128,926,076.18	(113,850,615.46)	192,065,003.28
Transferred into Level 3	–	8,777,000.00	–	–	–	–
Transferred out of Level 3	–	(263,598,132.94)	–	–	–	–
As at December 31, 2023	34,258,652.67	2,340,933,944.58	10,017,327.60	(599,902,029.19)	326,223,510.11	(27,390,652.72)
Realized gains/(losses) included in profit or loss						
– Investment income	–	32,901,502.07	79,419.68	134,482,428.48	41,666,389.87	(81,298,227.54)
Unrealized gains/(losses) included in profit or loss						
– Gains and losses arising from changes in fair value	–	136,266,906.94	–	(29,346,990.35)	318,475,869.29	(69,524,235.67)

	Investments in other equity instruments	Financial assets held for trading	Other debt investments	Financial liabilities held for trading	Derivative financial assets	Derivative financial liabilities
As at January 1, 2022	166,744,743.81	4,234,994,000.20	–	(1,701,752,870.91)	28,083,627.90	(85,449,649.82)
Total impact recognised in profit or loss for the year	–	(929,041,706.92)	14,696.69	234,518,615.55	232,826,608.03	(137,730,546.16)
Total impact recognised in other comprehensive income for the year	(87,306,633.87)	17,451,531.14	(33,999,820.49)	–	–	–
Increase	–	623,646,531.79	9,941,261.76	(1,577,781,850.00)	10,042,925.00	(79,605,003.89)
Decrease	(109,610,935.69)	(2,099,851,652.18)	–	1,612,813,561.86	(195,178,919.33)	293,780,228.51
Transferred into Level 3	70,531,010.33	22,778,511.07	35,866,504.63	–	–	–
Transferred out of Level 3	–	(86,012,445.33)	–	–	–	–
As at December 31, 2022	40,358,184.58	1,783,964,769.77	11,822,642.59	(1,432,202,543.50)	75,774,241.60	(9,004,971.36)
Realized gains/(losses) included in profit or loss						
– Investment income	–	439,773,041.61	14,696.69	16,754,744.31	153,951,499.64	(202,725,789.62)
Unrealized gains/(losses) included in profit or loss						
– Gains and losses arising from changes in fair value	–	(1,368,81,748.53)	–	217,763,871.24	78,875,108.39	64,995,243.46

7 Fair value of financial assets and financial liabilities not measured at fair value

The management of the Group believes that, except for the following items, the carrying amounts of financial assets and financial liabilities measured at amortised cost in the Group's financial statements approximate the fair value of these assets and liabilities.

	As at December 31, 2023			
	Carrying amount	Fair value	Difference	Level of fair value measurement
Long-term debt securities issued				
Corporate bonds	13,524,153,349.51	13,510,729,847.80	13,423,501.71	Level 2

	As at December 31, 2022			
	Carrying amount	Fair value	Difference	Level of fair value measurement
Long-term debt securities issued				
Corporate bonds	19,694,462,727.32	19,536,381,244.40	158,081,482.92	Level 2
Subordinated bonds	2,040,869,590.19	2,046,080,000.00	(5,210,409.81)	Level 2

XVI NOTES TO KEY ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY

1 Long-term equity investments

(1) By categories

	As at December 31, 2023	As at December 31, 2022
Subsidiaries	33,693,416,292.82	3,693,416,292.82
Less: Impairment loss allowance	–	–
Net long-term equity investments	3,693,416,292.82	3,693,416,292.82

(2) The breakdown of long-term equity investments

Name of investees	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Subsidiaries accounted for using the cost method				
Dongxing Futures Co., Ltd.	538,306,355.56	–	–	538,306,355.56
Dongxing Securities Investment Co., Ltd.	1,370,000,000.00	–	–	1,370,000,000.00
Dongxing Capital Investment Management Co., Ltd. (東興資本投資管理有限公司)	366,000,000.00	–	–	366,000,000.00
Dongxing Fund Management Co., Ltd. (東興基金管理有限公司)	200,000,000.00	–	–	200,000,000.00
Dongxing Securities (Hong Kong) Financial Holdings Limited	1,219,109,937.26	–	–	1,219,109,937.26
Total	3,693,416,292.82	–	–	3,693,416,292.82

Name of investees	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
Subsidiaries accounted for using the cost method				
Dongxing Futures Co., Ltd.	538,306,355.56	–	–	538,306,355.56
Dongxing Securities Investment Co., Ltd.	1,370,000,000.00	–	–	1,370,000,000.00
Dongxing Capital Investment Management Co., Ltd. (東興資本投資管理有限公司)	366,000,000.00	–	–	366,000,000.00
Dongxing Fund Management Co., Ltd. (東興基金管理有限公司)	200,000,000.00	–	–	200,000,000.00
Dongxing Securities (Hong Kong) Financial Holdings Limited	1,219,109,937.26	–	–	1,219,109,937.26
Total	3,693,416,292.82	–	–	3,693,416,292.82

2 Employee benefits payable

	As at January 1, 2023	Increase for the year	Decrease for the year	As at December 31, 2023
Short-term employee benefits:				
Wages or salaries, bonuses, allowances and subsidies	528,160,783.98	782,830,746.37	(984,205,204.62)	326,786,325.73
Employee welfare	–	27,882,065.80	(27,882,065.80)	–
Social insurance	298,638.07	58,012,467.16	(58,092,832.48)	218,272.75
Including: Medical insurance	251,352.36	55,556,733.78	(55,626,476.39)	181,609.75
Work injury insurance	15,020.20	1,315,840.98	(1,318,567.33)	12,293.85
Maternity insurance	32,265.51	1,139,892.40	(1,147,788.76)	24,369.15
Housing funds	57,005.03	74,777,121.04	(74,797,114.04)	37,012.03
Labor union fees and staff education expenses	2,642,773.07	18,447,011.29	(19,374,403.42)	1,715,380.94
Termination benefits	3,178.65	857,610.08	(857,610.08)	3,178.65
Supplementary medical insurance	13,468.04	52,000,000.00	(52,000,000.00)	13,468.04
Others	6,656.96	16,394.91	(16,394.91)	6,656.96
Subtotal	531,182,503.80	1,014,823,416.65	(1,217,225,625.35)	328,780,295.10
Defined contribution plans				
Including: Basic pension insurance	442,574.18	94,479,254.30	(94,594,957.88)	326,870.60
Annuity	–	83,146,245.31	(83,146,245.31)	–
Unemployment insurance	32,942.51	2,890,489.26	(2,893,981.29)	29,450.48
Subtotal	475,516.69	180,515,988.87	(180,635,184.48)	356,321.08
Total	531,658,020.49	1,195,339,405.52	(1,397,860,809.83)	329,136,616.18

	As at January 1, 2022	Increase for the year	Decrease for the year	As at December 31, 2022
Short-term employee benefits:				
Wages or salaries, bonuses, allowances and subsidies	691,590,159.90	913,816,995.98	(1,077,246,371.90)	528,160,783.98
Employee welfare	–	26,187,056.00	(26,187,056.00)	–
Social insurance	297,502.86	52,725,682.63	(52,724,547.42)	298,638.07
Including: Medical insurance	250,952.87	50,338,082.35	(50,337,682.86)	251,352.36
Work injury insurance	15,125.08	1,064,905.95	(1,065,010.83)	15,020.20
Maternity insurance	31,424.91	1,322,694.33	(1,321,853.73)	32,265.51
Housing funds	56,883.03	73,499,515.34	(73,499,393.34)	57,005.03
Labor union fees and staff education expenses	2,825,731.07	19,603,552.72	(19,786,510.72)	2,642,773.07
Termination benefits	–	1,183,810.42	(1,180,631.77)	3,178.65
Supplementary medical insurance	13,468.04	64,568,792.49	(64,568,792.49)	13,468.04
Others	6,274.30	19,202.01	(18,819.35)	6,656.96
Subtotal	694,790,019.20	1,151,604,607.59	(1,315,212,122.99)	531,182,503.80
Defined contribution plans				
Including: Basic pension insurance	404,360.44	92,093,254.42	(92,055,040.68)	442,574.18
Annuity	–	105,303,920.68	(105,303,920.68)	–
Unemployment insurance	30,327.93	2,799,392.65	(2,796,778.07)	32,942.51
Subtotal	434,688.37	200,196,567.75	(200,155,739.43)	475,516.69
Total	695,224,707.57	1,351,801,175.34	(1,515,367,862.42)	531,658,020.49

The Company participates in the pension insurance and unemployment insurance schemes established by government authorities as required. Under these schemes, the Company makes monthly contributions to the schemes based on a certain percentage of the employees' basic salary. Meanwhile, the Company has established an enterprise annuity scheme for eligible employees, with contributions to the scheme made at a certain percentage of the total employee wages of the previous year. Beyond the aforementioned monthly contributions, the Company assumes no further payment obligations. Corresponding expenses are recognised in profit or loss as they are incurred.

3 Net fee and commission income

	2023	2022
Net income from securities brokerage business	608,780,012.56	707,012,049.21
Income from securities brokerage business	796,074,073.71	962,574,062.38
Including: Brokerage trading of securities	677,470,955.84	810,499,522.29
Leasing of trading unit seats	56,060,533.82	99,104,055.18
Agency sale of financial products (1)	62,542,584.05	52,970,484.91
Expenses on securities brokerage business	(187,294,061.15)	(255,562,013.17)
Including: Brokerage trading of securities	(187,294,061.15)	(255,562,013.17)
Net income from investment banking business	549,721,042.50	1,135,482,536.13
Income from investment banking business	568,550,702.74	1,151,641,592.74
Including: Securities underwriting business	396,342,195.21	976,580,904.71
Securities sponsorship business	27,137,598.25	39,373,364.53
Financial advisory business (2)	145,070,909.28	135,687,323.50
Expenses of investment banking business	(18,829,660.24)	(16,159,056.61)
Including: Securities underwriting business	(18,829,660.24)	(16,159,056.61)
Net income from asset management business (3)	47,842,120.33	58,448,740.25
Income from asset management business	47,842,120.33	58,448,740.25
Net income from investment advisory business	28,599,644.45	16,568,062.35
Income from investment advisory business	28,599,644.45	16,568,062.35
Net income from other fee and commission	1,050,421.24	1,295,019.93
Income from other fee and commission	1,069,453.59	1,295,019.93
Expenses on other fee and commission	(19,032.35)	–
Total	1,235,993,241.08	1,918,806,407.87
Including: Total fee and commission income	1,442,135,994.82	2,190,527,477.65
Total fee and commission expenses	(206,142,753.74)	(271,721,069.78)

(1) Income form agency sale of financial products

	2023	
	Total sales amount	**Total commission income**
Agency sale of financial products – Funds and others	92,703,481,207.80	62,542,584.05

	2022	
	Total sales amount	**Total commission income**
Agency sale of financial products – Funds and others	79,185,482,508.13	52,970,484.91

(2) Net income from financial advisory business

	2023	**2022**
Net income from financial advisory business for mergers and acquisitions and restructuring	3,141,509.43	943,396.23
– Domestically listed companies	3,141,509.43	943,396.23
Net income from financial advisory business for financing	21,258,897.06	12,555,377.37
Net income from other financial advisory business	120,670,502.79	122,188,549.90
Total	145,070,909.28	135,687,323.50

(3) Asset management business

	2023		
	Collective assets	**Single assets**	**Special assets**
Product quantity at the end of the year	103	18	10
Number of clients at the end of the year	2,390	18	190
Including: Individual clients	2,203	1	–
Institutional clients	187	17	190
Entrusted funds at the beginning of the year	11,006,711,192.71	4,237,703,856.50	3,122,000,000.00
Including: Own capital investment	851,020,156.95	–	–
Individual clients	7,181,373,556.85	–	–
Institutional clients	2,974,317,478.91	4,237,703,856.50	3,122,000,000.00
Entrusted funds at the end of the year	11,116,290,098.35	4,712,609,545.07	28,184,407,800.00
Including: Own capital investment	804,301,595.51	324,544,361.27	–
Individual clients	4,985,233,204.72	95,179,167.50	–
Institutional clients	5,326,755,298.12	4,292,886,016.30	28,184,407,800.00
Initial cost of the main entrusted assets at the end of the year	13,695,612,196.90	5,280,710,437.60	28,414,681,387.88
Including: Stocks	98,724,150.73	1,230,352,574.55	–
Treasury bonds	–	–	–
Other bonds	10,420,495,937.56	2,460,064,726.86	–
Funds	168,853,976.33	25,300,254.59	–
Interbank certificates of deposit	1,710,881,331.78	–	–
Other investment products	1,296,656,800.50	1,564,992,881.60	28,414,681,387.88
Net income from asset management business in the current year	35,818,549.00	6,166,495.86	5,857,075.47

	2022		
	Collective assets	**Single assets**	**Special assets**
Product quantity at the end of the year	104	12	5
Number of clients at the end of the year	3,770	12	34
Including: Individual clients	3,570	–	–
Institutional clients	200	12	34
Entrusted funds at the beginning of the year	10,574,527,809.97	11,902,071,198.07	19,200,924,253.81
Including: Own capital investment	1,025,379,167.98	1,049,164,759.57	–
Individual clients	6,394,431,679.41	–	–
Institutional clients	3,154,716,962.58	10,852,906,438.50	19,200,924,253.81
Entrusted funds at the end of the year	11,006,711,192.71	4,237,703,856.50	3,122,000,000.00
Including: Own capital investment	851,020,156.95	–	–
Individual clients	7,181,373,556.85	–	–
Institutional clients	2,974,317,478.91	4,237,703,856.50	3,122,000,000.00
Initial cost of the main entrusted assets at the end of the year	11,232,806,655.91	2,642,326,234.66	3,185,776,438.77
Including: Stocks	356,939,782.45	1,140,714,970.47	–
Treasury bonds	22,671,078.08	120,204,000.00	–
Other bonds	8,345,172,981.96	293,623,791.61	–
Funds	799,942,859.72	45,161,525.72	–
Interbank certificates of deposit	–	39,070,000.00	–
Other investment products	1,708,079,953.70	1,003,551,946.86	3,185,776,438.77
Net income from asset management business in the current year	48,290,829.75	5,598,857.47	4,559,053.03

4 Net interest income

Items	2023	2022
Interest income		
Interest income from cash and bank balances and deposits with clearing houses	249,835,703.02	297,057,214.37
Including: Interest income from client deposits	214,522,759.08	234,187,324.46
Interest income from corporate deposits	35,312,943.94	62,869,889.91
Interest income from margin financing and securities lending business	989,170,858.37	1,121,461,670.69
Interest income from reverse REPOs	5,919,016.44	164,678,682.99
Including: Interest income from stock-pledged repurchase	504,027.43	155,396,450.22
Interest income from other debt investments	1,083,244,922.75	1,145,355,039.01
Others	6,377,358.46	6,377,358.48
Subtotal	2,334,547,859.04	2,734,929,965.54
Interest expenses		
Interest expenses on accounts payable to brokerage clients	(27,713,651.98)	(44,103,545.76)
Interest expenses on REPOs	(556,728,433.47)	(453,059,459.47)
Including: Interest expenses on pledged quotation and repurchase	(74,737,624.56)	(593,605.64)
Interest expenses on placements from financial institutions	(95,139,333.16)	(63,268,490.21)
Including: Interest expenses of securities lending and refinancing	(55,280,647.00)	(34,124,489.90)
Interest expenses on long-term debt securities issued	(479,614,883.97)	(712,724,784.15)
Interest expenses on short-term debt securities issued	(98,953,270.68)	(57,209,399.90)
Interest expenses on lease liabilities	(11,434,169.19)	(12,317,193.92)
Interest expenses on other financial liabilities calculated by the effective interest rate method	(21,212,103.72)	(14,464,513.10)
Subtotal	(1,290,795,846.17)	(1,357,147,386.51)
Net interest income	1,043,752,012.87	1,377,782,579.03

5 Investment income

	2023	2022
Investment income from financial instruments	525,747,224.69	(317,714,638.75)
Including: Gains generated during the holding period	680,814,142.93	567,684,321.77
– Financial instruments held for trading[(1)]	469,516,136.95	466,990,809.01
– Investments in other equity instruments	211,298,005.98	100,693,512.76
Profit or loss from disposal of financial instruments	(155,066,918.24)	(885,398,960.52)
– Financial instruments held for trading[(1)]	(47,145,851.02)	(924,683,030.52)
– Other debt investments	191,334,542.97	11,281,902.52
– Derivative financial instruments	(299,255,610.19)	28,002,167.48
Long-term equity investments accounted for under the cost method	–	340,000,000.00
Total	525,747,224.69	22,285,361.25

In 2023 and 2022, there were no significant restrictions on the repatriation of investment income for the Company.

(1) Statement of investment income from financial instruments held for trading:

	2023	2022
Financial assets classified as at fair value through profit or loss		
– Profit or loss during holding period	469,516,136.95	469,037,983.37
– Profit or loss from disposal	(177,847,408.35)	(939,782,233.50)
Financial liabilities classified as at fair value through profit or loss		
– Profit or loss from disposal	(3,780,871.15)	(3,702,715.69)
Financial liabilities designated as at fair value through profit or loss		
– Profit or loss during holding period	–	(2,047,174.36)
– Profit or loss from disposal	134,482,428.48	18,801,918.67

6 Gains and losses arising from changes in fair value

	2023	2022
Financial assets held for trading	235,051,786.76	(221,648,175.13)
Derivative financial instruments	(11,192,500.86)	(71,945,231.90)
Financial liabilities held for trading	(29,872,729.07)	217,779,101.38
Total	193,986,556.83	(75,814,305.65)

7 Operating and administrative expenses

	2023	2022
Staff costs	1,195,339,405.52	1,351,801,175.34
Depreciation and amortization expenses	285,228,819.18	260,836,955.47
Postal and telecommunication expenses	93,661,801.70	89,980,415.04
Electronic equipment operating expenses	46,588,401.28	42,015,760.81
Conference travelling and transportation expenses	42,528,568.49	23,568,021.64
Exchange membership fee	32,753,445.43	37,619,463.66
Business promotion and entertainment expenses	31,309,763.76	40,063,440.75
Product sales and advertising expenses	29,552,937.32	36,969,026.72
Investor protection funds	21,333,114.96	15,366,560.52
Utilities and building management fees	20,549,294.14	20,653,899.65
Others	86,317,962.38	90,276,826.67
Total	1,885,163,514.16	2,009,151,546.27

8 Notes to the cash flow statement

(1) Supplemental information on cash flow statement

	2023	2022
Reconciliation of net profit to cash flows from operating activities:		
Net profit	737,836,472.91	1,182,693,751.69
Add: Provision for impairment losses under expected credit loss model	119,263,730.10	(34,598,244.31)
Depreciation of investment properties	2,558,379.84	2,558,379.84
Depreciation of fixed assets	60,237,008.20	48,787,849.98
Amortisation of intangible assets	48,046,329.35	37,503,494.41
Amortisation of long-term prepaid expenses	11,068,528.65	10,612,332.20
Depreciation of right-of-use assets	165,876,952.98	163,933,278.88
Gain and losses on disposal of fixed assets, intangible assets and other long-term assets	(2,927,240.23)	(74,642.90)
Gains and losses arising from changes in fair value	(193,986,556.83)	75,814,305.65
Net income from non-operating interest	(493,242,598.91)	(363,103,661.04)
Foreign exchange gains and losses	(348,190.92)	(1,277,182.99)
Investment gains and losses	(402,632,548.95)	(451,975,415.28)
Changes in deferred tax	76,749,811.04	(146,533,392.60)
Decrease in operating receivables	1,148,936,978.52	2,080,963,070.06
(Decrease)/Increase in operating payables	(1,859,270,202.29)	9,508,869,267.20
Net cash flows generated from operating activities	(581,833,146.54)	12,114,173,190.79

(2) Cash inflows associated with other operating activities

	2023	2022
Net decrease in amounts due to/from related parties	2,153,888,762.39	1,323,783,511.70
Net decrease in refundable deposits	190,651,081.85	–
Non-operating revenue	2,068,320.02	4,835,886.48
Other income	8,287,650.57	11,760,719.54
Other operating revenue	4,038,130.56	1,538,242.18
Total	2,358,933,945.39	1,341,918,359.90

(3) Cash outflows associated with other operating activities

	2023	2022
Operating and administrative expenses	404,595,289.46	396,513,415.46
Net increase in refundable deposits	–	158,069,175.23
Non-operating expenses	122,596,437.02	5,939,607.05
Total	527,191,726.48	560,522,197.74

(4) Composition of cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022
Cash in hand	–	6,424.75
Bank deposits on demand	8,532,673,762.83	9,937,906,533.78
Deposits with clearing houses on demand	3,416,943,064.02	4,152,828,271.75
Balance of cash and cash equivalents	11,949,616,826.85	14,090,741,230.28

XVII COMPARATIVE FIGURES

Due to changes in the presentation of the financial statements, certain comparative figures in these financial statements have been restated in accordance with the presentation adopted for the year 2023.

XVIII SUBSEQUENT EVENTS OF THE BALANCE SHEET

Profit distribution

On April 2, 2024, the 35th meeting of the fifth session of the board of directors of the Company approved a proposed cash dividend distribution as follows: based on the total share capital registered on the record date for the equity distribution, a cash dividend of RMB1.02 per 10 shares (tax inclusive) will be distributed to all shareholders. As of December 31, 2023, the total share capital of the Company was 3,232,445,520 shares. On this basis, the total proposed cash dividend amounts to RMB329,709,443.04 (tax inclusive), representing 40.22% of the net profit attributable to owners of the parent company in the 2023 consolidated financial statements. The remaining distributable profit after this distribution will be carried forward to the next year.

XIX APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the board of directors of the Company on April 2, 2024.

SUPPLEMENTARY INFORMATION FROM THE MANAGEMENT
For the year ended December 31, 2023

(All amounts in RMB unless otherwise stated)

I NON-RECURRING PROFIT OR LOSS

	The Group	
	2023	2022
Gains from disposal of non-current assets	2,837,752.98	74,642.90
Government grants recognized in current profit or loss (excluding those closely related to the Group's normal operations, in line with national policies, entitled based on determined standards, and having a continuous impact on the Group's profit or loss)	5,307,872.99	15,167,435.20
Other non-operating income and expenses other than the above items	(165,064,259.43)	1,198,798.89
Other profit or loss items that are within the meaning of non-recurring profit or loss	–	–
Total	(156,918,633.46)	16,440,876.99
Income tax effect of non-recurring gains or losses	26,764,849.69	(4,169,312.52)
Effect of non-recurring gains or losses attributable to minority shareholders, net	–	–
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	(130,153,783.77)	12,271,564.47

The above statement of non-recurring profit or loss is determined and disclosed in accordance with the requirements of the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss (2023 Revision) (CSRC Announcement [2023] No. 65) (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益 (2023年修訂)》(證監會公告[2023]65號)) issued by the China Securities Regulatory Commission.

Since financial instruments measured at fair value through profit or loss, financial instruments measured at fair value through other comprehensive income, and financial instruments measured at amortised cost form part of the Company's normal proprietary securities business, the relevant non-recurring profit or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss, which include investment income from holding, and gains and losses arising from changes in fair value from, as well as investment income arising from disposing of such financial instruments, are defined by the Company as recurring profit or loss items.

II RETURN ON NET ASSETS AND EARNINGS PER SHARE

	Weighted average return on net assets (%)	
	2023	2022
Net profits attributable to ordinary shareholders of the parent company	3.09	1.96
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	3.58	1.92

	Earnings per share			
	2023		2022	
	Basic earnings per share	Diluted earnings per share	Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the parent company	0.254	0.254	0.160	0.160
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	0.294	0.294	0.156	0.156

The number of outstanding ordinary shares as at December 31, 2023 was 3,232,445,520 shares (December 31, 2022: 3,232,445,520 shares).

The Company has prepared the aforementioned computation sheet of return on net assets and earnings per share in accordance with the relevant requirements stipulated in the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 Revision) (《公開發行證券的公司信息披露編報規則第9號－淨資產收益率和每股收益的計算及披露》 (2010年修訂)) issued by the China Securities Regulatory Commission.

DONGXING SECURITIES CO., LTD.

2025 AND 2024 FINANCIAL STATEMENTS AND AUDITOR'S REPORT

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AUDITOR'S REPORT

KPMG Huazhen Shen Zi No. 2609189

To Dongxing Securities Co., Ltd.:

I. OPINIONS

We have audited the accompanying financial statements of Dongxing Securities Co., Ltd. (hereinafter referred to as "**Dongxing Securities**"), which comprise the consolidated and company balance sheets as at December 31, 2024 and December 31, 2025, the consolidated and company income statements, the consolidated and company statements of cash flows and the consolidated and company statements of changes in equity for the years ended December 31, 2024 and 2025, and relevant notes to the financial statements.

In our opinions, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of Dongxing Securities as at December 31, 2024 and December 31, 2025, and the consolidated and company's operating results and cash flows for the years ended December 31, 2024 and 2025 in accordance with the requirements of the Chinese Accounting Standards for Business Enterprises (hereinafter referred to as "**CASs**") issued by the Ministry of Finance of the PRC.

II. BASIS FOR OPINION

We conducted our audit in accordance with the China Standards on Auditing (hereinafter referred to as "**CSAs**"). Our responsibilities under those standards are further described in the "Certified Accountants' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Dongxing Securities in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("**CICPA Code**") and the independence requirements stipulated in the China's CPA Independence Standard No. 1 – Requirements for Independence of Financial Statement Audit and Review Business as applicable to the audit of financial statements by public interest entities, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the years ended December 31, 2024 and 2025. 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.

<table>
<tr><td colspan="2">Consolidation of structured entities</td></tr>
<tr><td colspan="2">Please refer to notes IV.5, V.1, VII.2 and IX to the financial statements.</td></tr>
<tr><td>Key audit matters</td><td>How our audit addressed the matters</td></tr>
<tr><td>Structured entities are typically designed and established for specific and clear purposes, conducting business activities within defined scopes. Dongxing Securities may hold interests in structured entities through means such as initiating their establishment or directly holding investments.

When determining whether a structured entity shall be consolidated into Dongxing Securities' financial statements, management shall consider the power held by Dongxing Securities over the entity, the variable returns to which it is exposed, and its ability to use its power to affect the amount of those returns.

The factors that management needs to consider when determining whether a structured entity shall be consolidated are not entirely quantifiable and require comprehensive consideration.</td><td>The audit procedures related to evaluating the consolidation of structured entities included the following procedures:

• We evaluated whether the process established by Dongxing Securities in this regard was appropriate by inquiring of management and inspecting documents related to management's judgment process regarding whether structured entities should be consolidated;

• We selected items representing structured entities within each major product type and performed the following procedures for each selected structured entity:

– We inspected relevant contracts and internal records to understand the purpose of the structured entity's establishment and the extent of Dongxing Securities' involvement in the structured entity, and evaluated management's judgment regarding whether Dongxing Securities had power over the structured entity;</td></tr>
</table>

Consolidation of structured entities (continued)	
Please refer to notes IV.5, V.1, VII.2 and IX to the financial statements.	
Key audit matters	**How our audit addressed the matters**
We have identified Dongxing Securities' consolidation of structured entities as a key audit matter as it involves significant management judgement when determining whether a structured entity shall be consolidated by Dongxing Securities, and the impact of consolidating a structured entity on the financial statements could be significant.	– We inspected the structural design of the structured entity regarding risks and rewards, including any guarantees on capital or returns, payment of commissions, and distribution of income, to evaluate management's judgment concerning Dongxing Securities' exposure to risks and entitlement to variable returns from the structured entity arising from its involvement in the related activities of the structured entity; – We inspected management's analysis of the structured entity, including qualitative analysis and Dongxing Securities' calculation of the proportion and variability of economic benefits it received from the structured entity, to evaluate management's judgment regarding Dongxing Securities' ability to affect its variable returns from the structured entity; – We evaluated management's judgment regarding whether the structured entity should be consolidated; • In accordance with relevant accounting standards, we evaluated the reasonableness of the disclosures related to the consolidation of structured entities.

ECL allowance for receivable from margin clients, reverse REPOs and other debt investments	
Please refer to notes IV.8 and V.4 to the financial statements.	
Key audit matters	**How our audit addressed the matters**
In the process of determining the ECL allowance for receivable from margin clients, reverse REPOs and other debt investments by Dongxing Securities using the ECL model, several key parameters and assumptions are involved, including parameter estimates such as the credit impairment stage classification, probability of default, loss given default, and exposure at default. Meanwhile, forward-looking adjustments and other adjustment factors are considered. The selection of these parameters and the application of assumptions involve significant management judgment. The external macro environment and Dongxing Securities' internal credit risk management strategies have a substantial impact on the determination of the ECL model. When evaluating key parameters and assumptions, the factors considered by Dongxing Securities for receivable from margin clients, reverse REPOs and other debt investments include historical default situations, internal credit ratings, external credit ratings, and other factors. When applying judgments to determine the loss given default, management considers a variety of factors. These factors include the recoverable amount, the financial condition of the financier, the recoverable amount of collateral, the priority of claims, and the existence and cooperation of other creditors. In cases involving listed company stocks as collateral, consideration is also given to the volatility level, liquidity level, concentration, performance guarantee status of the underlying securities, as well as the operating condition of the listed company.	The audit procedures related to evaluating the determination of ECL allowance for receivable from margin clients, reverse REPOs and other debt investments included the following procedures: • We understood and evaluated the design and operating effectiveness of key internal controls over financial reporting related to the approval, recording, monitoring, and provision for ECL of receivable from margin clients, reverse REPOs and other debt investments; • Using the work of KPMG's financial risk management experts, we evaluated the appropriateness of the ECL model used by management in assessing loss provisions, including the reasonableness of the parameters and assumptions used in the model such as the credit risk stage classification, probability of default, loss given default, exposure at default, forward-looking adjustments, and other adjustments, as well as the reasonableness of the key management judgments involved;

ECL allowance for receivable from margin clients, reverse REPOs and other debt investments (continued)	
Please refer to notes IV.8 and V.4 to the financial statements.	
Key audit matters	**How our audit addressed the matters**
Due to the inherent uncertainty in determining the ECL allowance for receivable from margin clients, reverse REPOs and other debt investments, as well as the involvement of management judgment, and considering the determination has a significant impact on Dongxing Securities' operating conditions and capital status, we have identified the determination of ECL allowance for receivable from margin clients, reverse REPOs and other debt investments as a key audit matter.	• We evaluated the completeness and accuracy of the key data used for the parameters of the ECL model. For key internal data related to original documents, we compared the total amount of the list of receivable from margin clients, reverse REPOs and other debt investments used by management to assess the ECL allowance with the general ledger to evaluate the completeness of the list; selected information on individual financial asset and compared it with the relevant agreements and other related documents to evaluate the accuracy of the list; for key external data, we reconciled it with publicly available information sources to check its accuracy; • We conducted prudent evaluations of input parameters involving subjective judgment, including seeking supporting evidence from external sources and comparing internal records. We compared the economic factors used in the model with market information to assess whether they were consistent with market conditions and economic development; • We evaluated the reasonableness of management's judgments regarding whether the credit risk on receivable from margin clients, reverse REPOs and other debt investments had increased significantly since initial recognition and whether credit impairment had occurred. We selected financial assets based on a risk-oriented approach to examine the reasonableness of the results of the stage classification for credit impairment. Based on the selected projects, we reviewed the overdue information of relevant assets, understood the credit status of the financiers, and their performance guarantee situations;

ECL allowance for receivable from margin clients, reverse REPOs and other debt investments (continued)	
Please refer to notes IV.8 and V.4 to the financial statements.	
Key audit matters	**How our audit addressed the matters**
	• We selected financial assets to evaluate the reasonableness of the loss given default for financial assets that had experienced credit impairment. In this process, we evaluated the expected cash flows from collateral and other credit enhancements, and considered the reliability of the recovery plans for the financial assets; • Based on the above work, we selected financial assets and used the ECL model to review the calculation accuracy of the ECL allowance for receivable from margin clients, reverse REPOs and other debt investments; and • We evaluated the reasonableness of the disclosures related to the ECL allowance for receivable from margin clients, reverse REPOs and other debt investments in accordance with relevant accounting standards.

Valuation of financial instruments measured at fair value categorised within level 3	
Please refer to notes IV.8, V.3 and XV.4 and 6 to the financial statements.	
Key audit matters	**How our audit addressed the matters**
As of December 31, 2024 and December 31, 2025, the financial instruments of Dongxing Securities included those measured at fair value categorised within level 3 in the fair value hierarchy. These financial instruments used significant unobservable inputs as key assumptions to measure fair value. The determination of unobservable inputs would involve management estimates, which would require significant management judgment. As the amount of financial instruments measured at fair value categorised within level 3 was significant, the assessment of fair value was rather complex, and the determination of the input values used in the valuation model involved significant management judgment, we have identified the determination of the valuation of financial instruments measured at fair value categorised within level 3 as a key audit matter.	The audit procedures related to evaluating the confirmation of the valuation of financial instruments measured at fair value categorised within level 3 included the following procedures: • We understood and evaluated the design and operating effectiveness of key internal controls over financial reporting related to the valuation process for financial instruments measured at fair value categorised within level 3, such as the approval of financial instrument valuation models; • We selected financial instruments measured at fair value categorised within level 3, reviewed the investment agreements executed during the year to understand the relevant investment terms, and identified conditions related to the valuation of the financial instruments; • We selected level 3 financial instruments and used the work of KPMG's valuation experts to evaluate the appropriateness of the valuation of financial instruments measured at fair value categorised within level 3, primarily including: evaluating the appropriateness of the valuation models adopted by Dongxing Securities, independently obtaining and verifying valuation parameters, and evaluating the appropriateness of the application of valuation parameters; comparing our valuation results with those of Dongxing Securities; and • We evaluated the reasonableness of the disclosures related to the valuation of financial instruments measured at fair value categorised within level 3 in accordance with relevant accounting standards.

IV. OTHER INFORMATION

This report is provided only for the statutory purpose of China International Capital Corporation Limited merging with Dongxing Securities by way of absorption and shall not be used for any other purposes without our written consent.

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 CASs, and for such internal control as the management designs, performs and maintains is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Dongxing Securities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Dongxing Securities either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Dongxing Securities.

VI. CERTIFIED PUBLIC ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these 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 CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 CSAs, we exercise professional judgement 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 but not for the purpose of expressing an opinion on the effectiveness of internal controls.

(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 Dongxing Securities's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of users in our auditor's report to the related disclosures in these 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 Dongxing Securities to cease to continue as a going concern.

(5) Evaluate the overall presentation (including disclosure), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide the governance body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 for the years ended December 31, 2024 and 2025 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.

KPMG Huazhen LLP

Certified Public Accountants of China

Guan Yiming (管禕銘) (Engagement partner)

Beijing, China

Bai Long (白龍)

May 18, 2026

Dongxing Securities Co., Ltd.
Consolidated Balance Sheet
As at December 31, 2025 and December 31, 2024
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**As at December 31, 2025**	**As at December 31, 2024**
ASSETS			
Cash and bank balances	*1*	18,299,466,104.28	15,233,926,639.01
Including: Client deposits		16,854,042,794.98	13,451,267,265.98
Deposits with clearing houses	*2*	4,401,956,018.13	5,801,728,065.27
Including: Deposits held on behalf of clients		3,295,140,770.60	4,247,520,898.85
Receivable from margin clients	*3*	20,507,098,177.52	16,536,553,072.95
Derivative financial assets	*4*	115,970,775.03	290,098,640.49
Reverse REPOs	*5*	518,135,460.89	314,159,432.76
Accounts receivable	*6*	117,263,678.79	320,325,270.86
Refundable deposits	*7*	1,602,420,844.21	1,185,414,343.09
Financial investments			
Financial assets held for trading	*8*	31,823,262,486.71	36,091,984,831.58
Debt investments	*9*	–	–
Other debt investments	*10*	23,676,122,859.67	20,253,070,781.89
Investments in other equity instruments	*11*	10,347,856,580.38	6,513,327,112.26
Long-term equity investments	*12*	284,517,060.38	319,585,053.69
Fixed assets	*13*	118,953,655.29	130,636,725.22
Investment properties	*14*	13,455,643.39	16,014,023.23
Right-of-use assets	*15*	180,297,727.67	282,264,893.90
Intangible assets	*16*	49,347,674.11	54,196,130.20
Goodwill	*17*	–	–
Deferred tax assets	*18*	461,874,167.75	636,895,281.20
Other assets	*19*	1,679,901,513.32	1,248,321,173.52
Total assets		114,197,900,427.52	105,228,501,471.12

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Balance Sheet (Continued)
As at December 31, 2025 and December 31, 2024
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**As at December 31, 2025**	**As at December 31, 2024**
LIABILITIES			
Short-term borrowings	*22*	691,834,408.40	–
Placements from financial institutions	*23*	3,068,222,385.56	4,030,402,225.01
Short-term debt securities issued	*24*	13,637,073,231.52	14,057,565,065.76
Financial liabilities held for trading	*25*	2,639,328,473.79	1,041,129,335.88
Derivative financial liabilities	*4*	536,671,165.77	414,130,317.19
Financial assets sold under repurchase agreements ("**REPOs**")	*26*	20,969,791,349.51	24,521,859,867.99
Accounts payable to brokerage clients	*27*	20,699,348,759.33	17,780,840,407.55
Employee benefits payable	*28*	466,598,320.02	374,240,290.16
Taxes payable	*29*	150,271,798.36	113,200,397.28
Accounts payable	*30*	717,470,368.25	650,409,321.96
Contract liabilities	*31*	116,696,937.82	52,408,878.00
Provisions	*32*	–	–
Long-term debt securities issued	*33*	14,816,917,456.44	10,649,894,138.26
Lease liabilities	*34*	164,210,076.25	261,466,688.38
Deferred tax liabilities	*18*	43,947,044.90	27,363,548.75
Other liabilities	*35*	2,191,779,665.10	2,855,014,428.09
Total liabilities		80,910,161,441.02	76,829,924,910.26

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Balance Sheet (Continued)
As at December 31, 2025 and December 31, 2024
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**As at December 31, 2025**	**As at December 31, 2024**
EQUITY			
Share capital	*37*	3,232,445,520.00	3,232,445,520.00
Other equity instruments	*38*	3,000,000,000.00	–
Including: Perpetual bonds		3,000,000,000.00	–
Capital reserve	*39*	13,750,622,731.57	13,761,943,486.30
Other comprehensive income	*40(1)*	787,525,277.71	337,923,161.54
Surplus reserve	*41*	2,319,624,874.99	2,124,288,618.18
General reserves	*42*	4,334,928,890.37	3,927,458,770.69
Retained profits	*43*	5,814,982,707.42	4,967,459,173.09
Total equity attributable to shareholders of the parent company		33,240,130,002.06	28,351,518,729.80
Non-controlling interests		47,608,984.44	47,057,831.06
Total equity		33,287,738,986.50	28,398,576,560.86
Total liabilities and equity		114,197,900,427.52	105,228,501,471.12

The financial statements have been signed by:

Person-in-charge of the Company	Principal-in-charge of Accounting	Person-in-charge of Accounting Department

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Balance Sheet
As at December 31, 2025 and December 31, 2024
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**As at December 31, 2025**	**As at December 31, 2024**
ASSETS			
Cash and bank balances		15,001,528,620.07	12,248,829,727.31
Including: Client deposits		14,360,718,077.55	11,519,241,289.45
Deposits with clearing houses		4,090,395,699.02	5,437,981,858.50
Including: Deposits held on behalf of clients		3,141,679,980.78	4,067,279,610.32
Receivable from margin clients		20,507,098,177.52	16,536,553,072.95
Derivative financial assets		85,168,613.97	253,082,931.43
Reverse REPOs		275,209,772.03	251,795,006.07
Accounts receivable	*1*	76,767,545.73	270,995,956.60
Refundable deposits		333,360,946.74	365,038,339.93
Financial investments:			
Financial assets held for trading		27,899,448,763.40	33,163,867,876.44
Other debt investments		20,221,132,114.64	18,220,880,549.42
Investments in other equity instruments		10,346,456,580.38	6,511,755,091.55
Long-term equity investments	*2*	3,598,756,292.82	3,323,416,292.82
Fixed assets		113,362,695.65	124,304,344.68
Right-of-use assets		161,395,304.81	257,714,754.18
Investment properties		13,455,643.39	16,014,023.23
Intangible assets		47,712,863.61	52,833,115.96
Deferred tax assets		283,705,532.14	449,971,754.06
Other assets	*3*	1,404,856,532.93	1,139,807,060.72
Total assets		104,459,811,698.85	98,624,841,755.85

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Balance Sheet (Continued)
As at December 31, 2025 and December 31, 2024
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**As at December 31, 2025**	**As at December 31, 2024**
LIABILITIES			
Placements from financial institutions		3,068,222,385.56	4,030,402,225.01
Short-term debt securities issued		13,586,512,834.52	14,057,565,065.76
Financial liabilities held for trading		1,422,727,418.59	272,281,600.06
Derivative financial liabilities		489,182,802.97	407,864,489.95
REPOs		20,409,004,527.43	23,715,889,282.74
Accounts payable to brokerage clients		17,500,073,857.13	15,544,874,469.07
Employee benefits payable	*4*	451,914,581.74	365,743,203.72
Taxes payable		119,774,695.78	78,937,552.36
Accounts payable		651,874,517.39	606,257,960.97
Contract liabilities		9,362,591.49	22,493,591.96
Long-term debt securities issued		12,304,670,717.82	8,082,343,197.27
Lease liabilities		146,728,546.48	238,706,754.34
Other liabilities		827,674,572.14	2,392,884,893.30
Total liabilities		70,987,724,049.04	69,816,244,286.51
EQUITY			
Share capital		3,232,445,520.00	3,232,445,520.00
Other equity instruments		3,000,000,000.00	–
Including: Perpetual bonds		3,000,000,000.00	–
Capital reserve		13,749,828,433.99	13,761,149,188.72
Other comprehensive income		787,074,771.65	427,483,436.31
Surplus reserve		2,319,624,874.99	2,124,288,618.18
General reserves		3,987,260,898.36	3,596,588,384.74
Retained profits		6,395,853,150.82	5,666,642,321.39
Total equity		33,472,087,649.81	28,808,597,469.34
Total liabilities and equity		104,459,811,698.85	98,624,841,755.85

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Income Statement
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

			The Group	
		Note VIII	**2025**	**2024**
I.	**Operating revenue**		4,710,786,055.76	4,272,740,624.67
	Net fee and commission income	*44*	1,680,048,215.22	1,515,861,257.04
	Including: net income from brokerage business		952,521,776.89	731,029,509.94
	net income from investment banking business		490,082,937.19	473,042,527.95
	net income from asset management business		208,152,568.16	292,547,992.13
	Net interest income	*45*	761,040,779.19	688,556,533.01
	Including: interest income		2,014,934,210.07	2,081,047,322.08
	interest expenses		(1,253,893,430.88)	(1,392,490,789.07)
	Investment income	*46*	2,020,155,124.74	2,151,483,071.12
	Including: share of profits of associates and joint ventures		50,394,930.47	12,670,345.39
	Gains and losses arising from changes in fair value	*47*	152,477,125.23	(73,672,520.64)
	Foreign exchange gains and losses		90,534,255.32	(35,380,793.84)
	Other operating revenue	*48*	3,621,069.29	11,266,080.32
	Other income		3,816,491.33	10,483,196.25
	Gains or losses on disposal of assets		(907,004.56)	4,143,801.41
II.	**Operating expenses**		(2,200,118,853.69)	(2,435,299,170.43)
	Tax and surcharges	*49*	(32,056,900.20)	(27,559,637.26)
	Operating and administrative expenses	*50*	(2,129,766,133.25)	(2,117,103,375.02)
	Provision for impairment losses under expected credit loss model	*51*	(41,939,065.60)	(251,869,719.48)
	Provision for impairment losses on assets		7,665,333.01	(30,210,993.06)
	Other operating costs	*52*	(4,022,087.65)	(8,555,445.61)

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Income Statement (Continued)
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

			The Group	
		Note VIII	**2025**	**2024**
III.	**Operating profit**		2,510,667,202.07	1,837,441,454.24
	Add: non-operating revenue	*53*	3,234,209.40	4,325,040.16
	Less: non-operating expenses	*54*	(18,987,785.13)	(62,857,534.02)
IV.	**Profit before income tax**		2,494,913,626.34	1,778,908,960.38
	Less: income tax expense	*55*	(391,416,681.66)	(228,385,059.35)
V.	**Profit for the year**		2,103,496,944.68	1,550,523,901.03
	(I) Classified by operation continuity			
	– Profit from continuing operations		2,103,496,944.68	1,550,523,901.03
	– Profit from discontinued operations		–	–
	(II) Classified by attribution			
	– Attributable to shareholders of the parent company		2,101,764,225.92	1,544,324,857.74
	– Attributable to non-controlling interests		1,732,718.76	6,199,043.29

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Income Statement (Continued)
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**2025**	**2024**
VI. Other comprehensive income for the year, net of tax		343,119,041.33	243,937,674.13
Other comprehensive income attributable to shareholders of the parent company, net of tax	*40(2)*	344,300,606.71	242,972,244.20
Other comprehensive income not reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		464,265,001.93	55,023,695.26
Other comprehensive income to be reclassified to profit or loss			
1. Changes in fair value of other debt investments		(157,625,511.21)	245,120,773.12
2. Credit impairment provisions for other debt investments		66,318,603.88	(56,813,856.62)
3. Foreign currency translation differences		(28,657,487.89)	(358,367.56)
Other comprehensive income attributable to non-controlling interests, net of tax		(1,181,565.38)	965,429.93
VII. Total comprehensive income for the year		2,446,615,986.01	1,794,461,575.16
– Attributable to shareholders of the parent company		2,446,064,832.63	1,787,297,101.94
– Attributable to non-controlling interests		551,153.38	7,164,473.22
VIII. Earnings per share			
Basic earnings per share (RMB/share)	*56*	0.647	0.478
Diluted earnings per share (RMB/share)		0.647	0.478

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Income Statement
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

			The Company	
		Note XVI	**2025**	**2024**
I.	**Operating revenue**		4,133,279,015.69	3,821,569,591.60
	Net fee and commission income	*5*	1,512,300,740.39	1,131,192,734.03
	Including: net income from brokerage business		942,363,518.38	711,171,818.19
	net income from investment banking business		464,817,823.15	294,036,397.36
	net income from asset management business		74,559,124.60	106,743,291.46
	Net interest income	*6*	715,702,805.65	649,312,977.19
	Including: interest income		1,769,179,382.63	1,823,779,475.67
	interest expenses		(1,053,476,576.98)	(1,174,466,498.48)
	Investment income	*7*	1,957,977,183.31	1,994,259,819.55
	Gains and losses arising from changes in fair value	*8*	(60,608,370.22)	26,303,594.66
	Foreign exchange gains and losses		(564,563.63)	267,116.25
	Other operating revenue		6,286,047.48	7,449,294.68
	Other income		2,536,369.98	9,074,030.55
	Gains or losses on disposal of assets		(351,197.27)	3,710,024.69
II.	**Operating expenses**		(1,813,598,715.64)	(2,006,332,325.73)
	Tax and surcharges		(22,091,910.22)	(21,351,244.02)
	Operating and administrative expenses	*9*	(1,809,418,798.38)	(1,788,862,027.74)
	Provision for impairment losses under expected credit loss model		20,470,372.80	(193,560,674.13)
	Other operating costs		(2,558,379.84)	(2,558,379.84)

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Income Statement (Continued)
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**2025**	**2024**
III. Operating profit		2,319,680,300.05	1,815,237,265.87
Add: non-operating revenue		2,827,431.57	4,268,439.62
Less: non-operating expenses		(18,531,079.99)	(60,542,885.08)
IV. Profit before income tax		2,303,976,651.63	1,758,962,820.41
Less: income tax expense		(350,614,083.52)	(205,566,933.95)
V. Profit for the year		1,953,362,568.11	1,553,395,886.46
VI. Other comprehensive income for the year, net of tax		267,581,172.73	247,554,155.25
Other comprehensive income not reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		451,022,189.08	49,228,228.51
Other comprehensive income to be reclassified to profit or loss			
1. Changes in fair value of other debt investments		(218,554,227.77)	254,551,026.09
2. Credit impairment provisions for other debt investments		35,113,211.42	(56,225,099.35)
VII. Total comprehensive income for the year		2,220,943,740.84	1,800,950,041.71

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Statement of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

			The Group	
		Note VIII	**2025**	**2024**
I.	**Cash flows from operating activities**			
	Net decrease in financial assets held for trading		5,061,612,799.48	–
	Net increase in financial liabilities held for trading		1,311,329,291.16	299,247,549.09
	Interest, fee and commission income received		4,483,986,422.25	4,403,102,056.74
	Net increase in repo transactions		–	300,548,158.69
	Net cash received from brokerage clients		2,918,508,351.78	4,655,110,521.35
	Net decrease in receivable from margin clients		–	598,689,451.14
	Cash inflows associated with other operating activities	*57(2)*	5,153,002,358.09	5,940,012,727.29
	Subtotal of cash inflows from operating activities		18,928,439,222.76	16,196,710,464.30
	Net increase in financial assets held for trading		–	15,249,395,851.81
	Net increase in receivable from margin clients		3,902,707,489.59	–
	Net decrease in financial liabilities held for trading		–	–
	Net decrease in accounts payable to brokerage clients		–	–
	Net decrease in placements from financial institutions		962,179,839.45	1,091,789,424.19
	Net decrease in repo transactions		3,416,871,267.33	–
	Interest, fee and commission expenses paid		1,102,836,751.07	1,146,162,033.31
	Cash paid to and for employees		1,308,003,300.66	1,222,889,809.31
	Cash paid for taxes		566,313,741.45	347,919,251.33
	Cash outflows associated with other operating activities	*57(3)*	6,725,356,446.26	7,294,946,702.03
	Subtotal of cash outflows from operating activities		17,984,268,835.81	26,353,103,071.98
	Net cash generated from operating activities	*57(1)*	944,170,386.95	(10,156,392,607.68)

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Statement of Cash Flows (Continued)
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**2025**	**2024**
II. Cash flows from investing activities			
Cash receipts from disposal of investments		85,462,923.78	16,536,836,154.76
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		385,354.09	1,522,205.44
Cash receipts of investment returns		1,670,605,839.23	1,483,800,722.71
Subtotal of cash inflows from investing activities		1,756,454,117.10	18,022,159,082.91
Payment for purchase of investments		7,104,397,099.94	1,919,819,610.95
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets		78,058,163.74	146,096,277.12
Subtotal of cash outflows from investing activities		7,182,455,263.68	2,065,915,888.07
Net cash generated from investing activities		(5,426,001,146.58)	15,956,243,194.84

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Statement of Cash Flows (Continued)
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

		The Group	
	Note VIII	**2025**	**2024**
III. Cash flows from financing activities			
Cash received from capital contributions		3,000,000,000.00	–
Including: cash received from issuance of perpetual bonds		3,000,000,000.00	–
Cash received from borrowings		1,705,868,167.90	–
Cash received from issuance of bonds		26,036,150,000.00	17,813,610,000.00
Subtotal of cash inflows from financing activities		30,742,018,167.90	17,813,610,000.00
Cash repayments of borrowings		23,223,742,026.71	16,279,685,000.00
Cash paid for dividends, profit distribution or interests		1,150,334,293.57	1,132,880,178.31
Cash outflows associated with other financing activities		137,254,319.43	146,844,971.54
Subtotal of cash outflows from financing activities		24,511,330,639.71	17,559,410,149.85
Net cash generated from financing activities		6,230,687,528.19	254,199,850.15
IV. Effect of exchange rate changes on cash and cash equivalents		(4,353,112.57)	10,187,941.81
V. Net change in cash and cash equivalents		1,744,503,655.99	6,064,238,379.12
Add: cash and cash equivalents at the beginning of the year		20,653,899,237.29	14,589,660,858.17
VI. Cash and cash equivalents at the end of the year	*57(4)*	22,398,402,893.28	20,653,899,237.29

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Statement of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

			The Company	
		Note XVI	**2025**	**2024**
I.	**Cash flows from operating activities**			
	Net decrease in financial assets held for trading		5,728,158,923.99	–
	Net increase in financial liabilities held for trading		1,110,629,525.54	–
	Net cash received from brokerage clients		1,955,199,388.06	5,182,864,801.22
	Interest, fee and commission income received		4,216,373,989.85	3,831,844,027.20
	Net decrease in receivable from margin clients		–	420,258,142.69
	Cash inflows associated with other operating activities	*10(2)*	1,921,390,901.77	186,202,202.43
	Subtotal of cash inflows from operating activities		14,931,752,729.21	9,621,169,173.54
	Net increase in financial assets held for trading		–	14,679,664,857.86
	Net decrease in financial liabilities held for trading		–	463,046,890.60
	Net decrease in repo transactions		3,259,941,094.04	63,414,154.17
	Net increase in receivable from margin clients		3,902,707,489.59	–
	Net decrease in placements from financial institutions		962,179,839.45	1,091,789,424.19
	Interest, fee and commission expenses paid		950,418,359.44	869,252,846.49
	Cash paid to and for employees		1,147,052,187.54	1,068,934,802.54
	Cash paid for taxes		470,261,225.60	300,137,248.88
	Cash outflows associated with other operating activities	*10(3)*	3,960,635,036.25	2,243,497,798.67
	Subtotal of cash outflows from operating activities		14,653,195,231.91	20,779,738,023.40
	Net cash generated from operating activities	*10(1)*	278,557,497.30	(11,158,568,849.86)

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Statement of Cash Flows (Continued)
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**2025**	**2024**
II. Cash flows from investing activities			
Cash receipts from disposal of investments		–	16,419,223,785.58
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		357,384.75	800,657.32
Cash receipts of investment returns		1,441,365,139.52	1,302,250,100.31
Subtotal of cash inflows from investing activities		1,441,722,524.27	17,722,274,543.21
Net proceeds from payment for acquisition or disposal of debt investments, other debt investments and other equity instruments investments		5,512,942,741.01	1,723,985,898.45
Payment for purchase of investments		275,340,000.00	–
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets		74,287,349.10	132,552,714.65
Subtotal of cash outflows from investing activities		5,862,570,090.11	1,856,538,613.10
Net cash generated from investing activities		(4,420,847,565.84)	15,865,735,930.11

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Statement of Cash Flows (Continued)
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

		The Company	
	Note XVI	**2025**	**2024**
III. Cash flows from financing activities			
Cash received from capital contributions		3,000,000,000.00	–
Including: cash received from issuance of perpetual bonds		3,000,000,000.00	–
Cash received from issuance of bonds		25,936,150,000.00	15,334,665,000.00
Subtotal of cash inflows from financing activities		28,936,150,000.00	15,334,665,000.00
Cash repayments of borrowings		22,156,453,000.00	13,446,605,000.00
Cash paid for dividends, profit distribution or interests		1,007,943,104.02	1,039,055,982.30
Cash outflows associated with other financing activities		128,613,485.91	131,982,831.30
Subtotal of cash outflows from financing activities		23,293,009,589.93	14,617,643,813.60
Net cash generated from financing activities		5,643,140,410.07	717,021,186.40
IV. Effect of exchange rate changes on cash and cash equivalents		(1,226,389.71)	1,481,096.34
V. Net change in cash and cash equivalents		1,499,623,951.82	5,425,669,362.99
Add: cash and cash equivalents at the beginning of the year		17,375,286,189.84	11,949,616,826.85
VI. Cash and cash equivalents at the end of the year	*8(4)*	18,874,910,141.66	17,375,286,189.84

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Statement of Changes in Equity
For the year ended December 31, 2025
(All amounts in RMB unless otherwise stated)

		Equity attributable to shareholders of the parent company								
		Share capital	Other equity instruments: Perpetual bonds	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Non-controlling interests	Total equity
I.	Balance as at January 1, 2025	3,232,445,520.00	–	13,761,943,486.30	337,923,161.54	2,124,288,618.18	3,927,458,770.69	4,967,459,173.09	47,057,831.06	28,398,576,560.86
II.	Amount of changes in the current year	–	3,000,000,000.00	(11,320,754.73)	449,602,116.17	195,336,256.81	407,470,119.68	847,523,534.33	551,153.38	4,889,162,425.64
	(I) Total comprehensive income for the year	–	–	–	344,300,606.71	–	–	2,101,764,225.92	551,153.38	2,446,615,986.01
	(II) Capital contributed or reduced by owners	–	3,000,000,000.00	(11,320,754.73)	–	–	–	–	–	2,988,679,245.27
	Capital contributed or reduced by the holders of other equity instruments	–	3,000,000,000.00	(11,320,754.73)	–	–	–	–	–	2,988,679,245.27
	(III) Profit distribution	–	–	–	–	195,336,256.81	407,470,119.68	(1,148,939,182.13)	–	(546,132,805.64)
	Appropriation to surplus reserve	–	–	–	–	195,336,256.81	–	(195,336,256.81)	–	–
	Appropriation to general reserves	–	–	–	–	–	407,470,119.68	(407,470,119.68)	–	–
	Distribution to shareholders	–	–	–	–	–	–	(536,585,956.32)	–	(536,585,956.32)
	Distribution to the holders of other equity instruments	–	–	–	–	–	–	(9,546,849.32)	–	(9,546,849.32)
	(IV) Internal carry-forward of shareholders' equity	–	–	–	105,301,509.46	–	–	(105,301,509.46)	–	–
	Other comprehensive income carried forward to retained earnings	–	–	–	105,301,509.46	–	–	(105,301,509.46)	–	–
III.	Balance as at December 31, 2025	3,232,445,520.00	3,000,000,000.00	13,750,622,731.57	787,525,277.71	2,319,624,874.99	4,334,928,890.37	5,814,982,707.42	47,608,984.44	33,287,738,986.50

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Consolidated Statement of Changes in Equity (Continued)
For the year ended December 31, 2024
(All amounts in RMB unless otherwise stated)

		Equity attributable to shareholders of the parent company							
		Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Non-controlling interests	Total equity
I.	Balance as at January 1, 2024	3,232,445,520.00	13,761,943,486.30	12,477,052.53	1,968,949,029.53	3,580,280,443.09	4,512,387,597.53	39,893,357.84	27,108,376,486.82
II.	Amount of changes in the current year	–	–	325,446,109.01	155,339,588.65	347,178,327.60	455,071,575.56	7,164,473.22	1,290,200,074.04
	(I) Total comprehensive income for the year	–	–	242,972,244.20	–	–	1,544,324,857.74	7,164,473.22	1,794,461,575.16
	(II) Profit distribution	–	–	–	155,339,588.65	347,178,327.60	(1,006,779,417.37)	–	(504,261,501.12)
	Appropriation to surplus reserve	–	–	–	155,339,588.65	–	(155,339,588.65)	–	–
	Appropriation to general reserves	–	–	–	–	347,178,327.60	(347,178,327.60)	–	–
	Distribution to shareholders	–	–	–	–	–	(504,261,501.12)	–	(504,261,501.12)
	(III) Internal carry-forward of shareholders' equity	–	–	82,473,864.81	–	–	(82,473,864.81)	–	–
	Other comprehensive income carried forward to retained earnings	–	–	82,473,864.81	–	–	(82,473,864.81)	–	–
III.	Balance as at December 31, 2024	3,232,445,520.00	13,761,943,486.30	337,923,161.54	2,124,288,618.18	3,927,458,770.69	4,967,459,173.09	47,057,831.06	28,398,576,560.86

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Statement of Changes in Equity
For the year ended December 31, 2025
(All amounts in RMB unless otherwise stated)

		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total equity
I.	Balance as at January 1, 2025	3,232,445,520.00	–	13,761,149,188.72	427,483,436.31	2,124,288,618.18	3,596,588,384.74	5,666,642,321.39	28,808,597,469.34
II.	Amount of changes in the current year	–	3,000,000,000.00	(11,320,754.73)	359,591,335.34	195,336,256.81	390,672,513.62	729,210,829.43	4,663,490,180.47
	(I) Total comprehensive income for the year	–	–	–	267,581,172.73	–	–	1,953,362,568.11	2,220,943,740.84
	(II) Capital contributed or reduced by owners	–	3,000,000,000.00	(11,320,754.73)	–	–	–	–	2,988,679,245.27
	Capital contributed or reduced by the holders of other equity instruments	–	3,000,000,000.00	(11,320,754.73)	–	–	–	–	2,988,679,245.27
	(III) Profit distribution	–	–	–	–	195,336,256.81	390,672,513.62	(1,132,141,576.07)	(546,132,805.64)
	Appropriation to surplus reserve	–	–	–	–	195,336,256.81	–	(195,336,256.81)	–
	Appropriation to general reserves	–	–	–	–	–	390,672,513.62	(390,672,513.62)	–
	Distribution to shareholders	–	–	–	–	–	–	(536,585,956.32)	(536,585,956.32)
	Distribution to the holders of other equity instruments	–	–	–	–	–	–	(9,546,849.32)	(9,546,849.32)
	(IV) Internal carry-forward of shareholders' equity	–	–	–	92,010,162.61	–	–	(92,010,162.61)	–
	Other comprehensive income carried forward to retained earnings	–	–	–	92,010,162.61	–	–	(92,010,162.61)	–
III.	Balance as at December 31, 2025	3,232,445,520.00	3,000,000,000.00	13,749,828,433.99	787,074,771.65	2,319,624,874.99	3,987,260,898.36	6,395,853,150.82	33,472,087,649.81

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Company Statement of Changes in Equity (Continued)
For the year ended December 31, 2024
(All amounts in RMB unless otherwise stated)

		Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total equity
I.	Balance as at January 1, 2024	3,232,445,520.00	13,761,149,188.72	104,890,731.65	1,968,949,029.53	3,285,909,207.44	5,158,565,251.41	27,511,908,928.75
II.	Amount of changes in the current year	–	–	322,592,704.66	155,339,588.65	310,679,177.30	508,077,069.98	1,296,688,540.59
	(I) Total comprehensive income for the year	–	–	247,554,155.25	–	–	1,553,395,886.46	1,800,950,041.71
	(II) Profit distribution	–	–	–	155,339,588.65	310,679,177.30	(970,280,267.07)	(504,261,501.12)
	Appropriation to surplus reserve	–	–	–	155,339,588.65	–	(155,339,588.65)	–
	Appropriation to general reserves	–	–	–	–	310,679,177.30	(310,679,177.30)	–
	Distribution to shareholders	–	–	–	–	–	(504,261,501.12)	(504,261,501.12)
	(III) Internal carry-forward of shareholders' equity	–	–	75,038,549.41	–	–	(75,038,549.41)	–
	Other comprehensive income carried forward to retained earnings	–	–	75,038,549.41	–	–	(75,038,549.41)	–
III.	Balance as at December 31, 2024	3,232,445,520.00	13,761,149,188.72	427,483,436.31	2,124,288,618.18	3,596,588,384.74	5,666,642,321.39	28,808,597,469.34

The accompanying notes form an integral part of these financial statements.

Dongxing Securities Co., Ltd.
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024
(All amounts in RMB unless otherwise stated)

I BASIC INFORMATION

Dongxing Securities Co., Ltd. (hereinafter referred to as the "**Company**") was established on May 28, 2008, with its registration place in Beijing and a registered capital of RMB1.504 billion, as approved by the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**") in its Reply on Approving the Commencement of Business of Dongxing Securities Co., Ltd. (Zheng Jian Ji Gou Zi [2008] No. 665) (《關於核准東興證券股份有限公司開業的批復》(證監機構字[2008]665號)). On October 27, 2011, the CSRC issued the Reply on Approving the Change of Registered Capital of Dongxing Securities Co., Ltd. (Zheng Jian Xu Ke [2011] No. 1727) (證監許可[2011]1727號《關於核准東興證券股份有限公司變更註冊資本的批復》), approving the increase of the Company's registered capital from RMB1.504 billion to RMB2.004 billion.

In February 2015, upon approval by the CSRC under document Zheng Jian Xu Ke [2015] No. 191 (證監許可[2015]191號), the Company conducted its initial public issuance of 500,000,000 RMB ordinary shares (A shares) to the public and these shares were listed on the Shanghai Stock Exchange on February 26, 2015. Prior to the initial public issuance, the total share capital of the Company was 2,004,000,000 shares, and following the issuance and listing, the total share capital was 2,504,000,000 shares. The shares were issued at a price of RMB9.18 per share, raising total proceeds of RMB4,590,000,000.00.

In September 2016, upon approval by the CSRC under document Zheng Jian Xu Ke [2016] No. 1352 (證監許可[2016]1352號), the Company conducted a non-public issuance of 253,960,657 RMB ordinary shares (A shares), and these shares were listed and traded on the Shanghai Stock Exchange on October 17, 2016. Prior to the non-public issuance, the total share capital of the Company was 2,504,000,000 shares, and following the issuance, the total share capital was 2,757,960,657 shares. The shares were non-publicly issued at a price of RMB18.81 per share, raising total proceeds of RMB4,776,999,958.17.

Upon approval by the CSRC under the Reply on Approving the Non-public Issuance of Shares by Dongxing Securities Co., Ltd. (Zheng Jian Xu Ke [2021] No. 2204) (《關於核准東興證券股份有限公司非公開發行股票的批復》(證監許可[2021]2204號)), the Company conducted a non-public issuance of 474,484,863 RMB ordinary shares (A shares) in September 2021, and completed the registration and custody procedures for the shares with the Shanghai branch of China Securities Depository and Clearing Corporation Limited on October 22, 2021. The newly issued shares amounted to 474,484,863 shares, with a par value of RMB1 per share. Following the non-public issuance, the total share capital of the Company increased to RMB3,232,445,520.00.

The principal business scope of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") includes: securities brokerage, securities investment consulting, financial consulting relating to the securities trading and securities investment, securities underwriting and sponsorship, proprietary trading of securities, securities asset management, margin financing and securities lending, sale of securities investment funds, proxy sale of financial products, commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management; investment in financial products, project

investment, equity investment; investment management, investment advisory, entrusted management of equity investment funds, financial advisory services; management of publicly offered securities investment funds, fund sales; investment holding, etc.

As at December 31, 2025, the Company had a total of 75 securities branches and 16 offices. For the details of the Company's subsidiaries, please refer to Note VII.1.

The parent company of the Company is China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司, hereinafter referred to as "**China Orient**").

China Orient has issued an announcement regarding the change of its controlling shareholder. On February 14, 2025, China Orient received a notice that, in accordance with the relevant arrangements of the reform of the Party and state institutions, the Ministry of Finance of the People's Republic of China, the controlling shareholder of China Orient, planned to transfer all 48,829,977,540 shares it held in the Company to Central Huijin Investment Ltd. (hereinafter referred to as "**Central Huijin**") through a free transfer. On June 30, 2025, China Orient completed the relevant procedures for the change of the shareholders' register. After the completion of the equity transfer, the controlling shareholder of the Company remains China Orient, while the actual controller changes from the Ministry of Finance to Central Huijin.

II BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on a going concern basis.

The financial statements are only used for the statutory purpose of China International Capital Corporation Limited merging with Dongxing Securities by way of absorption.

III STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The 2025 and 2024 financial statements of the Group are in conformity with requirements of the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and the company's financial position as at December 31, 2025 and December 31, 2024, and the consolidated and the company's operating results and cash flows for the years 2025 and 2024 and other relevant information of the Group.

IV SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1 Accounting period

The accounting year of the Group is a calendar year, that is, from January 1 to December 31 in each year. The reporting period covers the years 2024 and 2025.

2 Functional currency

Renminbi ("**RMB**") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries adopt RMB as their functional currency. The overseas subsidiaries of the Company determine Hong Kong dollars ("**HK$**", "**HKD**" or "**HK dollars**") as their functional currency according to the currencies of primary economic environment in which they operate. The Group adopts RMB to prepare the financial statements.

3 Accounting basis and measurement principles

The Group's accounting is conducted on accrual basis. Except for certain financial instruments measured at fair value, the financial statements take the historical cost as the measurement basis. If an asset is impaired, the impairment loss allowance shall be accrued in accordance with the relevant provisions.

Where the historical cost is adopted, assets are measured at the amount of cash or cash equivalents paid or the fair value of the consideration given at the time of acquisition. Liabilities are measured at the amount of funds or assets actually received for assuming the current obligations, or at the contractual amount for assuming the current obligations, or at the amount of cash or cash equivalents expected to be paid for repaying the liabilities during daily activities.

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 measurements date, regardless of whether that price is observable or estimated using valuation technique. Fair value measurement and/or disclosure in the financial statements are determined on the above basis.

For financial assets with transaction prices as the fair value upon initial recognition and the valuation technique of unobservable inputs employed in the subsequent measurement of the fair value, the technique is adjusted during the valuation to match the initial recognition results determined with the transaction prices.

Fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the asset or liability.

4 Accounting treatments for business combination under and not under common control

Business combinations are divided into business combinations under common control and business combinations not under common control.

4.1 Business combination under common control

The enterprises participating in the combination are ultimately controlled by the same party or the same multiple parties before and after the combination, and the control is not temporary. It is a business combination under common control.

Assets and liabilities obtained by the combining party are measured at their respective carrying amounts as recorded by the combined party at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination by the combined party (or total nominal value of the issued shares) is adjusted to the share premium in capital reserves. Adjustments shall be made to retained earnings in the event that the share premiums are not sufficient.

The direct costs incurred by the combining party for the business combination shall be included in the profit or loss for the current period when incurred.

4.2 Business combinations not under common control and goodwill

Enterprises that participate in the combination are not under the same party or the same multiple parties' ultimate control before and after the combination, which is a business combination not under the common control.

The cost of combination is the fair value of assets given, liabilities incurred or undertaken, and equity instruments issued by the acquirer for obtaining the control of the acquiree. Intermediary expenses such as audits, legal services, evaluation and consulting, and other related management expenses incurred by the acquirer in the business combination are included in the profit or loss for the current period when incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interests in the fair value of the acquiree's identifiable net assets on the acquisition date, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interests in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interests in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment loss allowance, and is presented separately in the consolidated financial statements.

5 Method of preparing consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control. Control exists when the Company has power over the investee; enjoys variable returns by participating in the relevant activities of the investee; and has the ability to use its power over the investee to affect its returns. The scope of consolidation includes the Company, all subsidiaries and structured entities controlled by the Group. The subsidiaries refer to the entities controlled by the Group.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

From the date of obtaining the net assets and the actual control of the production and operation decisions of a subsidiary, the Company begins to include it in the scope of consolidation; the inclusion in the scope of consolidation is suspended from the date of loss of actual control. For the disposed subsidiaries, the operating results and cash flows before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; for subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet is not adjusted. For subsidiaries that are not consolidated under the common control, the operating results and cash flows after the acquisition date have been properly included in the consolidated income statement and consolidated cash flow statement, and the opening balance and comparative figures of the consolidated financial statements are not adjusted. No matter when the business combination occurs in the reporting period, a subsidiary acquired through a business combination under common control or a combined party in a combination by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are properly included in the consolidated income statement and consolidated statement of cash flows.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the Company are inconsistent, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies and accounting periods of the Company. For subsidiaries acquired from business combinations not under common control, the financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date.

All major current balances, transactions and unrealized profits within the scope of consolidation are offset when the consolidated financial statements are prepared.

The portion of equity attributable to owners of a subsidiary that is not attributable to the Company is treated as minority interests and presented below the shareholders' equity item in the consolidated balance sheet as "minority interests". The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented below the "net profit" item in the consolidated income statement as "profit or loss attributable to minority interests". Where the loss of a subsidiary shared by a minority shareholder exceeds the share of the minority shareholder in the owners' equity of the subsidiary at the beginning of the period, the excess is still allocated against the minority interests.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity is re-measured at its fair value on the date when control is lost. The difference between the aggregate of the consideration received on equity disposal and the fair value of the remaining equity and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of shareholding is included in the investment income in the period in which control is lost, with goodwill being reduced simultaneously. Other comprehensive income relating to the equity investment in the original subsidiary is reclassified to investment income in the period in which control is lost. Thereafter, the remaining equity is subsequently measured in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment or Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

When the Company disposes of equity investment in a subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost, it shall determine whether these several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost belong to a basket of transactions. Usually, these several transactions related to the disposal of equity investment in a subsidiary are accounted for as a basket of transactions when the terms, conditions and economic impacts of these several transactions meet the following one or more conditions: (1) these transactions are entered into at the same time or after considering their impacts on each other; (2) these transactions as a whole can reach complete business results; (3) the occurrence of a transaction depends on at least the occurrence of an other transaction; (4) an individual transaction is not deemed as economic, but is deemed as economic when considered with other transactions. If they are not a basket of transactions, each of which is subject to the accounting treatment separately in accordance with applicable principles stipulated in "partial disposal of long-term equity investment of a subsidiary without losing control over a subsidiary", and "the control over a subsidiary is lost due to partial disposal of equity investment or other reasons" as the case may be. When several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost belong to a basket of transactions, such transactions are together subject to the accounting treatment as a transaction of disposal subsidiaries and losing control; provided that the difference between the amount of each disposal and the net assets of the subsidiary attributable to the disposal investment before the loss of control shall be recognised as other comprehensive income in consolidated financial statements and transferred to profit or loss for the current period when the control is lost.

6 Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (generally matured within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7 Translation of foreign currency transactions and foreign currency financial statements

7.1 Foreign currency transactions

Foreign currency transactions are translated at initial recognition using the spot exchange rate at the date of the transaction.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at that date, and exchange differences resulting from differences between the spot exchange rate at that date and the spot exchange rate at initial recognition or at the previous balance sheet date, except: (1) exchange differences on foreign currency special borrowings eligible for capitalisation are capitalised to the cost of the related assets during the capitalisation period; (2) exchange differences on hedging instruments that are hedged against foreign exchange risks are accounted for under the hedge accounting method; (3) exchange differences on monetary items classified as fair value through other comprehensive income are included in current profit or loss, other than those arising from changes in book balance other than amortised cost, which are recognised in other comprehensive income.

If the preparation of the consolidated financial statements involves foreign operations, and if there are foreign currency monetary items that substantially constitute a net investment in foreign operations, exchange differences resulting from changes in exchange rates are included in "foreign currency translation differences" in other comprehensive income; when foreign operations are disposed of, they are included in profit or loss for the period of disposal.

Foreign currency non-monetary items measured at historical cost continue to be measured at the functional currency amount discounted at the spot exchange rate at the date of the transaction. Non-monetary items in foreign currencies measured at fair value are translated using the spot exchange rate at the date the fair value is determined, and the difference between the functional currency amount after translation and the original functional currency amount is treated as a change in fair value (including exchange rate changes) and recognised in the current profit or loss or in other comprehensive income.

7.2 Translation of foreign currency financial statements

For the purpose of preparing consolidated financial statements, foreign currency financial statements of foreign operations are translated into RMB as follows: all assets and liability items in the balance sheet are translated at the spot exchange rate at the balance sheet date; shareholders' equity items are translated at the spot exchange rate at the time of

occurrence; all items in the income statement and items reflecting the occurrence of profit distribution are translated at the approximate exchange rate at the spot exchange rate at the date of the transaction; the difference between the translated asset items and the sum of liability items and shareholders' equity items is recognised as other comprehensive income and included in shareholders' equity.

Cash flows denominated in foreign currencies and the cash flows of foreign subsidiaries are translated using the approximate exchange rate at the spot exchange rate at the date of the cash flows, and the effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item, and presented separately in the statement of cash flows as "effect of exchange rate changes on cash and cash equivalents".

The figures at the end of the previous year and the actual figures of the previous year are presented in accordance with the amounts translated from the prior year's financial statements.

Upon the disposal of the entire owners' equity of the Group in a foreign operation or the loss of control over the foreign operation due to the disposal of a portion of the equity investment or otherwise, the foreign currency translation differences shown in the shareholders' equity item in the balance sheet that are attributable to the owners' equity of parent company related to that foreign operation are transferred in full to profit or loss in the period in which the disposal occurs.

When the disposal of part of the equity investments or otherwise results in decrease in proportion of equity in a foreign operation but does not result in loss of control, the foreign currency translation differences relating to the partial disposal of the foreign operation are attributable to minority interests and are not transferred to profit or loss for the period. When the disposal of foreign operation is partial disposal of equity in associates or joint ventures, the foreign currency translation differences relating to the foreign operation is transferred to profit or loss in proportion to the foreign operation disposed.

8 Financial Instrument

Financial assets or financial liabilities are recognised when the Group becomes a party to the relative financial instrument contract.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed at the transaction date, or derecognizes the assets sold at the transaction date.

Financial assets and financial liabilities are measured at fair value at initial recognition. For financial assets and financial liabilities measured at fair value through profit or loss, related transaction costs are directly included in the current profit or loss. For other types of financial assets and financial liabilities, related transaction costs are included in their initially recognised amounts.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial asset or financial liability to the book balance of the financial asset or the amortised cost of the financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows considering all contractual terms of the financial assets or financial liabilities (such as repayment in advance, extension, call options or other similar options), without considering expected credit losses (ECLs).

The amortised cost of a financial asset or financial liability is the initial recognition amount of the financial asset or the financial liability less the repaid amount of principal plus or less the accumulated amortised amount of the difference between the initial recognition amount and the amount of maturity with the effective interest rate method less the accumulated provisions for the losses (only applicable to the financial assets).

8.1 Classification, recognition and measurement of financial assets

After the initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

The contract terms of financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial asset is to collect contract cash flows as the goal. The Group classifies the financial asset as a financial asset measured at amortised cost. Such financial assets mainly include deposits with banks, deposits with clearing houses, receivable from margin clients, financial assets held under resale agreements ("**reverse REPOs**"), accounts receivable, refundable deposits, debt investments, other receivables, etc.

Where the contract terms of financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial asset is both to collect contract cash flows and to sell the financial asset as the goal, the Group classifies the financial asset as a financial asset measured at fair value through other comprehensive income. Such financial assets are presented under other debt investments.

On initial recognition, the Group may irrevocably designate non-trading equity instruments other than contingent consideration recognised in a business combination not under common control as financial assets at fair value through other comprehensive income on the basis of a single financial asset. Such financial assets are presented under investments in other equity instruments.

A financial asset is said to be held by the Group for trading purposes if it meets one of the following conditions:

The underlying financial assets have been acquired primarily for the purpose of a recent sale.

The underlying financial asset is part of a portfolio of centrally managed identifiable financial instruments at initial recognition, and there is objective evidence of a recent actual pattern of short-term profit-taking.

The underlying financial assets are derivatives. Except for derivatives that meet the definition of a financial guarantee contract and those designated as effective hedging instruments.

Financial assets at fair value through profit or loss comprise financial assets classified as at fair value through profit or loss and financial assets designated as at fair value through profit or loss:

Financial assets that do not qualify for classification as financial assets at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

At initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate financial assets as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss, other than derivative financial assets, are presented as financial assets held for trading.

(1) Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from impairment or derecognition are recognised in the current profit or loss.

The Group recognises interest income for financial assets classified as at amortised cost based on the effective interest method. The Group determines interest income based on the book balance of the financial assets multiplied by the effective interest rate, except for the following cases:

For financial assets that have been purchased or originated with credit impairment, the Group calculates its interest income from the initial recognition based on the amortised cost of the financial asset and the effective interest rate adjusted for credit.

For financial assets that have been purchased or originated without credit impairment but have become credit impaired in subsequent periods, the Group calculates its interest income in the subsequent periods based on the amortised cost of the financial asset and the effective interest rate. If the financial instrument has no credit impairment due to an improvement in its credit risk in subsequent periods, and this improvement can be linked to an event that occurs after the application of the above provisions, the Group will multiply the book balance of the financial asset by the effective interest rate to calculate and determine interest income.

(2) Financial assets at fair value through other comprehensive income

For financial assets classified as at fair value through other comprehensive income, their impairment losses or reversals, interest income calculated using the effective interest rate and exchange gains or losses are included in the current profit or loss. Otherwise, changes in the fair value of the financial asset are included in other comprehensive income. The amount of this financial asset included in the profit or loss of each period is equal to the amount that has been included in the profit or loss of each period as if it had been measured at amortised cost. When the financial asset is derecognised, the accumulated gains or losses previously recorded in other comprehensive income are transferred from other comprehensive income to the current profit or loss.

After a non-trading equity instrument investment is designated as a financial asset at fair value through other comprehensive income, the changes in the fair value of the financial asset are recognised in other comprehensive income. The accumulated gains or losses included in other comprehensive income are transferred from other comprehensive income to retained earnings when the financial asset is derecognised. During the period when the Group holds investments in these non-trading equity instruments, the Group's right to receive dividends has been established, and economic benefits related to dividends are likely to flow into the Group, and when the amount of dividends can be reliably measured, dividend income is recognised and included in the current profit or loss.

(3) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured subsequently at fair value. Gains or losses resulting from changes in fair value, dividends, and interest income related to the financial assets are included in the current profits and losses.

8.2 Impairment of financial instruments

For financial assets measured at amortised cost and debt instrument investments measured at fair value through other comprehensive income, the Group assesses ECL in light of forward-looking information.

The ECL is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all receivable contractual cash flows according to the contract and all cash flows expected to be received by the Group discounted to present value at the original effective interest rate, i.e. the present value of all cash shortfalls. Among them, the Group's purchased or originated financial assets with credit impairment are discounted using credit-adjusted effective interest rate of such financial assets.

The Group's measurement of ECL takes into account the following factors: (1) an unbiased probabilistic weighted average amount determined by evaluating a range of possible outcomes; (2) time value of money; (3) reasonable and evidence-based information about past events, current conditions and projections of future economic conditions that can be obtained on balance sheet date without unnecessary additional cost or effort.

For financial instruments subject to ECL measurement, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a "three-stage" impairment model to measure their loss allowance and recognise their ECLs, as follows:

– Stage 1: The Group measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL if the credit risk of that financial instrument has not increased significantly since initial recognition;

– Stage 2: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk of that financial instrument has increased significantly since initial recognition, but is not yet deemed to be credit-impaired;

– Stage 3: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the financial instrument is credit impaired.

For investments in equity instruments measured at fair value through other comprehensive income, the Group shall recognise their loss allowance in other comprehensive income, and record impairment losses or gains into the current profit or loss, without reducing the carrying amount of the financial assets listed in the balance sheet.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at the balance sheet date for the current period. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment, except the financial assets purchased or originated with credit impairment.

8.3 Transfer of financial assets

Financial assets that meet one of the following conditions shall be derecognised: (1) the contractual right to collect the cash flow of the financial assets is terminated; (2) the financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee; (3) the financial assets have been transferred, though the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, it does not retain control over the financial assets.

If the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, and retains control over the financial assets, it shall continue to recognise the transferred financial assets according to the extent to which it continues to be involved in the transferred financial assets, and recognise the relevant liabilities accordingly. The Group measures the related liabilities in the following ways:

For the transferred financial assets at amortised cost, the carry amount of the related liabilities is equal to the carry amount of the continued involvement in the transferred financial assets less the amortised cost of the rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the amortised cost of the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). Relevant liabilities are not designated as financial liabilities measured at fair value through profit or loss;

For the transferred financial assets at fair value, the carry amount of the related liabilities is equal to the carry amount of the continued involvement in the transferred financial assets minus the fair value of rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). The fair value of the right and obligation shall be the fair value measured on an independent basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, especially for a financial asset classified at amortised cost and financial asset classified as at fair value through other comprehensive income, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative gain or loss that has been previously recognised in other comprehensive income is recognised in profit or loss for the period. While regarding non-trading equity instrument designated as at fair value through other comprehensive income by the Company, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

If the partial transfer of financial assets meets the conditions for the derecognition, the total carry amount of the financial assets before the transfer shall be allocated between the part of the derecognition and the part of the continuing recognition according to their respective relative fair value on the transfer date. The difference between the sum of the consideration received in the part of derecognition and the accumulative amount of the fair value changes

originally recorded in other comprehensive income relevant to the part of derecognition, and the carry amount allocated to the part of the derecognition on the date of derecognition shall be recorded into the current profit or loss or retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognise the transferred financial asset in its entirety. Considerations received should be recognised as a financial liability.

8.4 Classification, recognition and measurement of financial liabilities

Based on the contractual terms of the financial instruments issued and the economic substance reflected rather than only the form of legal contracts, along with the definition of financial liabilities and equity instruments, the Group classifies the financial instruments or its components as financial liability or equity instrument at initial recognition.

Upon initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

(1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. In addition to the derivative financial liabilities listed separately, financial liabilities at fair value through profit or loss are listed as financial liabilities held for trading.

The Group's purpose of undertaking the financial liabilities is for trading if one of the following conditions is satisfied:

The purpose of undertaking relevant financial liabilities is mainly for the recent repurchase.

The relevant financial liabilities are part of a portfolio of identifiable financial instruments that are centrally managed on initial recognition, and there is objective evidence of actually a recent short-term profit-taking model.

The relevant financial liabilities are derivatives, except for derivatives defined under financial guarantee contracts and derivatives designated as effective hedging instruments.

The Group may designate, on initial recognition, a financial liability as at fair value through profit or loss if one of the following conditions is satisfied: (1) such designation eliminates or significantly reduces a recognition or measurement inconsistency of related gains or losses arising from differences in the measurement basis of that financial liability; (2) the Group manages and evaluates the financial liability portfolio or the portfolio of financial assets and financial liabilities at fair value

based on the enterprise risk management or investment strategy as stated in the official written documents, and report to key management of the Group internally; or (3) there is a qualified hybrid contract containing embedded derivatives.

Financial liabilities held for trading are subsequently measured at fair value, and any gains or losses arising from changes in fair value and dividends or interest expenses paid on the financial liabilities are recognised in profit or loss for the period.

For financial liabilities designated at fair value through profit or loss, changes in the fair value of such financial liabilities arising from changes in the Group's own credit risk are recognised in other comprehensive income. On derecognition of the liability, the cumulative change in fair value attributable to changes in own credit risk previously recognised in other comprehensive income is transferred to retained earnings. The gains or losses resulting from other changes in fair value and dividends or interest expenses related to these financial liabilities are recognised in profit or loss for the period. If the treatment of the effects of changes in the own credit risk of such financial liabilities as described above would cause or enlarge an accounting mismatch in profit or loss, the Group recognises the entire gain or loss on such financial liabilities (including the amount of the effect of changes in the enterprise's own credit risk) in profit or loss for the period.

(2) Other financial liabilities

Other financial liabilities, other than financial liabilities arising from the transfer of financial assets that do not qualify for derecognition or continuing involvement in the transferred financial assets, are classified as financial liabilities at amortised cost and subsequently measured at amortised cost, with gains or losses arising from derecognition or amortisation recognised in profit or loss for the period.

When the Group and a counterparty modify or renegotiate a contract that does not result in derecognition of a financial liability subsequently measured at amortised cost but result in changes in contractual cash flows, the Group recalculates the carrying amount of the financial liability and recognises any related gains or losses in profit or loss for the period. The carrying amount of the financial liability recalculated by the Group is determined based on the present value of the contractual cash flows that will be renegotiated or modified, discounted at the original effective interest rate of the financial liability. For all costs or expenses incurred in connection with the modification or renegotiation of the contract, the Group adjusts the modified carrying amount of the financial liability and amortises it over the remaining period of the modified financial liability.

8.5 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the present obligation (or part of it) is discharged. Where an agreement between the Group as borrower and lender is signed to replace the original financial liability with new financial liabilities, and

the contractual terms of the new financial liability and the original financial liability are substantially different, the Group derecognised the original financial liability and recognised the new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount of the part derecognised and the consideration paid (including any non-cash asset transferred or new financial liability assumed) is recognised in profit or loss for the period.

8.6 Equity instruments

Equity instruments are any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinancing), repurchased, sold or cancelled by the Group are treated as changes in equity. Changes in fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as profit distribution, dividends paid do not affect total amount of shareholders' equity.

8.7 Derivative instruments and embedded derivative instruments

Derivative instruments include equity return swap, interest rate swap contracts, options contracts, etc. Derivative instruments are initially measured at fair value on the signing date of relevant contracts and are subsequently measured at fair value.

For the hybrid contracts composed of the embedded derivative instruments and the main contract, if the main contract belongs to financial assets, the Group does not split the embedded derivative instruments from the hybrid contracts, but applies the accounting standards for the classification of financial assets as a whole to the hybrid contracts.

If the main contract contained in the hybrid contracts does not belong to financial assets and meets the following conditions, the Group will split the embedded derivative instruments from the hybrid instruments and deal it as separate derivative financial instruments.

(1) Embedded derivative instruments are not closely related to the economic characteristics and risks of the main contract;

(2) Separate instruments with the same terms as the embedded derivative instruments comply with the definition of derivative instruments;

(3) Hybrid contracts are not measured at fair value through profit or loss.

Where the embedded derivative instruments are split from the hybrid contracts, the Group shall account for the main contract of the hybrid contracts in accordance with the applicable accounting standards. If the Group is unable to reliably measure the fair value of the

embedded derivative instruments according to the terms and conditions of the embedded derivative instruments, the fair value of the embedded derivative instruments shall be determined according to the difference between the fair value of the hybrid contracts and the fair value of the main contract. After using the above method, if the fair value of the embedded.

8.8 Offsetting financial assets and financial liabilities

When the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and financial liabilities are offset with the amounts presented on the balance sheet. Otherwise, financial assets and financial liabilities are separately presented on the balance sheet without offsetting.

8.9 Perpetual bonds

At initial recognition of perpetual bonds, the Group classifies these financial instruments or their components as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

Perpetual bonds issued by the Group that should be classified as equity instruments are recognized in equity based on the actual proceeds received. The relevant transaction costs are deducted from the capital reserve. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the perpetual bonds are redeemed according to the contractual terms, the redemption price is charged to equity.

9 Settlement funds of client transactions

The settlement funds of client transactions received by the Group are deposited in a dedicated account at the custodian bank and are managed separately from the Group's own funds. The funds for clearing and settlement of securities transactions on behalf of clients are deposited in the clearing agency designated by the exchange and accounted for in the deposits with clearing houses. When the Group receives the funds for clients' securities trading, it is recognised as an asset and a liability.

The Group accepts the client's entrustment to buy and sell securities through the stock exchange as an agent. When clearing with the customer, if the total transaction value of the purchased securities is greater than the total transaction value of the sold securities, the difference between the transaction price of the securities purchased and sold on the liquidation date, plus withholding stamp taxes, commissions that should be charged to the client, and other fees is the basis to reduce the settlement funds of client transactions; if the total transaction value of the purchased securities is less than the total transaction value of the sold securities, the difference between the transaction price of the securities purchased and sold on the liquidation date, minus withholding stamp taxes, commissions that should be charged to the client, and other fees, is the basis to increase the settlement funds of client transactions.

10 Long-term equity investments

10.1 Determination basis for joint control and significant influence

Control refers to the investor has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of returns. Joint control refers to the joint control over an arrangement according to relevant agreements, and the related activities of the arrangement can only be decided after the consensus of the parties sharing the control. Significant influence refers to the power to participate in the decision-making of the financial and operational policies of the investee, but cannot control or jointly control the determination of these policies with other parties. In determining whether it is possible to exercise control over or exert significant influence over the invested entities, it has taken into account the potential voting right factors such as the current convertible bonds of the investee and the current executable warrants held by the investor and other parties.

10.2 Determination of initial investment cost

For the long-term equity investments acquired through a business combination under common control, the initial investment cost of the long-term equity investments shall be the share of the owner's equity of the combined party in the carry amount of the ultimate controlling party's consolidated financial statements on the acquisition date. The difference between the initial investment cost and the carry amount of cash paid, non-cash assets transferred, and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. To issue equity securities as the cost of business combination, the initial investment cost of the long-term equity investments shall be the share of the owner's equity of the combined party in the carry amount of the ultimate controlling party's consolidated financial statements on the acquisition date; the total nominal value of issued shares are recognised as share capital. The difference between the initial investment cost of long-term equity investment and the total nominal value of the issued shares is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

As for the long-term equity investments acquired through business combination not under common control, the initial investment cost of the long-term equity investments shall be taken as the cost of business combination on the acquisition date.

The intermediary fees such as auditing, legal services, evaluation and consultation and other related administrative expenses incurred by the combining party or the purchaser for business combination shall be recorded into the current profit or loss when incurred.

The initial measurement of the long-term equity investments obtained by other means, other than the long-term equity investments formed by the business combination, shall be measured at the initial cost. The expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments are also included in the investment cost. When the entity is able to exercise significant influence or joint control (but not control)

over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

10.3 Subsequent measurement and profit or loss recognition method

(1) Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's financial statements. A subsidiary is an invested entity that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. The current investment income is recognised in accordance with the attributable share of cash dividends or profit distributions declared by the invested entity.

(2) Long-term equity investments accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income, respectively, and adjust the carrying amount of the long-term equity investment accordingly; the carrying amount of the long-term equity investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Company; for other changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment is adjusted and included in capital reserve. When determining the share of the net profit or loss of the investee that should be enjoyed, the net profit of the investee is adjusted based on the fair value of each identifiable asset of the investee at the time of investment, and then confirmed. Where the accounting policies and

accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Company's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognised as investment income or loss to the extent that those attributable to the Company's proportionate share of interest are eliminated. However, unrealized losses resulting from the Company's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

When it is recognised that the net loss of the investee shall be shared, the carry amount of the long-term equity investments and other long-term interests that substantially constitute the net investment of the investee shall be written down to zero. In addition, if the Group has the obligation to bear additional losses to the investee, it shall recognise the provisions according to the expected obligations and record them into the current investment loss. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

(3) Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying amount and proceeds actually received is recognised in profit or loss for the period.

For a long-term equity investment accounted for using the equity method with the remaining equity interest after disposal also accounted for using equity method, other comprehensive income previously recognised under the equity method shall be accounted for in accordance with the same accounting method for direct disposal of relevant asset or liability by investee, and shall be carried forward proportionally. Owners' equity recognised from changes in other owners' equity of the investee, except for net profit or loss, other comprehensive income and profit distribution, is carried forward in profit or loss proportionately.

In respect of long-term equity investment accounted for using cost method with the remaining equity interest after disposal also accounted for using cost method, other comprehensive income recognised using equity method or the recognition and measurement standard of financial instruments before obtaining control over the investee shall be accounted for in accordance with the same accounting method for direct disposal of relevant asset or liability by investee, and carried forward in profit or loss proportionately. Changes in other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution) under net asset of investee accounted for and recognised using equity method shall be carried forward in profit or loss proportionately.

11 Fixed assets

11.1 Definition of fixed assets

Fixed assets are tangible assets that are held for use in the supply of services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures except for above expenditures are included in profit or loss in the period in which they are incurred.

11.2 Depreciation method of various fixed assets

Fixed assets shall be depreciated monthly within their service life by the straight-line method from the next month when they reach their intended usable state. The estimated useful life, residual value rate, and annual depreciation rate of all types of fixed assets are as follows:

Category	Estimated useful life	Residual value rate	Annual depreciation rate
Buildings	20 years	1%	4.95%
Transportation equipment	4 years	1%	24.75%
Electronic and communication equipment	3 years	1%	33.00%
Office and other equipment	5 years	1%	19.80%

Estimated net residual value refers to the amount obtained by the Group from the disposal of the fixed asset after deducting the estimated disposal expenses, assuming that the expected service life of the fixed asset has been completed and is in the expected state at the end of its service life.

11.3 Other descriptions of fixed assets

When a fixed asset is disposed of or is not expected to generate economic benefits through use or disposal, the recognition of the fixed asset shall be terminated. The difference in the disposal income from the sale, transfer, scrapping, or destruction of fixed assets after deducting its carry amount and relevant taxes and fees shall be included in the current profit or loss.

The Group shall, at least at the end of the year, review the service life, estimated residual value, and depreciation method of the fixed assets, and shall treat any change as accounting estimation change.

12 Borrowing costs

The borrowing costs are recognised as an expense in the period in which they are incurred.

13 Investment properties

An investment property is any property held for rental earnings or capital appreciation or for both, including leased buildings, etc.

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties if the economic benefits related to the asset are likely to flow in and its cost can be measured reliably. Other subsequent expenditures shall be included in the current profit or loss when incurred.

The Group uses the cost model for subsequent measurement of investment properties and depreciates in accordance with policies consistent with those for buildings.

When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is transferred to investment properties at the date of the transfer. The carrying amount on the transfer date shall be taken as the carrying amount of the investment properties.

An investment property is derecognised when it is disposed of, or permanently withdrawn from use, and no economic benefits are expected from its disposal.

The difference of the disposal income of the sale, transfer, scrap, or destruction of the investment properties after deducting its carry amount and relevant taxes and fees shall be included in the current profit or loss.

14 Intangible assets

Intangible assets include trading seat fee and the right to use software.

Intangible assets are initially measured at cost. The expenditure pertinent to an intangible asset forms part of the cost of the intangible asset, if it is probable that the economic benefits related to the asset will flow to the Group and the cost can be measured reliably. In addition, the expenditure of other items is included in profit or loss for the current period when it is incurred.

Since the intangible assets with limited service life are available for use, the original value minus the estimated residual value and the accumulated amount of impairment loss allowance are amortised by the straight-line method in phases during their expected service life. Intangible assets with uncertain service life shall not be amortised.

The intangible assets with a limited useful life of the Group mainly include the right of using software, etc. The right of using software is valued at the actual cost at the time of acquisition, and is amortised over 2 years using the straight-line method.

At the end of the period, the service life, amortisation period and method of intangible assets with limited service life shall be reviewed and adjusted if necessary.

15 Impairment of long-term assets

The Group reviews the long-term equity investments, investment properties measured using the cost method, fixed assets and intangible assets with finite useful life at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognised in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets groups, i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then in accordance with the proportion of the carrying amounts of the other assets in the asset group or the sets of asset groups (excluding goodwill), to reduce the carrying amounts of the other assets proportionally.

Once an impairment loss is recognised for above mentioned assets, it will not be reversed in any subsequent period.

16 Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortised using the straight-line method over the expected periods in which benefits are derived.

17 Employee benefits

17.1 Short-term employee benefits

Short-term benefits mainly include employee salaries, bonus, allowances and subsidies, staff welfare, medical insurance, maternity insurance, work injury insurance, housing funds, labor union fees, staff education expenses, non-monetary benefits, etc. The Group shall recognise, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to profit or loss for the current period or in the cost of relevant asset. Among which, the non-monetary benefits shall be measured at fair value.

17.2 Post-employment benefits

Post-employment benefits mainly include defined contribution plan. Among them, the defined contribution plan mainly includes basic pension insurance, unemployment insurance, and corporate annuities implemented by the Group for eligible employees, etc. The corresponding deposit amount shall be included in the relevant asset cost or current profit or loss when it occurs.

17.3 Termination benefits

Where the Group provides termination benefits to the employees, the liability of employee benefits arising from the termination benefits shall be recognised at an early date and recorded into the current profit or loss if: the Group cannot unilaterally withdraw the termination benefits provided due to the termination plan or reduction proposal; when the Group confirms the costs or expenses related to the restructuring related to the payment of termination benefits.

18 Provisions

An obligation related to a contingency shall be recognised as a provision when all of the following conditions are satisfied: (1) the obligation is a present obligation of the Group; (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and (3) the amount of the obligation can be measured reliably. As at the balance sheet date, the provisions shall be measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation considering the risks, uncertainty, time value of money and other factors pertinent to the contingencies. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is separately recognised as an asset when it is virtually certain that the reimbursement will be received. The amount recognised for the reimbursement is limited to the carrying amount of the liability recognised.

19 Lease

A lease is a contract in which the lessor gives the right to use an asset to the lessee for a certain period of time in return for consideration.

19.1 The Group as the lessee

At the commencement date, the Group shall recognise the right-of-use asset and recognise the lease liability at the present value of the lease payments during the lease term that are not paid at that date. Lease payments include fixed payments and amounts to be paid when it is reasonably certain that the lessee will exercise the purchase option or terminate the lease. Variable rent determined as a certain percentage of sales is not included in lease payments and is recognised in the current profit or loss when it actually occurs. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are presented as non-current liabilities due within one year.

Right-of-use assets of the Group include buildings, machinery equipment and transportation vehicle, etc. Right-of-use assets are measured initially at cost which consists of the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise, the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is lower than the carrying amount.

For short-term leases with a term of twelve months or less and leases of an individual asset (when new) of low value, the Group has chosen not to recognise right-of-use assets and lease liabilities, and the related rental expenses are included in the current profit or loss or the cost of related assets on a straight-line basis in each period during the lease term.

The Group shall account for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use of one or more underlying assets; (2) the additional consideration is equivalent to the adjusted amount of the separate price of the expanded portion of the lease scope in accordance with the circumstances of the contract.

For a lease modification that is not accounted for as a separate lease, the Group shall redetermine the lease term at the effective date of the lease modification and remeasure the lease liability by discounting the revised lease payments using a revised discount rate, except that the contract changes directly resulting from conditions permitted by the Ministry of Finance are accounted for by applying the practical expedient. For a lease modification which decreases the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset and recognises in profit or loss any gain or loss relating to the

partial or full termination of the lease. For other lease modifications which lead to the remeasurement of lease liabilities, the Group correspondingly adjusts the carrying amount of the right-of-use asset.

For eligible rent concessions agreed on existing lease contracts, the Group chooses to adopt a simplified method and includes the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with the corresponding adjustment of lease liabilities.

19.2 The Group as the lessor

A lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset is a financial lease. Other leases are operating leases.

When the Group rents its self-owned buildings, machinery equipment and transportation vehicles, rental income from an operating lease is recognised on a straight-line basis over the lease term. The Group included the variable rent determined as a certain percentage of sales in rental income when it actually occurs.

For eligible rent concessions agreed on existing lease contracts, the Group chooses to adopt a simplified method to make the reduced or exempt rent as variable rent and recognise in profit or loss for the period.

In addition to the contract modifications that adopt the simplified method, when a lease is changed, the Group regards it as a new lease from the effective date of the change and treats the advance or receivable lease payments related to the lease before the change as the receipts for the new lease.

20 Revenue

The Group recognises revenue when it has fulfilled its performance obligations under the contract, that is, when the customer acquires control of the relevant goods. Obtaining control of relevant goods represents the ability to dominate the use of the goods and derive almost all economic benefits therefrom.

If one of the following conditions is met, it is a performance obligation performed within a certain period of time; otherwise, it is a performance obligation performed at a certain point in time:

(1) The customer obtains and consumes the economic benefits brought by the performance of the Group while the Group is performing the obligation.

(2) Customers are able to control the goods under construction in the course of performing obligations by the Group.

(3) The goods produced in the course of performing obligations by the Group have irreplaceable uses, and over the entire contract period, the Group has the right to receive payments for the portion of the performance that has been completed to date.

For income from obligation performance that is fulfilled over time, it will be recognised by the Group in accordance with the performance progress, except the performance progress cannot be reasonably determined.

When the progress of performance is not reasonably determinable and the costs incurred by the Group are expected to be recovered, the Group recognises revenue at the amount of the costs incurred until the progress of performance is reasonably determinable.

For performance obligations performed at a certain point in time, the Group shall recognize the revenue when the customer obtains control of relevant goods:

Revenue from underwriting business is recognised upon completion of the offering, that is, when the customer obtains control of the service;

Revenue from the securities brokerage business is recognised on the date of the securities transaction;

Revenue from entrusted asset management business is recognised in accordance with the terms specified in the contract;

Revenues from other businesses are recognised when the contractual obligations are fulfilled.

For financial assets measured at amortised cost and debt instrument investments measured at fair value through other comprehensive income, the Group determines interest income by multiplying the carrying amount of the relevant financial assets by the effective interest rate. However, for financial assets with credit impairment, interest income is determined based on the amortised cost of the financial asset and the effective interest rate, and all are reported as "interest income". For financial instrument investments measured at fair value through profit or loss, gains generated during the holding period are recognised in profit or loss and reported as "investment income".

21 Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

21.1 Determination basis and accounting treatment of government grants related to assets

Government grants related to assets refer to government grants which are obtained by the Group for the purposes of constructing or forming long-term assets in other ways. Government grants relating to assets shall be recognised as deferred income and charged to profit or loss for the period over the useful life of the related assets in a reasonable and systematic manner.

21.2 Determination basis and accounting treatment of government grants related to income

Government grants related to income refer to the government grants other than those related to assets. For a government grant related to income, if the grant is a compensation for related cost expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs or losses are recognised. If the grant is a compensation for related cost expenses or losses already incurred, the grant is included immediately in profit or loss for the period. The Group classifies government grants which are difficult to distinguish as the government grants related to income on an entire basis.

A government grant related to the Group's daily activities is included in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is included in non-operating revenue.

22 Income taxes

Income tax expenses consist of current income taxes and deferred income taxes.

22.1 Current income tax

At the balance sheet date, for current income tax liabilities (or assets) arising from current and prior periods, the amount of income tax expected to be paid (or refunded) is measured at the amount calculated in accordance with the tax laws.

22.2 Deferred tax assets and deferred tax liabilities

Deferred income tax assets and deferred income tax liabilities are recognised based on the temporary differences between the tax bases and the carrying amount of assets and liabilities. A deferred income tax asset is recognised for deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. For the temporary differences arising from the initial recognition of goodwill, no corresponding deferred income tax liability shall be recognized. No deferred income tax asset or deferred income tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss), and where the assets and liabilities initially recognised do not result in equal amounts of taxable

temporary differences and deductible temporary differences. 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 to the period when the asset is realised or the liability is settled.

Deferred income tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred income tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the deductible temporary differences can be utilised, the corresponding deferred income tax assets are recognised.

22.3 Offset of income taxes

When there is a legal right to settle on a net basis and the intention is to settle on a net basis or to acquire assets and settle liabilities simultaneously, the Group's current tax assets and current tax liabilities are presented on a net basis after offsetting.

The Group's deferred tax assets and deferred tax liabilities are presented net of offset when there is a legally enforceable right to settle current tax assets and current tax liabilities on a net basis and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities, provided that, in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity involved intends to settle current income tax assets and liabilities on a net basis, or to acquire the assets and settle the liabilities simultaneously.

23 Margin financing and securities lending business

Margin financing and securities lending business refers to the business activities, in which the Group lends funds to clients for buying securities or lends securities to them for sale and the corresponding collaterals are provided by clients. The Group's margin financing and securities lending business is divided into margin financing business and securities lending business.

The Group recognises the capital loaned out as the creditor receivable; for the securities loaned out, the recognition of such securities will remain; and for the capital and securities loaned out, the corresponding income will be recognised.

Whenever margin financing and securities lending is offered to a customer and securities trading is offered for the customer, it will be treated as securities brokerage business and accounting treatment will be carried out.

The Group conducts regular impairment assessments on assets arising from financing business. For details, please refer to Note XIV.2.

24 Resale and repurchase business

24.1 Reverse REPOs

Reverse REPO transaction refers to the purchase of related financial products (including stocks, bonds and notes) from counterparties at a fixed price under a contract or agreement, and the resale of the same financial products at agreed prices on the expiration date of the contract or agreement. The reverse REPO business is accounted for at the actual amount paid when purchasing the relevant financial products for resale. The difference between the purchasing price and reselling price is recognised as interest income during the term of the agreement using the effective interest method.

The Group conducts regular impairment assessments on assets arising from reverse REPO business. For details, please refer to Note XIV.2.

24.2 REPOs

REPO transaction refers to the sale of related financial products (including bonds and notes) to counterparties at a fixed price under a contract or agreement, and the repurchase of the same financial products at agreed prices on the expiration date of the contract or agreement. The REPO business is accounted for at the actual amount received when the related financial products are sold for repurchase. The financial products sold are still listed in the relevant items of balance sheet according to the original classification and are accounted for in accordance with the relevant accounting policies. The difference between the selling price and repurchasing price is recognised as interest expense during the term of the agreement using the effective interest method.

25 Securities lending and refinancing business

The securities lending and refinancing business refers to the business activities in which China Securities Finance Corporation Limited lends its own or legally raised funds or securities to the Group for the Group to conduct margin financing and securities lending business. The securities lending and refinancing business that occurs in the Group includes capital refinancing business and securities refinancing business.

For the capital refinancing business, the Group recognises a liability to the lender for the funds borrowed and recognises the corresponding interest expenses.

For the securities refinancing business, the Group does not recognise the securities borrowed as it does not assume the main risks or enjoy the main income from such securities, but recognises the corresponding expenses.

26 Asset management business

Asset management business refers to the business where the Group accepts entrustment to be responsible for the operation and management of entrusted assets, including single asset management business, collective asset management business and special asset management business.

The Group is entrusted to operate asset management business, taking the entrusted customer or collective plan as the subject, maintaining separate accounts and conducting independent accounting. It regularly reviews the accounting and valuation results provided by the trustees. When the conditions for revenue recognition are met as stipulated in the contracts, the Group calculates entrusted investment management fees and commission income in accordance with the profit-sharing methods and ratios specified in the contracts.

27 Business of agency issuance of securities

For business of agency issuance of securities conducted on a firm commitment underwriting basis, when the Group receives securities to be issued on behalf of the issuer, it simultaneously recognizes an asset and a liability at the underwriting price. After the issuance period, any unsold securities are converted into the Group's financial assets at the underwriting price.

For business of agency issuance of securities conducted on a standby commitment underwriting basis, after the underwriting period, any unsold securities are converted into the Group's financial assets at the agreed underwriting price.

For business of agency issuance of securities conducted on a best effort basis, after the underwriting period, any unsold securities are returned to the entrusting party.

28 Related party

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties.

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

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

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the group or of a parent company of the Group;

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

(a) the entity and the Group are members of the same group;

(b) one entity is an associate or joint venture of the other entity (or of a parent company, subsidiary or fellow subsidiary of the other entity);

(c) the entity and the Group are joint ventures of the same third party;

(d) one entity is a joint venture of a third entity and other entity is an associate of the third entity;

(e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(f) the entity is controlled or jointly controlled by a person identified in (1); and

(g) a person identified in (1)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

29 Profit distribution

After-tax profit for the year of the Company is firstly applied to make up for the losses of previous years. Then, the Company sets aside 10% of after-tax profit for a statutory surplus reserve, 10% of after-tax profit for a general reserve, and according to the requirements of the CSRC, sets aside 10% of after-tax profit for a transaction risk reserve. In addition, with the approval from the annual general meeting, the Company may appropriate certain proportions of net profit for a discretionary surplus reserve. The remaining after-tax profit is distributed according to the resolution approved at the general meeting. If the aggregate balance of the statutory reserve has reached 50% of the Company's registered capital, appropriation for the statutory reserve is no longer mandatory.

General reserves and transaction risk reserve sets aside by the Company are used to make up for any losses arising from securities transactions. The Company's reserve funds are used to make up for any losses of the Company, expand the Company's business or as additional capital of the Company. When recovering the losses of the Company with reserve, discretionary reserve and statutory surplus reserve shall be used first; if not sufficient, the capital reserve fund can be used in accordance with regulations. When the statutory reserve funds are converted to capital, the balance of the statutory reserve funds cannot be less than 25% of the Company's registered capital.

Dividends are not deducted from equity, until they have been approved and declared for distribution at the general meeting. When these dividends have been approved and declared for distribution at the general meeting, they are recognised as a liability and deducted from equity.

30 Determination method and selection basis of materiality standards

The Group determines the materiality of financial information in terms of the nature and amount of the item according to its specific environment. When determining the materiality of the nature of an item, the Group mainly considers whether the item is in the ordinary course of business in nature and whether it significantly affects the financial position, operating results and cash flows of the Group; in determining the materiality of the amount of an item, the Group considers the proportion of the item's amount to the amount of directly related items such as total assets, total liabilities, total owner's equity, total operating income, total operating costs, net profit, and total comprehensive income, or the proportion of the item's amount to the amount of the item listed separately in the financial statements.

31 Changes in significant accounting policies

The Ministry of Finance issued an implementation Q&A on accounting treatment for standard warehouse receipt trading (hereinafter referred to as the "**Q&A**") on July 8, 2025. The Q&A explains "how enterprises shall conduct accounting treatment when they frequently buy and sell standard warehouse receipts (i.e., standardized delivery certificates issued by delivery warehouses and registered at futures exchanges) on futures exchanges to profit from short-term price fluctuations, without involving the physical withdrawal of the commodities corresponding to the standard warehouse receipts". In accordance with the Q&A, the Group is required to make corresponding changes to its accounting policies for related businesses.

These changes in accounting policies have no impact on the net profit, net assets, or total assets of the comparable periods. The impact on the financial statements is as follows:

2024	Before adjustment	Adjustment amount	After adjustment
Operating revenue	9,370,311,644.70	(5,097,571,020.03)	4,272,740,624.67
Including: Other operating revenue	5,083,024,386.22	(5,071,758,305.90)	11,266,080.32
Investment income	2,177,295,785.25	(25,812,714.13)	2,151,483,071.12
Operating cost	7,532,870,190.46	(5,097,571,020.03)	2,435,299,170.43
Including: Other operating costs	5,106,126,465.64	(5,097,571,020.03)	8,555,445.61

The aforementioned amendments did not have a material impact on the consolidated financial position and financial position, or the consolidated operating results and operating results of the Group and the Company.

V SIGNIFICANT ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS

In the application of the accounting policies described in Note IV, the inherent uncertainty in operating activities requires the Group to make judgments, estimates, and assumptions about the carry value of statement items that cannot be measured accurately. These judgments, estimates, and assumptions are based on the historical experience of the management and other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognised in the period of the change, if the change affects that period only; or recognised in the period of the change and future periods, if the change affects both.

As at the balance sheet date, the significant judgments made by the Group in the application of accounting policies and the key assumptions and uncertainties involved in accounting estimates that are likely to have a significant impact are as follows:

1 Consolidation of structured entity

When determining whether to consolidate structured entities, the Group mainly considers whether it has control over these entities (including trust plans, asset management plans and funds, etc.). During the assessment, the Group takes into account the purpose of establishing the structured entities, the substantive power the Group has as a manager over the structured entities, and evaluates all variable returns to which the Group is entitled by taking into account factors such as the agreed yield rate, management fee rate, performance compensation terms and shares held in the structured entities, to assess whether the Group controls the structured entities. If the Group has substantive power over a structured entity, the risk of variable returns it faces is significant, and the Group's power over the structured entity will affect the variable returns the Group obtains, the Group consolidates such structured entity.

2 Classification of financial assets

The significant judgments involved in determining the classification of the Group's financial assets include, among others, analyses of business models and contractual cash flow characteristics.

The Group determines the business model for managing financial assets at the portfolio level, taking into account factors such as the manner in which the performance of the financial assets is evaluated and reported to key management personnel, the risks affecting the performance of the financial assets and the manner in which they are managed, and the manner in which the management of the underlying business is remunerated.

When assessing whether the contractual cash flows of financial assets are consistent with basic lending arrangements, the Group makes the following key judgments: whether the principal may change in amount or timing during the term due to factors such as prepayments; and whether the interest represents solely the consideration for the time value of money, credit risk, other basic lending risks and costs, and profit margin.

3 Fair value of financial instruments

For financial instruments which lack active market, the Group adopts a valuation method 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 make the best use of observable market information, and when observable market information is not available, an estimate is made of the significant unobservable information included in the valuation method.

4 ECL measurement

For financial assets measured at amortised cost and debt instrument investments measured at fair value through other comprehensive income, models and assumptions are used in the measurement of ECL. These models and assumptions involve future macroeconomic conditions and the credit behavior of customers (such as the probability of customer default and the corresponding losses).

The significant judgments and assumptions made by the Group in the ECL model of the above-mentioned financial assets mainly include:

– Selecting appropriate ECL models and determining the relevant key parameters;

– Determining the criteria for significant increase in credit risk, and definition of default and credit impairment;

– Adopting forward-looking information and its weighting for the measurement of ECL;

– Forecasting of future cash flows of financial assets in stage 3.

For specific information regarding the above accounting judgments and estimates, please refer to Note XIV.2.

5 Income tax and deferred income tax

There are certain transactions in the ordinary course of the Group's business for which the ultimate tax effect is uncertain. The Group has made tax estimates for the implementation of tax regulations and uncertain matters based on the current tax regulations and the policies adopted by the government authorities towards the Group in previous years. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will affect the current income tax and deferred income tax during the period in which such a determination is made.

When assessing whether there will be sufficient future taxable income available against which the deductible temporary differences can be utilised, the Group recognises deferred tax assets to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised, using tax rates that would apply in the period when the asset would be recovered. In determining the amount of deferred tax assets, the Group exercises judgements about the estimated timing and amount of taxable profits of the following periods, and of the tax rates applicable in the future according to the existing tax policies and other relevant regulations.

VI TAXATION

1 Income tax

The corporate income tax rate for the Company and its domestic subsidiaries is 25%.

The income tax of the Company's subsidiary, Dongxing Securities (Hong Kong) Financial Holdings Limited (hereinafter referred to as "**Dongxing Hong Kong**") and its Hong Kong subsidiaries is calculated and paid in accordance with the income tax rate of the Hong Kong Special Administrative Region.

2 Value added tax (VAT)

According to the Notice on the Full Rollout of the Pilot Program for the Levy of Value-added Tax in Place of Business Tax (Cai Shui [2016] No. 36) (《關於全面推開營業税改徵增值税試點的通知》(財税[2016]36號)), the Company and its domestic subsidiaries have been subject to a VAT on all taxable business since May 1, 2016. The Company and its major domestic subsidiaries are general taxpayers of VAT and are subject to a VAT rate of 6% in accordance with relevant tax regulations.

In accordance with the Circular regarding the Value-added Taxes Policies for Financial, Real Estate Development and Education Ancillary and Other Services (Cai Shui [2016] No. 140) (《關於明確金融、房地產開發、教育輔助等增值税政策的通知》(財税[2016]140號)), the Supplementary Circular regarding Issues concerning Value-added Taxes for Asset Management Products (Cai Shui [2017] No. 2) (《關於資管產品增值税有關問題的補充通知》(財税[2017]2號)) and the Circular on the Relevant Issues concerning Value-added Tax Levied on Asset Management Products (Cai Shui [2017] No. 56) (《關於資管產品增值税有關問題的通知》(財税[2017]56號)), VAT-taxable acts committed by a manager of asset management products during the operation of asset management products shall be governed by the method of simplified VAT taxation, and be subject to VAT at the levy rate of 3% with effect from January 1, 2018.

3 Urban maintenance and construction tax, and educational surtax

Urban maintenance and construction tax is levied at 5% or 7% on the turnover taxes paid. Educational surtax and local educational surtax are levied at 3% and 2% or 1% on the turnover taxes paid.

VII BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

1 Information of subsidiaries

(1) Subsidiaries acquired through self-establishment

Full name	Principal place of business	Place of registration	Registered capital	Business nature	Paid-in capital	Percentage of shareholding and voting rights As at December 31, 2025	Percentage of shareholding and voting rights As at December 31, 2024	Held directly/ indirectly
Dongxing Securities Investment Co., Ltd.	Beijing	Pingtan Comprehensive Pilot Zone, Fujian Province	RMB1.0 billion	Investment in financial products, project investment, equity investment	RMB1 billion	100.00%	100.00%	Directly
Dongxing Capital Investment Management Co., Ltd. (東興資本投資管理有限公司)	Beijing	Shenzhen	RMB500 million	General business scope: investment management; investment consulting; equity investment; entrusted management of equity investment funds. Licensed business scope: financial advisory services	RMB366 million	100.00%	100.00%	Directly
Shanghai Banxing Industrial Development Co., Ltd. (上海伴興實業發展有限公司)	Shanghai	Shanghai	RMB250 million	Industrial investment, enterprise management, trade brokerage and agency, financial consulting, etc.	RMB250 million	100.00%	100.00%	Indirectly
Dongxing Fund Management Co., Ltd. (東興基金管理有限公司)	Beijing	Beijing	RMB200 million	Management of publicly offered securities investment funds and fund sales	RMB200 million	100.00%	100.00%	Directly
Dongxing Securities (Hong Kong) Financial Holdings Limited	Hong Kong, China	Hong Kong, China	HK$1,799,999,400	Investment holding	HK$1,799,999,400	100.00%	100.00%	Directly
Dongxing Securities (Hong Kong) Finance Company Limited (東興證券(香港)財務有限公司)	Hong Kong, China	Hong Kong, China	HK$5.00 million	/	HK$5.00 million	100.00%	100.00%	Indirectly
Dongxing Information Service (Shenzhen) Co., Ltd. (東興信息服務(深圳)有限公司)	Shenzhen	Shenzhen	HK$8.00 million	Information consulting services (excluding licensed information consulting services). (For items not subject to approval according to law, carry out operations independently with a business licence)	HK$8.00 million	100.00%	100.00%	Indirectly
Dongxing Securities (Hong Kong) Asset Management Company Limited	Hong Kong, China	Hong Kong, China	HK$610 million	Offering advice on securities and asset management	HK$610 million	100.00%	100.00%	Indirectly
Dongxing Voyage Company Limited	Hong Kong, China	British Virgin Islands	US$1	Issuance of bonds	US$1	100.00%	100.00%	Indirectly
Dongxing AM Segregated Portfolio Company	Hong Kong, China	Cayman Islands	US$100	Establishing asset management funds	US$100	100.00%	100.00%	Indirectly
Dongxing Global Select Open-ended Fund Company	Hong Kong, China	Hong Kong, China	US$1	Establishing asset management funds	Nil	100.00%	100.00%	Indirectly

(2) Subsidiaries acquired from business combinations under common control

Full name	Principal place of business	Place of registration	Registered capital	Business nature	Paid-in capital	Percentage of shareholding and voting rights	
						As at December 31, 2025	As at December 31, 2024
Dongxing Securities (Hong Kong) Company Limited	Hong Kong, China	Hong Kong, China	HK$734 million	Securities trading, advising on securities, and advising on corporate finance	HK$734 million	94.52%	94.52%

(3) Subsidiaries acquired from business combinations not under common control

Full name	Principal place of business	Place of registration	Registered capital	Business nature	Paid-in capital	Percentage of shareholding and voting rights	
						As at December 31, 2025	As at December 31, 2024
Dongxing Futures Co., Ltd.	Shanghai	Shanghai	RMB518 million	Commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management	RMB518 million	100%	100%

2 Consolidated structured entities

If the Group has power over a structured entity through contractual arrangements, is exposed to variable returns by participating in the activities of the structured entity, and has the ability to affect those returns through its power over the structured entity, the Group considers that it controls the structured entity and includes such structured entity into its consolidated financial statements. As of December 31, 2025, a total of 46 structured entities were consolidated into the Group's financial statements because the Group was entitled to significant variable returns and had the ability to use its power over the investees to affect the amount of such returns (December 31, 2024: 26). The equity held by other equity holders in the consolidated structured entities is presented under other liabilities in accordance with the contractual terms.

The operating results of the consolidated structured entities are as follows: (Unit: RMB in million)

	As at December 31, 2025	As at December 31, 2024
Total assets	10,903.49	9,003.55
Operating revenue	1,880.91	398.51
Net profit	1,827.43	368.88
Maximum risk exposure	10,709.56	8,988.25

3 Information on unconsolidated structured entities is presented in Note IX.

VIII NOTES TO MAIN ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1 Cash and bank balances

(1) Listed by categories

Items	As at December 31, 2025	As at December 31, 2024
Deposits with banks	18,299,466,104.28	15,233,926,639.01
Including: Client deposits	16,854,042,794.98	13,451,267,265.98
Corporate deposits	1,445,423,309.30	1,782,659,373.03
Total	18,299,466,104.28	15,233,926,639.01

(2) Listed by currencies

	As at December 31, 2025		
	Amount in the original currency	Exchange rate	Amount in RMB
Client deposits			
Cash held on behalf of clients			
RMB	15,039,496,355.26	1.0000	15,039,496,355.26
EUR	501.18	8.2355	4,127.44
HKD	273,499,051.74	0.9032	247,024,343.53
USD	3,331,455.93	7.0288	23,416,137.43
Subtotal			15,309,940,963.66
Client credit deposits			
RMB	1,544,101,831.32	1.0000	1,544,101,831.32
Total client deposits			16,854,042,794.98

	As at December 31, 2025		
	Amount in the original currency	Exchange rate	Amount in RMB
Corporate deposits			
Corporate self-owned deposits			
RMB	1,296,495,061.30	1.0000	1,296,495,061.30
EUR	1,402.76	8.2355	11,552.45
HKD	75,856,677.78	0.9032	68,513,751.37
USD	11,431,871.08	7.0288	80,352,335.44
Subtotal			1,445,372,700.56
Corporate credit deposits			
RMB	50,608.74	1.0000	50,608.74
Total corporate deposits			1,445,423,309.30
Total			18,299,466,104.28

As at December 31, 2025, the Group had restricted cash and bank balances amounting to RMB212,520,688.60.

	As at December 31, 2024		
	Amount in the original currency	Exchange rate	Amount in RMB
Client deposits			
Cash held on behalf of clients			
RMB	11,863,299,733.67	1.0000	11,863,299,733.67
EUR	497.32	7.5257	3,742.66
HKD	58,443,781.63	0.9260	54,118,941.79
USD	5,109,774.82	7.1884	36,731,105.29
Subtotal			11,954,153,523.41

	As at December 31, 2024		
	Amount in the original currency	Exchange rate	Amount in RMB
Client credit deposits			
RMB	1,497,113,742.57	1.0000	1,497,113,742.57
Total client deposits			13,451,267,265.98
Corporate deposits			
Corporate self-owned deposits			
RMB	1,579,718,633.25	1.0000	1,579,718,633.25
EUR	2,616.47	7.5257	19,690.73
HKD	92,794,343.97	0.9260	85,927,562.52
USD	16,269,455.99	7.1884	116,951,357.45
Subtotal			1,782,617,243.95
Corporate credit deposits			
RMB	42,129.08	1.0000	42,129.08
Total corporate deposits			1,782,659,373.03
Total			15,233,926,639.01

As at December 31, 2024, the Group had restricted cash and bank balances amounting to RMB193,748,142.82.

2 Deposits with clearing houses

(1) Listed by categories

	As at December 31, 2025	As at December 31, 2024
Deposits with clients	3,295,140,770.60	4,247,520,898.85
Deposits with corporate	1,106,815,247.53	1,554,207,166.42
Total	4,401,956,018.13	5,801,728,065.27

(2) Listed by currencies

	As at December 31, 2025		
	Amount in the original currency	**Exchange rate**	**Amount in RMB**
Deposits with clients			
Ordinary deposits with clients			
RMB	2,439,820,100.38	1.0000	2,439,820,100.38
HKD	20,514,968.95	0.9032	18,529,119.96
USD	3,528,444.14	7.0288	24,800,728.17
Subtotal			2,483,149,948.51
Credit deposits with clients			
RMB	811,990,822.09	1.0000	811,990,822.09
Total deposits with clients			3,295,140,770.60
Deposits with corporate			
Self-owned deposits with corporate			
RMB	1,106,815,247.53	1.0000	1,106,815,247.53
Total			4,401,956,018.13

	As at December 31, 2024		
	Amount in the original currency	**Exchange rate**	**Amount in RMB**
Deposits with clients			
Ordinary deposits with clients			
RMB	3,346,223,219.64	1.0000	3,346,223,219.64
HKD	20,505,261.90	0.9260	18,987,872.52
USD	4,193,074.34	7.1884	30,141,495.58
Subtotal			3,395,352,587.74
Credit deposits with clients			
RMB	852,168,311.11	1.0000	852,168,311.11
Total deposits with clients			4,247,520,898.85

	As at December 31, 2024		
	Amount in the original currency	Exchange rate	Amount in RMB
Deposits with corporate			
Self-owned deposits with corporate			
RMB	1,554,207,166.42	1.0000	1,554,207,166.42
Total			5,801,728,065.27

3 Margin financing and securities lending business

(1) Receivable from margin clients

By categories:

	As at December 31, 2025	As at December 31, 2024
Receivable from margin clients of margin financing and securities lending	20,714,804,473.41	16,760,392,940.66
Margin financing	141.79	18,617,164.70
Subtotal	20,714,804,615.20	16,779,010,105.36
Less: Impairment loss allowance	(207,706,437.68)	(242,457,032.41)
Net receivable from margin clients	20,507,098,177.52	16,536,553,072.95

By financing entity:

	As at December 31, 2025	As at December 31, 2024
Domestic		
By counterparty		
– Individuals	18,054,550,569.09	13,752,812,944.06
– Institutions	2,660,253,904.32	3,007,579,996.60
	20,714,804,473.41	16,760,392,940.66
Less: Impairment loss allowance	(207,706,295.89)	(223,839,867.71)
Subtotal	20,507,098,177.52	16,536,553,072.95
Overseas		
By counterparty		
– Individuals	141.79	130.31
– Institutions	–	18,617,034.39
	141.79	18,617,164.70
Less: Impairment loss allowance	(141.79)	(18,617,164.70)
Subtotal	–	–
Total	20,507,098,177.52	16,536,553,072.95

Analysed by aging:

	As at December 31, 2025			
	Original carrying value		Impairment loss allowance	
	Amount	% of total	Amount	Proportion
Within 3 months	12,218,771,451.80	58.99%	(77,047,418.36)	0.63%
3 to 6 months	4,185,301,733.62	20.20%	(26,342,086.40)	0.63%
Over 6 months	4,310,731,429.78	20.81%	(104,316,932.92)	2.42%
Total	20,714,804,615.20	100.00%	(207,706,437.68)	1.00%

	As at December 31, 2024			
	Original carrying value		Impairment loss allowance	
	Amount	% of total	Amount	Proportion
Within 3 months	11,437,814,552.64	68.16%	(50,892,346.38)	0.44%
3 to 6 months	663,856,645.95	3.96%	(1,023,263.65)	0.15%
Over 6 months	4,677,338,906.77	27.88%	(190,541,422.38)	4.07%
Total	16,779,010,105.36	100.00%	(242,457,032.41)	1.45%

As at December 31, 2025, the amount of RMB17,784,627.75 not yet repaid by clients upon termination of forced liquidation contracts under the Group's margin business was recognised as accounts receivable (December 31, 2024: RMB29,077,777.06).

(2) Securities lending business

	As at December 31, 2025	As at December 31, 2024
Securities lending arrangement		
– Financial assets held for trading	–	–
– Securities received through refinancing	–	–
Total	–	–
Total amount of securities received through refinancing	–	–

As at December 31, 2025, no default events had occurred in the Group's securities lending business (December 31, 2024: nil).

(3) Fair value of collateral for the margin financing and securities lending

Types of collateral	As at December 31, 2025	As at December 31, 2024
Capital	2,407,482,424.27	2,360,580,240.06
Bonds	226,295,170.25	107,747,485.49
Stocks	59,991,534,617.03	45,065,247,495.23
Funds	904,321,364.11	924,278,714.44
Total	63,529,633,575.66	48,457,853,935.22

4 Derivative financial instruments

	As at December 31, 2025		
	Non-hedging instruments		
	Notional amount	Fair value	
Items		Assets	Liabilities
Interest rate derivatives	7,750,000,000.00	–	–
Equity derivatives	3,909,364,175.25	82,988,495.14	491,378,820.28
Other derivatives	5,064,356,530.44	32,982,279.89	45,292,345.49
Total	16,723,720,705.69	115,970,775.03	536,671,165.77

	As at December 31, 2024		
	Non-hedging instruments		
	Notional amount	Fair value	
Items		Assets	Liabilities
Interest rate derivatives	7,579,410,000.00	–	–
Equity derivatives	7,790,352,686.69	251,111,972.25	410,020,777.95
Other derivatives	3,513,870,818.71	38,986,668.24	4,109,539.24
Total	18,883,633,505.40	290,098,640.49	414,130,317.19

Under a daily mark-to-market settlement arrangement, certain derivative financial instruments held by the Group at the end of the period and related temporary receipts and payments are presented on a net basis upon offsetting.

5 Reverse REPOs

(1) Presented by collateral types

Items	As at December 31, 2025	As at December 31, 2024
Stocks	1,351,958,830.34	1,539,046,097.11
Bonds	305,526,310.87	253,636,295.29
Subtotal	1,657,485,141.21	1,792,682,392.40
Less: Impairment loss allowance	(1,139,349,680.32)	(1,478,522,959.64)
Total	518,135,460.89	314,159,432.76

(2) Presented by business types

Items	As at December 31, 2025	As at December 31, 2024
Stock-pledged repurchase	1,351,958,830.34	1,539,046,097.11
Bond-pledged repurchase	305,526,310.87	253,636,295.29
Subtotal	1,657,485,141.21	1,792,682,392.40
Less: Impairment loss allowance	(1,139,349,680.32)	(1,478,522,959.64)
Total	518,135,460.89	314,159,432.76

The net amount of stock-pledge repurchase is analyzed by remaining life as follows:

Remaining life	As at December 31, 2025	As at December 31, 2024
Within 1 month (inclusive)	1,240,957,935.89	1,534,060,187.40
1 month to 3 months (inclusive)	–	–
3 months to 12 months (inclusive)	111,000,894.45	4,985,909.71
Over 12 months	–	–
Subtotal	1,351,958,830.34	1,539,046,097.11
Less: Impairment loss allowance	(1,139,349,680.32)	(1,478,522,959.64)
Total	212,609,150.02	60,523,137.47

If the collateral held depreciate in value, the Group may, in certain circumstances, require additional collateral. The Group has an obligation to return the collateral to its counterparties at the expiration of the contracts.

The fair value of the collateral received by the Group in reverse REPO business, the collateral allowed to be re-pledged and the collateral re-pledged are as below:

	As at December 31, 2025	As at December 31, 2024
Collateral received	1,367,737,200.57	302,581,978.63
Including: Collateral allowed to be re-pledged	319,329,978.45	55,335,859.45
Collateral re-pledged	15,793,704.40	41,597,103.27

For treasury bond reverse repo transactions conducted through the exchange, where matching is automatically executed by the exchange and the adequacy of the collateral value is guaranteed, the information of the counterparty's collateral pool cannot be obtained. Consequently, the fair value of the collateral mentioned above does not include the fair value of any collateral assets acquired through the exchange's treasury bond reverse repo transactions. As of December 31, 2025, the amount of the above-mentioned exchange's treasury bond reverse repo was RMB163,681,590.85 (December 31, 2024: RMB239,019,142.23).

6 Accounts receivable

(1) By details

	As at December 31, 2025	As at December 31, 2024
Clearing funds receivable	34,837,602.80	231,829,532.92
Accounts receivable from business revenue	75,855,983.66	94,302,200.83
Accounts receivable from margin financing and securities lending	17,784,485.96	29,077,777.06
Others	24,789,795.38	12,731,597.45
Subtotal	153,267,867.80	367,941,108.26
Less: Impairment loss allowance	(36,004,189.01)	(47,615,837.40)
Total	117,263,678.79	320,325,270.86

(2) Analysed by aging

	As at December 31, 2025			
	Original carrying value		Impairment loss allowance	
Items	Amount	% of total	Amount	Proportion
Within 1 year	104,776,922.44	68.36%	(481,818.65)	0.46%
1 to 2 years	18,006,563.87	11.75%	(6,202,354.59)	34.44%
2 to 3 years	2,028,687.74	1.32%	(957,602.66)	47.20%
More than 3 years	28,455,693.75	18.57%	(28,362,413.11)	99.67%
Total	153,267,867.80	100.00%	(36,004,189.01)	23.49%

	As at December 31, 2024			
	Original carrying value		Impairment loss allowance	
Items	Amount	% of total	Amount	Proportion
Within 1 year	310,564,283.80	84.41%	(5,382,793.75)	1.73%
1 to 2 years	15,280,967.82	4.15%	(3,910,240.71)	25.59%
2 to 3 years	4,979,147.54	1.35%	(2,678,124.99)	53.79%
More than 3 years	37,116,709.10	10.09%	(35,644,677.95)	96.03%
Total	367,941,108.26	100.00%	(47,615,837.40)	12.94%

For accounts receivable arising from the application of Accounting Standards for Business Enterprises No. 14 – Revenue, the Group applies the simplified ECL approach to measure its impairment loss allowance. For the rest of accounts receivable, the Group applies the general ECL approach to measure their impairment loss allowance. As at December 31, 2025 and December 31, 2024, the accounts receivable for which the general ECL approach was applied to measure the impairment loss allowance were in Stage 3 of credit impairment and mainly comprised of accounts receivable from margin financing and securities lending.

(3) Top five debtor units in accounts receivable as at the end of the year

Name	As at December 31, 2025	Nature of the debt	Aging	As a percentage of total accounts receivable	Impairment loss allowance
Wu Shengbo (武勝波)	13,745,028.09	Receivables from margin clients	More than 3 years	8.97%	(13,745,028.09)
Hubei Guanggudong State-owned Capital Investment and Operation Co., Ltd. (湖北光谷東國有資本投資運營集團有限公司)	6,799,901.21	Accounts receivable from business revenue	1 to 2 years	4.44%	(679,990.12)
ROYUE LIMITED	4,118,908.12	Escrow fees receivable, etc.	More than 2 years	2.69%	(4,118,908.12)
Chengdu Jintang Development and Investment Co., Ltd. (成都金堂發展投資有限公司)	3,525,000.00	Bond underwriting fees	Within 1 year	2.30%	(17,625.00)
Wu Di (吳鏑)	2,811,125.13	Receivables from margin clients	1 to 2 years	1.83%	(2,811,125.13)
Total accounts receivable from top five debtors	30,999,962.55			20.23%	(21,372,676.46)

Name	As at December 31, 2024	Nature of the debt	Aging	As a percentage of total accounts receivable	Impairment loss allowance
Wu Shengbo (武勝波)	14,845,028.09	Receivables from margin clients	More than 3 years	4.03%	(14,845,028.09)
Hubei Guanggudong State-owned Capital Investment and Operation Co., Ltd. (湖北光谷東國有資本投資運營集團有限公司)	6,651,074.09	Accounts receivable from business revenue	Within 1 year	1.81%	(33,255.37)
Beijing Haidian District State-owned Capital Operation Co., Ltd. (北京市海淀區國有資本運營有限公司)	5,762,828.80	Bond underwriting fees	1 to 2 years	1.57%	(576,282.88)
Zhuang Lifen (莊麗芬)	4,811,987.08	Receivables from margin clients	More than 3 years	1.31%	(4,811,987.08)
ROYUE LIMITED	4,222,884.10	Escrow fees receivable, etc.	1 to 3 years	1.15%	(4,222,884.10)
Total accounts receivable from top five debtors	36,293,802.16			9.87%	(24,489,437.52)

(4) As at December 31, 2025, the above accounts receivable from shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights were RMB220,000 (December 31, 2024: RMB1,480,375.81).

(5) For details on the amounts due from related parties included in the above receivables, please refer to note XII.

7 Refundable deposits

(1) By categories

	As at December 31, 2025	As at December 31, 2024
Performance deposits	1,061,756,880.21	1,036,469,828.22
Trading deposits	507,331,599.59	125,364,810.20
Credit deposits	33,332,364.41	23,579,704.67
Total	1,602,420,844.21	1,185,414,343.09

(2) By currencies

	As at December 31, 2025		
	Amount in the original currency	**Exchange rate**	**Amount in RMB**
Performance deposits			
RMB	1,061,756,880.21	1.0000	1,061,756,880.21
Subtotal			1,061,756,880.21
Trading deposits			
RMB	488,952,953.36	1.0000	488,952,953.36
HKD	1,000,000.00	0.9032	903,200.00
USD	2,486,263.12	7.0288	17,475,446.23
Subtotal			507,331,599.59
Credit deposits			
RMB	33,332,364.41	1.0000	33,332,364.41
Subtotal			33,332,364.41
Total			1,602,420,844.21

	As at December 31, 2024		
	Amount in the original currency	Exchange rate	Amount in RMB
Performance deposits			
RMB	1,036,469,828.22	1.0000	1,036,469,828.22
Subtotal			1,036,469,828.22
Trading deposits			
RMB	101,645,040.64	1.0000	101,645,040.64
HKD	500,000.00	0.9260	463,000.00
USD	3,235,319.34	7.1884	23,256,769.56
Subtotal			125,364,810.20
Credit deposits			
RMB	23,579,704.67	1.0000	23,579,704.67
Subtotal			23,579,704.67
Total			1,185,414,343.09

8 Financial investments: financial assets held for trading

Financial assets classified as at fair value through profit or loss

	As at December 31, 2025	
	Fair value	Initial cost
Bonds	18,643,853,355.38	18,839,108,191.62
Stocks	1,367,512,152.17	1,245,817,989.00
Funds	5,790,439,963.45	5,768,489,736.00
Asset management products	965,680,351.21	1,120,432,771.45
Bank wealth management products	3,286,359,807.32	3,279,139,875.38
Others	1,769,416,857.18	1,946,441,554.70
Total	31,823,262,486.71	32,199,430,118.15

	As at December 31, 2024	
	Fair value	Initial cost
Bonds	22,795,368,675.43	22,898,271,333.88
Stocks	1,483,818,285.79	1,355,410,983.94
Funds	7,082,201,648.20	7,385,700,918.84
Asset management products	595,048,593.00	750,033,568.44
Bank wealth management products	2,907,771,440.44	2,889,172,380.20
Others	1,227,776,188.72	1,625,550,368.10
Total	36,091,984,831.58	36,904,139,553.40

As at December 31, 2025 and December 31, 2024, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

9 Financial investments: debt investments

	As at December 31, 2025			
	Initial cost	Interest	Impairment loss allowance	Carrying amount
Private debt instruments	65,933,600.00	13,591,601.05	79,525,201.05	–

	As at December 31, 2024			
	Initial cost	Interest	Impairment loss allowance	Carrying amount
Private debt instruments	67,598,000.00	13,934,701.70	81,532,701.70	–

As at December 31, 2025 and December 31, 2024, no financial assets held by the Group in its debt investments were issued by shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights.

10 Financial investments: other debt investments

	As at December 31, 2025				
	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated impairment loss allowance
Treasury bonds	621,222,469.25	(6,309,109.03)	(1,588,281.07)	613,325,079.15	–

	As at December 31, 2025				
	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated impairment loss allowance
Corporate bonds	13,071,740,348.01	174,553,318.88	196,027,163.90	13,442,320,830.79	165,575,649.67
Financial bonds	2,114,631,122.88	75,132,739.88	17,518,070.77	2,207,281,933.53	4,074,371.09
Local government bonds	6,784,200,000.00	676,646,104.34	(47,651,088.14)	7,413,195,016.20	3,005,391.37
Total	22,591,793,940.14	920,023,054.07	164,305,865.46	23,676,122,859.67	172,655,412.13

	As at December 31, 2024				
	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated impairment loss allowance
Corporate bonds	13,516,144,144.46	212,253,598.04	214,092,759.73	13,942,490,502.23	90,453,410.92
Financial bonds	1,310,789,217.92	54,574,398.13	42,099,305.64	1,407,462,921.69	1,037,976.13
Local government bonds	3,195,890,000.00	34,618,275.66	134,639,141.71	3,365,147,417.37	2,562,923.75
Interbank certificates of deposit	1,300,000,000.00	(15,446,374.70)	2,188,174.70	1,286,741,800.00	691,349.33
Others	248,200,000.00	1,050,140.60	1,978,000.00	251,228,140.60	346,910.04
Total	19,571,023,362.38	287,050,037.73	394,997,381.78	20,253,070,781.89	95,092,570.17

As at December 31, 2025 and December 31, 2024, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

As at December 31, 2025 and December 31, 2024, no financial assets held by the Group in other debt investments were issued by shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights.

11 Financial investments: investments in other equity instruments

	As at December 31, 2025		
	Initial cost	Fair value	Dividend income recognised for the year
Non-trading equity instruments	9,631,191,457.28	10,346,456,580.38	637,419,202.34
Futures membership	1,400,000.00	1,400,000.00	–
Total	9,632,591,457.28	10,347,856,580.38	637,419,202.34

	As at December 31, 2024		
	Initial cost	Fair value	Dividend income recognised for the year
Non-trading equity instruments	6,658,629,530.37	6,511,927,112.26	343,062,377.10
Futures membership	1,400,000.00	1,400,000.00	–
Total	6,660,029,530.37	6,513,327,112.26	343,062,377.10

As at December 31, 2025 and December 31, 2024, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

In 2025, the cumulative losses transferred from other comprehensive income to retained earnings in respect of the Group's derecognised investments in other equity instruments was RMB105,301,509.46 (2024: losses of RMB82,473,864.81).

As at December 31, 2025 and December 31, 2024, no financial assets held by the Group in investments in other equity instruments were issued by shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights.

12 Long-term equity investments

	As at December 31, 2025	As at December 31, 2024
Associates	148,301,629.96	195,221,683.85
Joint ventures	136,215,430.42	124,363,369.84
Total	284,517,060.38	319,585,053.69

(1) Details of long-term equity investments are as follows:

		Change in the current year			
Investee	As at January 1, 2025	Increase/ (decrease) in investment	Net profit or loss adjusted under the equity method	Cash dividends or profits declared	As at December 31, 2025
Associates:					
Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership)(共青城東興博元投資中心 (有限合夥))	58,551,701.87	(33,045,918.86)	23,721,615.11	–	49,227,398.12

Investee	As at January 1, 2025	Change in the current year: Increase/ (decrease) in investment	Change in the current year: Net profit or loss adjusted under the equity method	Change in the current year: Cash dividends or profits declared	As at December 31, 2025
Shanghang Xingyuan Equity Investment Partnership (Limited Partnership)(上杭興源股權投資合夥企業 (有限合夥))	38,228,087.24	(20,320,350.00)	16,888,009.28	–	34,795,746.52
Guizhou Yinian Medical Industry Investment Center (Limited Partnership)(貴州益年醫療產業投資中心(有限合夥))	4,474,785.99	–	(1,178,798.21)	–	3,295,987.78
Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership)(揚州市廣陵東證新興產業投資基金合夥企業 (有限合夥))	40,527,791.64	(19,342,588.18)	(13,669,646.60)	–	7,515,556.86
Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership)(上饒高鐵經濟試驗區東投數字產業發展母基金 (有限合夥))	30,629,054.89	–	(488,416.82)	–	30,140,638.07
Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership)(東方招盈(深圳)私募股權基金結構調整產業投資合夥企業 (有限合夥))	2,810,262.22	–	877,979.22	–	3,688,241.44
Shenzhen Guangming Dongwei Private Equity Investment Fund Partnership (Limited Partnership)(深圳市光明東衛私募股權投資基金合夥企業 (有限合夥))	20,000,000.00	–	(361,938.83)	–	19,638,061.17
Subtotal	195,221,683.85	(72,708,857.04)	25,788,803.15	–	148,301,629.96
Joint ventures:					
Mianyang Jujiu Equity Investment Center (Limited Partnership)(綿陽市聚九股權投資中心 (有限合夥))	124,363,369.84	(12,754,066.74)	24,606,127.32	–	136,215,430.42
Total	319,585,053.69	(85,462,923.78)	50,394,930.47	–	284,517,060.38

Investee	As at January 1, 2024	Change in the current year: Increase/ (decrease) in investment	Change in the current year: Net profit or loss adjusted under the equity method	Change in the current year: Cash dividends or profits declared	As at December 31, 2024
Associates:					
Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership)(共青城東興博元投資中心 (有限合夥))	70,830,782.94	(4,537,602.35)	(7,741,478.72)	–	58,551,701.87
Shanghang Xingyuan Equity Investment Partnership (Limited Partnership)(上杭興源股權投資合夥企業 (有限合夥))	54,747,129.57	–	(16,519,042.33)	–	38,228,087.24
Guizhou Yinian Medical Industry Investment Center (Limited Partnership)(貴州益年醫療產業投資中心(有限合夥))	5,350,821.73	–	(876,035.74)	–	4,474,785.99
Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership)(揚州市廣陵東證新興產業投資基金合夥企業 (有限合夥))	48,315,823.22	–	(7,788,031.58)	–	40,527,791.64
Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership)(上饒高鐵經濟試驗區東投數字產業發展母基金 (有限合夥))	26,940,923.25	–	3,688,131.64	–	30,629,054.89
Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership)(東方招盈(深圳)私募股權基金結構調整產業投資合夥企業 (有限合夥))	1,000,000.00	1,842,396.08	(32,133.86)	–	2,810,262.22
Shenzhen Guangming Dongwei Private Equity Investment Fund Partnership (Limited Partnership)(深圳市光明東衛私募股權投資基金合夥企業 (有限合夥))	–	20,000,000.00	–	–	20,000,000.00
Subtotal	207,185,480.71	17,304,793.73	(29,268,590.59)	–	195,221,683.85
Joint ventures:					
Mianyang Jujiu Equity Investment Center (Limited Partnership)(綿陽市聚九股權投資中心 (有限合夥))	129,299,433.86	(46,875,000.00)	41,938,935.98	–	124,363,369.84
Total	336,484,914.57	(29,570,206.27)	12,670,345.39	–	319,585,053.69

(2) Basic information of the above associates and joint ventures

Name of investee	Principal place of business	Place of registration	Business nature	Percentage of shareholding of the Group	
				As at December 31, 2025	As at December 31, 2024
Associates					
Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership) (a)	Shanghai	Jiujiang, Jiangxi Province	Equity investment	20.94%	20.94%
Shanghang Xingyuan Equity Investment Partnership (Limited Partnership) (b)	Shanghai	Longyan, Fujian Province	Equity investment	9.90%	9.90%
Guizhou Yinian Medical Industry Investment Center (Limited Partnership) (c)	Shanghai	Guiyang, Guizhou Province	Equity investment	20.00%	20.00%
Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership) (d)	Beijing	Yangzhou, Jiangsu Province	Equity investment	20.00%	20.00%
Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership) (e)	Jiangxi	Shangrao, Jiangxi Province	Equity investment	20.00%	20.00%
Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership) (f)	Guangdong	Shenzhen, Guangdong Province	Equity investment	4.90%	4.90%
Shenzhen Guangming Dongwei Private Equity Investment Fund Partnership (Limited Partnership) (g)	Guangdong	Shenzhen, Guangdong Province	Equity investment	20.00%	20.00%
Joint ventures					
Mianyang Jujiu Equity Investment Center (Limited Partnership) (h)	Shanghai	Mianyang, Sichuan Province	Equity investment	18.75%	18.75%

(a) Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership) was jointly established by the Company, China Orient Asset Management Co., Ltd. and other enterprises in 2016. According to the limited partnership agreement, Dongxing Capital has a seat on the Investment Decision Committee and can exert significant influence. Therefore, Gongqingcheng Dongxing Boyuan Investment Center (Limited Partnership) is an associate of Dongxing Capital.

(b) Shanghang Xingyuan Equity Investment Partnership (Limited Partnership) was jointly established by the Company, Ningbo Meishan Free Trade Zone Yuansheng Investment Management Co., Ltd. (寧波梅山保稅港區遠晟投資管理有限公司) and other enterprises in 2018. According to the limited partnership agreement, Dongxing Capital has a seat on the Investment Decision Committee and can exert significant influence. Therefore, Shanghang Xingyuan Equity Investment Partnership (Limited Partnership) is an associate of Dongxing Capital.

(c) Guizhou Yinian Medical Industry Investment Center (Limited Partnership) was jointly established by the Company and other natural persons in 2019. According to the limited partnership agreement, Dongxing Capital has a seat on the Investment Decision Committee and can exert significant influence. Therefore, Guizhou Yinian Medical Industry Investment Center (Limited Partnership) is an associate of Dongxing Capital.

(d) Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership) was jointly established by the Company, Yangzhou Guangling State-owned Assets Investment and Operation Co., Ltd. (揚州廣陵國有資產投資運營有限公司) and other enterprises in 2021. According to the limited partnership agreement, Dongxing Capital has a seat on the Investment Decision Committee and can exert significant influence. Therefore, Yangzhou Guangling Dongzheng Emerging Industry Investment Fund Partnership (Limited Partnership) is an associate of Dongxing Capital.

(e) Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership) was jointly established by the Company and Shangrao High-Speed Rail Economic Pilot Zone Industrial Investment Development Co., Ltd. (上饒高鐵經濟試驗區產業投資發展有限公司) in 2021. According to the limited partnership agreement, Dongxing Capital has a seat on the Investment Decision Committee and can exert significant influence. Therefore, Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership) is an associate of Dongxing Capital.

(f) Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership) (東方招盈(深圳)私募股權基金結構調整產業投資合夥企業(有限合夥)) was jointly established by the Company, Shenzhen China Merchants Yingkui Equity Investment Fund Management Co., Ltd. (深圳市招商盈葵股權投資基金管理有限公司) and other enterprises in 2023. According to the limited partnership agreement, Dongxing Capital has a seat on the Investment Decision Committee and can exert significant influence. Therefore, Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership) is an associate of Dongxing Capital.

(g) Shenzhen Guangming Dongwei Private Equity Investment Fund Partnership (Limited Partnership) (深圳市光明東衛私募股權投資基金合夥企業(有限合夥)) was jointly established by the Company, Shenzhen Weiguang Biology Equity Investment Management Co., Ltd. (深圳市衛光生物股權投資管理有限公司) and other enterprises in 2024. According to the limited partnership agreement, Dongxing Capital has a seat on the Investment Decision Committee and can exert significant influence. Therefore, Shenzhen Guangming Dongwei Private Equity Investment Fund Partnership (Limited Partnership) is an associate of Dongxing Capital.

(h) Mianyang Jujiu Equity Investment Center (Limited Partnership) was jointly established by Dongxing Capital (東興資本), the wholly-owned subsidiary of the Company, Sichuan Jiuzhou Electric Group Co., Ltd. (四川九洲電器集團有限責任公司) and other enterprises in 2019. Dongxing Capital committed a capital contribution of RMB60,000,000 and made an actual capital contribution of RMB36,000,000 in 2020. According to the Limited Partnership Agreement, Dongxing Capital and the other investor each have two seats on the Investment Decision Committee. Therefore, Dongxing Capital and the other investor on the Investment Decision Committee exercise joint control over Mianyang Jujiu Equity Investment Center (Limited Partnership).

(3) As at December 31, 2025 and December 31, 2024, the ability of investees to transfer funds to the Group was not restricted.

13 Fixed assets

	Buildings	Transportation equipment	Electronic and communication equipment	Office and other equipment	Total
Cost					
As at January 1, 2025	231,876,890.92	32,061,616.69	374,980,232.72	37,158,822.59	676,077,562.92
Additions during the year	–	–	40,151,727.33	383,240.05	40,534,967.38
Decrease in the year	–	(730,635.36)	(42,182,821.35)	(4,547,746.73)	(47,461,203.44)
Foreign currency translation differences	–	(17,013.25)	(229,606.63)	(23,015.25)	(269,635.13)
As at December 31, 2025	231,876,890.92	31,313,968.08	372,719,532.07	32,971,300.66	668,881,691.73
Accumulated depreciation					
As at January 1, 2025	175,603,986.94	28,765,558.26	317,701,328.89	23,369,963.61	545,440,837.70
Additions during the year	11,510,629.62	1,632,898.12	34,594,281.26	3,965,160.37	51,702,969.37
Decrease in the year	–	(723,329.01)	(41,801,697.82)	(4,434,928.62)	(46,959,955.45)
Foreign currency translation differences	–	(16,843.11)	(217,506.71)	(21,465.36)	(255,815.18)
As at December 31, 2025	187,114,616.56	29,658,284.26	310,276,405.62	22,878,730.00	549,928,036.44
Net value					
As at December 31, 2025	44,762,274.36	1,655,683.82	62,443,126.45	10,092,570.66	118,953,655.29

	Buildings	Transportation equipment	Electronic and communication equipment	Office and other equipment	Total
Cost					
As at January 1, 2024	231,876,890.92	33,091,074.10	372,948,088.49	29,190,306.77	667,106,360.28
Additions during the year	–	160,353.98	22,372,142.12	9,297,169.98	31,829,666.08
Decrease in the year	–	(1,204,586.05)	(20,578,010.37)	(1,373,284.59)	(23,155,881.01)
Foreign currency translation differences	–	14,774.66	238,012.48	44,630.43	297,417.57
As at December 31, 2024	231,876,890.92	32,061,616.69	374,980,232.72	37,158,822.59	676,077,562.92
Accumulated depreciation					
As at January 1, 2024	164,093,357.31	27,465,553.36	294,054,031.38	21,137,831.95	506,750,774.00
Additions during the year	11,510,629.63	2,477,918.22	43,926,930.70	3,097,369.05	61,012,847.60
Decrease in the year	–	(1,192,540.19)	(20,470,315.80)	(953,899.95)	(22,616,755.94)
Foreign currency translation differences	–	14,626.87	190,682.61	88,662.56	293,972.04
As at December 31, 2024	175,603,986.94	28,765,558.26	317,701,328.89	23,369,963.61	545,440,837.70
Net value					
As at December 31, 2024	56,272,903.98	3,296,058.43	57,278,903.83	13,788,858.98	130,636,725.22

As at December 31, 2025, the cost of buildings for which the Group had not completed the property right procedures amounted to RMB26,134,000.00, with a net value of RMB7,591,927.00 (December 31, 2024: cost of RMB26,134,000.00 and net value of RMB8,885,560.00). The management of the Group expects that the pending completion of the property right procedures will not affect the Group's ownership of these buildings, nor will it adversely impact the operations of the Group.

As at December 31, 2025 and December 31, 2024, the Group had no material fixed assets with ownership restrictions, no material temporarily idle fixed assets, no material fixed assets held under finance leases, and no material fixed assets classified as held for sale.

14 Investment properties

	Buildings
Cost	
As at January 1, 2025	51,519,824.04
Additions during the year	–
Decrease in the year	–
Exchange differences	–
As at December 31, 2025	51,519,824.04
Accumulated depreciation	
As at January 1, 2025	35,505,800.81
Additions during the year	2,558,379.84
Decrease in the year	–
Exchange differences	–
As at December 31, 2025	38,064,180.65
Carrying amount	
As at December 31, 2025	13,455,643.39
Cost	
As at January 1, 2024	51,519,824.04
Additions during the year	–
Decrease in the year	–
Exchange differences	–
As at December 31, 2024	51,519,824.04
Accumulated depreciation	
As at January 1, 2024	32,947,420.97
Additions during the year	2,558,379.84
Decrease in the year	–
Exchange differences	–
As at December 31, 2024	35,505,800.81
Carrying amount	
As at December 31, 2024	16,014,023.23

15 Right-of-use assets

	Buildings	Office and other equipment	Total
Cost			
As at December 31, 2024	575,306,114.99	3,564,981.76	578,871,096.75
Additions during the year	27,083,744.98	78,811.78	27,162,556.76
Decrease in the year	(196,700,562.20)	(2,714,426.93)	(199,414,989.13)
Foreign currency translation differences	(879,609.14)	–	(879,609.14)
As at December 31, 2025	404,809,688.63	929,366.61	405,739,055.24
Accumulated depreciation			
As at December 31, 2024	294,691,886.43	1,914,316.42	296,606,202.85
Additions during the year	136,446,588.24	514,738.67	136,961,326.91
Decrease in the year	(205,814,019.35)	(1,752,526.15)	(207,566,545.50)
Foreign currency translation differences	(559,656.69)	–	(559,656.69)
As at December 31, 2025	224,764,798.63	676,528.94	225,441,327.57
Carrying amount			
As at December 31, 2025	180,044,890.00	252,837.67	180,297,727.67
As at December 31, 2024	280,614,228.56	1,650,665.34	282,264,893.90

	Buildings	Office and other equipment	Total
Cost			
As at December 31, 2023	620,671,227.77	3,755,570.04	624,426,797.81
Additions during the year	223,856,948.19	13,627.92	223,870,576.11
Decrease in the year	(270,032,367.95)	(204,216.20)	(270,236,584.15)
Foreign currency translation differences	810,306.98	–	810,306.98
As at December 31, 2024	575,306,114.99	3,564,981.76	578,871,096.75
Accumulated depreciation			
As at December 31, 2023	353,761,269.12	1,158,246.81	354,919,515.93
Additions during the year	152,825,404.61	792,927.32	153,618,331.93
Decrease in the year	(212,690,835.86)	(36,857.71)	(212,727,693.57)
Foreign currency translation differences	796,048.56	–	796,048.56
As at December 31, 2024	294,691,886.43	1,914,316.42	296,606,202.85
Carrying amount			
As at December 31, 2024	280,614,228.56	1,650,665.34	282,264,893.90
As at December 31, 2023	266,909,958.65	2,597,323.23	269,507,281.88

16 Intangible assets

	Securities trading seat rights	Software	Total
Cost			
As at January 1, 2025	20,359,300.00	390,456,948.76	410,816,248.76
Additions during the year	–	36,746,839.12	36,746,839.12
Decrease in the year	–	(6,738,797.41)	(6,738,797.41)
Foreign currency translation differences	(12,540.00)	(133,763.47)	(146,303.47)
As at December 31, 2025	20,346,760.00	420,331,227.00	440,677,987.00
Accumulated amortisation			
As at January 1, 2025	19,850,000.00	336,770,118.56	356,620,118.56
Additions during the year	–	41,582,691.21	41,582,691.21
Decrease in the year	–	(6,738,733.41)	(6,738,733.41)
Foreign currency translation differences	–	(133,763.47)	(133,763.47)
As at December 31, 2025	19,850,000.00	371,480,312.89	391,330,312.89
Net value			
As at December 31, 2025	496,760.00	48,850,914.11	49,347,674.11

	Securities trading seat rights	Software	Total
Cost			
As at January 1, 2024	20,348,410.00	341,304,274.61	361,652,684.61
Additions during the year	–	54,705,836.95	54,705,836.95
Decrease in the year	–	(5,669,325.82)	(5,669,325.82)
Foreign currency translation differences	10,890.00	116,163.02	127,053.02
As at December 31, 2024	20,359,300.00	390,456,948.76	410,816,248.76
Accumulated amortisation			
As at January 1, 2024	19,850,000.00	289,009,349.22	308,859,349.22
Additions during the year	–	53,313,932.14	53,313,932.14
Decrease in the year	–	(5,669,325.82)	(5,669,325.82)
Foreign currency translation differences	–	116,163.02	116,163.02
As at December 31, 2024	19,850,000.00	336,770,118.56	356,620,118.56
Net value			
As at December 31, 2024	509,300.00	53,686,830.20	54,196,130.20

17 Goodwill

	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Dongxing Futures Co., Ltd.	20,000,000.00	–	–	20,000,000.00
Less: Impairment loss allowance	(20,000,000.00)	–	–	(20,000,000.00)
Net value	–	–	–	–

	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Dongxing Futures Co., Ltd.	20,000,000.00	–	–	20,000,000.00
Less: Impairment loss allowance	–	(20,000,000.00)	–	(20,000,000.00)
Net value	20,000,000.00	(20,000,000.00)	–	–

The goodwill of the Group was generated from the acquisition of Dongxing Futures Co., Ltd. As at December 31, 2025, an allowance for impairment of goodwill of RMB20,000,000.00 (December 31, 2024: RMB20,000,000.00) was made.

18 Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities which have not been offset

Items	As at December 31, 2025		As at December 31, 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets:				
Impairment loss allowance for assets	1,444,256,882.27	360,998,033.32	1,778,625,572.46	444,441,703.73
Financial instruments at fair value through profit or loss	627,836,905.25	144,199,486.83	583,508,332.33	132,375,536.54
Employee benefits payable	354,036,133.19	88,509,033.32	368,904,971.79	92,226,242.95
Change in fair value of investments in other equity instruments	211,094,228.97	34,830,547.78	216,423,002.69	35,709,795.44
Lease liabilities	165,206,277.00	41,301,569.25	266,534,363.57	66,633,590.91
Unused tax losses	400,313,407.45	67,059,462.49	419,939,895.50	71,203,448.53
Differences in the useful life of fixed assets for depreciation purposes	4,171,962.91	688,373.88	4,238,206.59	699,304.10
Changes in fair value of other debt investments	11,804,232.81	1,947,698.41	12,268,355.13	2,024,278.60
Others	59,029,038.36	14,757,259.60	11,648,504.18	2,912,126.02
Total	3,277,749,068.21	754,291,464.88	3,662,091,204.24	848,226,026.82

Items	As at December 31, 2025		As at December 31, 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities:				
Right-of-use assets	(178,637,538.61)	(44,659,384.66)	(283,928,496.70)	(70,982,124.18)
Investment income recognised under the equity method	(215,617,252.48)	(53,904,313.13)	(165,222,322.01)	(41,305,580.50)
Changes in fair value of other debt investments	(115,693,956.54)	(28,923,489.14)	(407,099,593.57)	(101,774,898.39)
Changes in fair value of other equity investments	(793,763,720.03)	(198,440,930.01)	(69,720,584.44)	(17,430,146.11)
Differences in the useful life of fixed assets for depreciation purposes	(16,628,288.12)	(4,157,072.03)	(16,227,226.08)	(4,056,806.52)
Financial instruments at fair value through profit or loss	(17,400,403.41)	(4,350,100.85)	(7,001,047.46)	(1,750,261.87)
Others	(7,716,208.72)	(1,929,052.21)	(5,577,907.20)	(1,394,476.80)
Total	(1,345,457,367.91)	(336,364,342.03)	(954,777,177.46)	(238,694,294.37)

(2) Deferred tax assets or liabilities presented in net amount after offsetting

Items	As at December 31, 2025		As at December 31, 2024	
	Offset amount	Balance after offsetting	Offset amount	Balance after offsetting
Deferred tax assets	(292,417,297.13)	461,874,167.75	(211,330,745.62)	636,895,281.20
Deferred tax liabilities	(292,417,297.13)	(43,947,044.90)	(211,330,745.62)	(27,363,548.75)

(3) Unused tax losses and deductible temporary differences not recognised as deferred tax assets

	As at December 31, 2025	As at December 31, 2024
Unused tax losses (a)	463,098,322.42	331,901,086.07
Total	463,098,322.42	331,901,086.07

(a) As at December 31, 2025 and 2024, unused tax losses not recognised as deferred tax assets were primarily losses generated by Dongxing Securities (Hong Kong) Financial Holdings Limited.

19 Other assets

	As at December 31, 2025	As at December 31, 2024
Other receivables (1)	922,157,674.77	931,190,145.78
Commodity inventories	524,706,049.42	211,013,655.59
Prepaid accounts	282,810,312.18	124,727,164.86
Long-term prepaid expenses (2)	9,799,792.73	48,626,842.19
VAT input tax to be deducted	55,641,409.78	38,050,126.12
Interest receivable	4,766,858.12	29,091,251.06
Prepaid income tax	26,769,214.57	1,145,213.44
Subtotal	1,826,651,311.57	1,383,844,399.04
Less: Impairment loss allowance	(146,749,798.25)	(135,523,225.52)
Total	1,679,901,513.32	1,248,321,173.52

As at December 31, 2025 and December 31, 2024, for details of assets with restricted right of use held by the Group among the aforementioned assets, please refer to Note VIII.21.

(1) Other receivables

(a) By details

	As at December 31, 2025	As at December 31, 2024
Prepaid OTC derivatives margin receivable	630,879,376.13	694,573,448.26
Options premium receivable	180,667,991.44	123,218,500.40
Deposits	35,696,276.45	38,091,825.18
Amounts receivable from defaulted bonds	–	11,695,264.37
Petty cash	29,698,693.53	10,143,006.84
Others	45,215,337.22	53,468,100.73
Subtotal	922,157,674.77	931,190,145.78
Less: Impairment loss allowance	(139,437,280.08)	(96,220,981.40)
Other receivables, net	782,720,394.69	834,969,164.38

(b) Analysed by aging

	As at December 31, 2025			
	Original carrying value		Impairment loss allowance	
Aging	Amount	% of total	Amount	Proportion
Within 1 year	425,685,920.21	46.16%	(1,684,323.77)	0.40%
1 to 2 years	468,317,406.64	50.79%	(126,308,623.93)	26.97%
2 to 3 years	6,770,936.98	0.73%	(1,354,187.40)	20.00%
More than 3 years	21,383,410.94	2.32%	(10,090,144.98)	47.19%
Total	922,157,674.77	100.00%	(139,437,280.08)	15.12%

	As at December 31, 2024			
	Original carrying value		Impairment loss allowance	
Aging	Amount	% of total	Amount	Proportion
Within 1 year	663,928,052.92	71.30%	(3,139,828.06)	0.47%
1 to 2 years	229,534,631.88	24.65%	(71,938,615.57)	31.34%
2 to 3 years	10,349,553.11	1.11%	(1,947,145.61)	18.81%
More than 3 years	27,377,907.87	2.94%	(19,195,392.16)	70.11%
Total	931,190,145.78	100.00%	(96,220,981.40)	10.33%

(c) Top five units in other receivables at the end of the year

Name	As at December 31, 2025	Nature of the debt	Aging	Proportion of total other receivables	Impairment loss allowance
Guotai Junan Securities Co. Ltd.	405,551,237.54	Prepaid OTC derivatives margin Receivables for OTC derivatives settlement	1 to 2 years	43.98%	(33,118,904.21)
Wang Peixuan	88,308,759.19	Option settlement receivables	2 to 3 years	9.58%	(88,308,759.19)
Zhejiang Zheqi Industrial Co., Ltd.	78,000,000.00	Prepaid OTC derivatives margin	Within 1 year	8.46%	(390,000.00)
Shanghai Xibuyongtang Investment Management Co., Ltd. (上海西部永唐投資管理有限公司)	40,000,000.00	Prepaid OTC derivatives margin	Within 1 year	4.34%	(200,000.00)
Changkai Jingmao (Shanghai) Co. Ltd. (長開經貿(上海)有限公司)	29,000,000.00	Prepaid OTC derivatives margin	Within 1 year	3.14%	(145,000.00)
Total	640,859,996.73			69.50%	(122,162,663.40)

Name	As at December 31, 2024	Nature of the debt	Aging	Proportion of total other receivables	Impairment loss allowance
Guotai Junan Securities Co. Ltd.	343,642,381.63	Prepaid OTC derivatives margin	Within 1 year	36.90%	(1,718,211.91)

Name	As at December 31, 2024	Nature of the debt	Aging	Proportion of total other receivables	Impairment loss allowance
Wang Peixuan	90,537,988.27	Receivables for OTC derivatives settlement Option settlement receivables	1 to 2 years	9.72%	(90,537,988.27)
Zhejiang Zheqi Industrial Co., Ltd.	70,000,000.00	Prepaid OTC derivatives margin	Within 1 year	7.52%	(350,000.00)
Beijing Yinglifang Private Fund Management Co. Ltd. (北京盈立方私募基金管理有限公司)	63,892,500.00	Prepaid OTC derivatives margin	Within 1 year	6.86%	(319,462.50)
Shanghai Xibuyongtang Investment Management Co., Ltd. (上海西部永唐投資管理有限公司)	40,000,000.00	Prepaid OTC derivatives margin	Within 1 year	4.30%	(200,000.00)
Total	608,072,869.90			65.30%	(93,125,662.68)

As at December 31, 2025, the above accounts receivable due from shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights amounted to RMB52,500.00 (December 31, 2024: RMB52,500.00).

(2) Long-term prepaid expenses

	As at January 1, 2025	Increase for the year	Amortization for the year	Other changes	As at December 31, 2025
Fixed assets improvement fee	48,626,842.19	776,357.24	(36,179,221.24)	(3,424,185.46)	9,799,792.73

	As at January 1, 2024	Increase for the year	Amortization for the year	Other changes	As at December 31, 2024
Fixed assets improvement fee	16,160,248.74	59,775,961.95	(27,334,287.43)	24,918.93	48,626,842.19

20 Impairment loss allowance for assets

(1) Table of changes in impairment loss allowance for assets

	As at January 1, 2025	Increase for the year	Decrease/(reversal) for the year	Amounts written off and transferred out for the year	Other changes	As at December 31, 2025
Receivable from margin clients	242,457,032.41	120,936,239.15	(137,069,796.08)	(18,401,913.15)	(215,124.65)	207,706,437.68
Reverse REPOs	1,478,522,959.64	960,775.49	(47,081,457.64)	(292,449,117.17)	(603,480.00)	1,139,349,680.32
Debt investments	81,532,701.70	–	–	–	(2,007,500.65)	79,525,201.05
Other debt investments	95,092,570.17	137,679,378.33	(59,656,370.63)	–	(460,165.74)	172,655,412.13
Accounts receivable	47,615,837.40	–	(6,270,581.38)	(5,157,353.35)	(183,713.66)	36,004,189.01
Other financial assets	125,312,232.46	56,765,271.30	(24,324,392.94)	(11,695,264.37)	(1,853,708.25)	144,204,138.20
Subtotal of allowance for credit losses on financial instruments and other items	2,070,533,333.78	316,341,664.27	(274,402,598.67)	(327,703,648.04)	(5,323,692.95)	1,779,445,058.39
Inventories	10,210,993.06	–	(7,665,333.01)	–	–	2,545,660.05
Goodwill	20,000,000.00	–	–	–	–	20,000,000.00
Subtotal of allowance for impairment of other assets	30,210,993.06	–	(7,665,333.01)	–	–	22,545,660.05
Total	2,100,744,326.84	316,341,664.27	(282,067,931.68)	(327,703,648.04)	(5,323,692.95)	1,801,990,718.44

	As at January 1, 2024	**Increase for the year**	**Decrease/ (reversal) for the year**	**Amounts written off and transferred out for the year**	**Other changes**	**As at December 31, 2024**
Receivable from margin clients	61,047,205.53	214,012,965.01	(33,001,214.95)	–	398,076.82	242,457,032.41
Reverse REPOs	1,377,823,767.93	99,582,471.71	–	–	1,116,720.00	1,478,522,959.64
Debt investments	79,789,345.87	–	–	–	1,743,355.83	81,532,701.70
Other debt investments	170,323,951.78	82,749,445.99	(158,024,224.50)	–	43,396.90	95,092,570.17
Accounts receivable	38,239,996.48	9,219,272.55	–	–	156,568.37	47,615,837.40
Other financial assets	87,116,275.17	57,174,688.38	(19,843,684.71)	–	864,953.62	125,312,232.46
Subtotal of allowance for credit losses on financial instruments and other items	1,814,340,542.76	462,738,843.64	(210,869,124.16)	–	4,323,071.54	2,070,533,333.78
Inventories	–	10,210,993.06	–	–	–	10,210,993.06
Goodwill	–	20,000,000.00	–	–	–	20,000,000.00
Subtotal of allowance for impairment of other assets	–	30,210,993.06	–	–	–	30,210,993.06
Total	1,814,340,542.76	492,949,836.70	(210,869,124.16)	–	4,323,071.54	2,100,744,326.84

(2) Table of allowances for ECL

	As at December 31, 2025			
Categories of financial instruments	Next 12-month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Allowance for impairment of receivable from margin clients	126,801,458.71	3,452,344.84	77,452,634.13	207,706,437.68
Allowance for impairment of reverse REPOs	951,300.22	–	1,138,398,380.10	1,139,349,680.32
Allowance for impairment of debt investments	–	–	79,525,201.05	79,525,201.05
Allowance for impairment of other debt investments	172,655,412.13	–	–	172,655,412.13
Allowance for bad debts of accounts receivable	1,805,872.78	–	34,198,316.23	36,004,189.01
Allowance for impairment of other financial assets	50,962,679.95	–	93,241,458.25	144,204,138.20
Total	353,176,723.79	3,452,344.84	1,422,815,989.76	1,779,445,058.39

	As at December 31, 2024			
Categories of financial instruments	Next 12-month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Allowance for impairment of receivable from margin clients	60,079,115.46	4,479,948.01	177,897,968.94	242,457,032.41
Allowance for impairment of reverse REPOs	22,090.29	–	1,478,500,869.35	1,478,522,959.64
Allowance for impairment of debt investments	–	–	81,532,701.70	81,532,701.70
Allowance for impairment of other debt investments	95,060,177.76	–	32,392.41	95,092,570.17
Allowance for bad debts of accounts receivable	3,904,764.08	–	43,711,073.32	47,615,837.40
Allowance for impairment of other financial assets	26,420,234.09	–	98,891,998.37	125,312,232.46
Total	185,486,381.68	4,479,948.01	1,880,567,004.09	2,070,533,333.78

21 Assets with restricted ownership or right-of-use

Items	Reasons of restriction	As at December 31, 2025	As at December 31, 2024
Cash and bank balances	Risk reserves	212,520,688.60	193,748,142.82
Financial assets held for trading	Subject to a lock-up period	1,242,728,423.35	803,889,890.45
Financial assets held for trading	Exchange repurchase pledges and bond repurchase pledges	10,022,489,311.03	13,184,159,533.51
Financial assets held for trading	Guarantee for securities lending and refinancing	29,930,399.18	118,506,403.37
Financial assets held for trading	Pledges for bond lending	104,454,128.77	402,100,566.87
Other debt investments	Subject to a lock-up period	–	62,498,553.60
Other debt investments	Exchange repurchase pledges and bond repurchase pledges	10,397,877,399.86	9,057,511,358.45
Other debt investments	Pledges for bond lending	1,299,177,731.72	1,535,628,813.87
Other debt investments	Guarantee for securities lending and refinancing	107,865,844.35	95,118,315.61
Investments in other equity instruments	Subject to a lock-up period	–	1,464,120.00
Investments in other equity instruments	Exchange repurchase pledges and bond repurchase pledges	2,634,143,738.80	2,953,913,509.40
Investments in other equity instruments	Pledges for bond lending	–	449,183,580.00
Other assets	Inventories as collaterals for warehouse's receipt pledging	70,870,740.62	82,322,158.86
Total		26,122,058,406.28	28,940,044,946.81

22 Short-term borrowings

Items	As at December 31, 2025	As at December 31, 2024
Unsecured loans	691,834,408.40	–
Total	691,834,408.40	–

As at December 31, 2025, the short-term borrowings of the Group are at floating interest rates ranging from 2.63% to 4.77%.

23 Placements from financial institutions

Items	As at December 31, 2025	As at December 31, 2024
Placements from banks	2,000,196,807.77	2,210,355,836.11
Placements from securities lending and refinancing	1,068,025,577.79	1,820,046,388.90
Total	3,068,222,385.56	4,030,402,225.01

The analysis of the remaining life and the interest rate range of the placements from securities lending and refinancing:

	As at December 31, 2025		As at December 31, 2024	
	Carrying amount	Interest rate	Carrying amount	Interest rate
Within 1 month (inclusive)	1,068,025,577.79	1.63% – 1.68%	1,167,934,000.01	1.99% – 2.21%
1 to 3 months (inclusive)	–		–	–
3 months to 12 months (inclusive)	–		652,112,388.89	2.35%
Total	1,068,025,577.79		1,820,046,388.90	

24 Short-term debt securities issued

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Commercial papers								
24 Dongxing Securities CP001 (24東興證券CP001)	1,500,000,000.00	11/06/2024	06/06/2025	2.07%	1,517,353,972.60	13,270,684.93	(1,530,624,657.53)	-
24 Dongxing Securities CP002 (24東興證券CP002)	1,000,000,000.00	15/07/2024	10/07/2025	1.99%	1,009,268,493.15	10,358,904.11	(1,019,627,397.26)	-
24 Dongxing Securities CP003 (24東興證券CP003)	1,500,000,000.00	20/08/2024	20/08/2025	1.95%	1,510,738,356.16	18,511,643.84	(1,529,250,000.00)	-
24 Dongxing Securities CP004 (24東興證券CP004)	1,500,000,000.00	12/09/2024	12/09/2025	2.02%	1,509,131,506.85	21,085,479.45	(1,530,216,986.30)	-
24 Dongxing Securities CP005 (24東興證券CP005)	1,500,000,000.00	16/10/2024	16/10/2025	2.04%	1,506,455,342.47	24,144,657.53	(1,530,600,000.00)	-
24 Dongxing Securities CP006 (24東興證券CP006)	1,500,000,000.00	28/10/2024	19/09/2025	2.02%	1,505,395,890.41	21,666,575.34	(1,527,062,465.75)	-
24 Dongxing Securities CP007 (24東興證券CP007)	1,500,000,000.00	20/11/2024	20/11/2025	1.91%	1,503,296,712.33	25,353,287.67	(1,528,650,000.00)	-
25 Dongxing Securities CP001 (25東興證券CP001)	1,500,000,000.00	11/06/2025	11/06/2026	1.68%	-	1,514,084,383.56	-	1,514,084,383.56
25 Dongxing Securities CP002 (25東興證券CP002)	1,000,000,000.00	23/07/2025	22/05/2026	1.63%	-	1,007,234,520.55	-	1,007,234,520.55
25 Dongxing Securities CP003 (25東興證券CP003)	1,500,000,000.00	26/08/2025	26/08/2026	1.73%	-	1,509,100,273.97	-	1,509,100,273.97
25 Dongxing Securities CP004 (25東興證券CP004)	1,500,000,000.00	17/09/2025	18/03/2026	1.69%	-	1,507,361,917.81	-	1,507,361,917.81
25 Dongxing Securities CP005 (25東興證券CP005)	2,000,000,000.00	22/09/2025	12/02/2026	1.69%	-	2,009,352,876.71	-	2,009,352,876.71
25 Dongxing Securities CP006 (25東興證券CP006)	1,500,000,000.00	25/09/2025	23/04/2026	1.75%	-	1,507,047,945.21	-	1,507,047,945.21
25 Dongxing Securities CP007 (25東興證券CP007)	1,500,000,000.00	28/10/2025	28/10/2026	1.75%	-	1,504,674,657.53	-	1,504,674,657.53
25 Dongxing Securities CP008 (25東興證券CP008)	2,000,000,000.00	25/11/2025	25/11/2026	1.69%	-	2,003,426,301.37	-	2,003,426,301.37
Cash notes	50,000,000.00	24/10/2025	23/10/2026	2.40%	-	100,626,562.00	(50,066,165.00)	50,560,397.00
Subtotal					10,061,640,273.97	12,797,300,671.58	(10,246,097,671.84)	12,612,843,273.71
Beneficiary certificates (i)					3,995,924,791.79	3,475,524,806.88	(6,447,219,640.86)	1,024,229,957.81
Total					14,057,565,065.76	16,272,825,478.46	(16,693,317,312.70)	13,637,073,231.52

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Commercial papers								
23 Dongxing Securities CP001 (23東興證券CP001)	1,000,000,000.00	10/04/2023	09/04/2024	2.72%	1,019,822,465.75	7,303,217.31	(1,027,125,683.06)	-
23 Dongxing Securities CP002 (23東興證券CP002)	1,000,000,000.00	19/04/2023	18/04/2024	2.74%	1,019,292,602.74	8,032,533.87	(1,027,325,136.61)	-
23 Dongxing Securities CP003 (23東興證券CP003)	1,000,000,000.00	09/08/2023	19/06/2024	2.30%	1,009,136,986.30	10,658,095.67	(1,019,795,081.97)	-
23 Dongxing Securities CP004 (23東興證券CP004)	1,000,000,000.00	22/08/2023	22/08/2024	2.28%	1,008,245,479.45	14,554,520.55	(1,022,800,000.00)	-
23 Dongxing Securities CP005 (23東興證券CP005)	1,500,000,000.00	20/10/2023	18/10/2024	2.60%	1,507,800,000.00	30,986,885.25	(1,538,786,885.25)	-
23 Dongxing Securities CP006 (23東興證券CP006)	1,000,000,000.00	26/10/2023	18/09/2024	2.73%	1,005,011,232.88	19,454,340.89	(1,024,465,573.77)	-
23 Dongxing Securities CP007 (23東興證券CP007)	1,500,000,000.00	16/11/2023	15/11/2024	2.68%	1,505,066,301.37	35,023,862.56	(1,540,090,163.93)	-
23 Dongxing Securities CP008 (23東興證券CP008)	600,000,000.00	27/11/2023	27/02/2024	2.64%	601,518,904.11	2,462,735.23	(603,981,639.34)	-
24 Dongxing Securities CP001 (24東興證券CP001)	1,500,000,000.00	11/06/2024	06/06/2025	2.07%	-	1,517,353,972.60	-	1,517,353,972.60
24 Dongxing Securities CP002 (24東興證券CP002)	1,000,000,000.00	15/07/2024	10/07/2025	1.99%	-	1,009,268,493.15	-	1,009,268,493.15
24 Dongxing Securities CP003 (24東興證券CP003)	1,500,000,000.00	20/08/2024	20/08/2025	1.95%	-	1,510,738,356.16	-	1,510,738,356.16
24 Dongxing Securities CP004 (24東興證券CP004)	1,500,000,000.00	12/09/2024	12/09/2025	2.02%	-	1,509,131,506.85	-	1,509,131,506.85
24 Dongxing Securities CP005 (24東興證券CP005)	1,500,000,000.00	16/10/2024	16/10/2025	2.04%	-	1,506,455,342.47	-	1,506,455,342.47
24 Dongxing Securities CP006 (24東興證券CP006)	1,500,000,000.00	28/10/2024	19/09/2025	2.02%	-	1,505,395,890.41	-	1,505,395,890.41
24 Dongxing Securities CP007 (24東興證券CP007)	1,500,000,000.00	20/11/2024	20/11/2025	1.91%	-	1,503,296,712.33	-	1,503,296,712.33
Subtotal					8,675,893,972.60	10,190,116,465.30	(8,804,370,163.93)	10,061,640,273.97
Beneficiary certificates (i)					943,751,941.42	5,350,151,167.62	(2,297,978,317.25)	3,995,924,791.79
Total					9,619,645,914.02	15,540,267,632.92	(11,102,348,481.18)	14,057,565,065.76

(i) It represents beneficiary certificates issued by the Company through the Inter-agency Private Placement Product Quotation and Service system with a maturity of less than one year. As at December 31, 2025, the outstanding beneficiary certificates accrued interest at fixed annual rates ranging from 1.57% to 1.80% (December 31, 2024: 1.97% to 2.30%).

25 Financial liabilities held for trading

	As at December 31, 2025		
Items	**Financial liabilities held for trading**	**Financial liabilities designated as at fair value through profit or loss**	**Total**
Beneficiary certificates	–	1,422,727,418.59	1,422,727,418.59
Structured notes	–	1,216,601,055.20	1,216,601,055.20
Total	–	2,639,328,473.79	2,639,328,473.79

	As at December 31, 2024		
Items	**Financial liabilities held for trading**	**Financial liabilities designated as at fair value through profit or loss**	**Total**
Beneficiary certificates	–	272,281,600.06	272,281,600.06
Structured notes	–	768,847,735.82	768,847,735.82
Total	–	1,041,129,335.88	1,041,129,335.88

26 REPOs

(1) Presented by collateral types

Collateral types	**As at December 31, 2025**	**As at December 31, 2024**
Bonds	16,857,044,663.28	20,341,651,134.30
Funds	4,112,746,686.23	4,180,208,733.69
Total	20,969,791,349.51	24,521,859,867.99

(2) Presented by business types

	As at December 31, 2025	As at December 31, 2024
Pledged sale and repurchase	16,392,351,658.91	19,673,701,303.04
Pledged quotation and repurchase	4,112,746,686.23	4,180,208,733.69
Outright repurchase	464,693,004.37	667,949,831.26
Total	20,969,791,349.51	24,521,859,867.99

(3) Amount of collateral

	As at December 31, 2025	As at December 31, 2024
Bonds	19,680,998,676.26	23,247,680,849.90
Funds	4,701,581,879.00	5,271,549,232.22
Total	24,382,580,555.26	28,519,230,082.12

(4) Remaining life and interest rate range of pledged quotation and repo transactions

	As at December 31, 2025	As at December 31, 2024
Within 1 month	2,601,679,318.26	2,984,561,606.38
1 to 3 months	307,679,915.91	24,832,466.26
3 months to 1 year	1,203,387,452.06	1,170,814,661.05
More than 1 year	–	–
Total	4,112,746,686.23	4,180,208,733.69

As at December 31, 2025, the interest rate range of pledged quotation and repo transactions is 1.45%-7.18% (December 31, 2024: 1.8%-7.18%).

27 Accounts payable to brokerage clients

	As at December 31, 2025	As at December 31, 2024
General brokerage business		
– Individuals	14,798,914,168.91	12,869,427,990.96
– Institutions	3,523,134,093.34	2,550,765,890.34
Subtotal	18,322,048,262.25	15,420,193,881.30
Credit business		
– Individuals	2,120,965,129.15	2,074,116,952.31
– Institutions	256,335,367.93	286,529,573.94
Subtotal	2,377,300,497.08	2,360,646,526.25
Total	20,699,348,759.33	17,780,840,407.55

28 Employee benefits payable

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Short-term employee benefits:				
Wages or salaries, bonuses, allowances and subsidies	368,904,971.79	970,000,000.00	(883,868,838.60)	455,036,133.19
Employee welfare	42,307.75	48,784,597.76	(48,826,905.51)	–
Social insurance	264,421.51	59,386,744.85	(57,413,537.10)	2,237,629.26
Including: Medical insurance	227,236.98	56,889,542.89	(54,955,709.33)	2,161,070.54
Work injury insurance	12,815.38	1,397,899.17	(1,358,524.98)	52,189.57
Maternity insurance	24,369.15	1,099,302.79	(1,099,302.79)	24,369.15
Housing funds	37,012.03	77,005,950.52	(77,005,950.52)	37,012.03
Labor union fees and staff education expenses	4,494,159.77	20,351,285.27	(19,350,471.07)	5,494,973.97
Termination benefits	81,972.95	7,224,332.34	(7,303,126.64)	3,178.65
Supplementary medical insurance	–	36,642,260.08	(36,642,260.08)	–
Others	6,656.96	577,469.35	(527,959.50)	56,166.81
Subtotal	373,831,502.76	1,219,972,640.17	(1,130,939,049.02)	462,865,093.91
Defined contribution plans:				
Including: Basic pension insurance	363,518.73	103,412,097.20	(100,171,628.36)	3,603,987.57
Annuity	8,828.48	66,091,226.27	(66,100,054.75)	–
Unemployment insurance	36,440.19	3,439,442.78	(3,346,644.43)	129,238.54
Subtotal	408,787.40	172,942,766.25	(169,618,327.54)	3,733,226.11
Total	374,240,290.16	1,392,915,406.42	(1,300,557,376.56)	466,598,320.02

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Short-term employee benefits:				
Wages or salaries, bonuses, allowances and subsidies	332,361,754.45	800,000,000.00	(763,456,782.66)	368,904,971.79
Employee welfare	53,217.69	48,773,696.89	(48,784,606.83)	42,307.75
Social insurance	218,272.75	60,719,863.88	(60,673,715.12)	264,421.51
Including: Medical insurance	181,609.75	57,969,534.17	(57,923,906.94)	227,236.98
Work injury insurance	12,293.85	1,578,032.42	(1,577,510.89)	12,815.38
Maternity insurance	24,369.15	1,172,297.29	(1,172,297.29)	24,369.15
Housing funds	37,012.03	81,549,239.97	(81,549,239.97)	37,012.03
Labor union fees and staff education expenses	1,847,757.29	18,115,994.84	(15,469,592.36)	4,494,159.77
Termination benefits	3,178.65	6,479,813.38	(6,401,019.08)	81,972.95
Supplementary medical insurance	13,468.04	69,799,348.39	(69,812,816.43)	–
Others	6,656.96	25,628.30	(25,628.30)	6,656.96
Subtotal	334,541,317.86	1,085,463,585.65	(1,046,173,400.75)	373,831,502.76
Defined contribution plans:				
Including: Basic pension insurance	326,870.60	103,841,921.70	(103,805,273.57)	363,518.73
Annuity	11,949.40	83,712,400.17	(83,715,521.09)	8,828.48
Unemployment insurance	29,450.48	3,513,565.04	(3,506,575.33)	36,440.19
Subtotal	368,270.48	191,067,886.91	(191,027,369.99)	408,787.40
Total	334,909,588.34	1,276,531,472.56	(1,237,200,770.74)	374,240,290.16

The Group participates in the pension insurance and unemployment insurance schemes established by government authorities as required. Under these schemes, the Group contributes to the schemes at specified bases and rates. Meanwhile, the Group has established an enterprise annuity scheme for eligible employees, with contributions to the scheme made at a certain percentage of the total employee wages of the previous year. Beyond the aforementioned monthly contributions, the Group assumes no further payment obligations. Corresponding expenses are recognised in profit or loss as they are incurred.

29 Taxes payable

	As at December 31, 2025	As at December 31, 2024
Corporate income tax	25,490,789.48	51,116,367.70
Value-added tax	74,886,775.96	44,328,378.11
Taxes and levies withheld	44,655,904.84	14,492,394.34
Educational surtax and local educational surtax	1,268,985.61	898,125.90
City maintenance and construction tax	1,274,011.83	759,742.08
Others	2,695,330.64	1,605,389.15
Total	150,271,798.36	113,200,397.28

30 Accounts payable

	As at December 31, 2025	As at December 31, 2024
Securities settlement funds payable	553,342,196.84	521,379,525.98
Product sales expenses payable	31,739,202.86	53,396,540.81
Payables for the investor protection fund	26,458,507.94	16,497,276.32
Exchange trading unit fees payable	1,520,947.60	5,946,962.66
Underwriting fees payable	37,856,440.00	15,329,210.04
Handling fees payable for third-party custody business	8,890,834.84	3,829,235.65
Commission payable to brokers	2,583,514.69	2,588,052.99
Others	55,078,723.48	31,442,517.51
Total	717,470,368.25	650,409,321.96

As at December 31, 2025 and December 31, 2024, the aforementioned accounts payable did not include amounts payable to shareholders holding 5% (inclusive) or more of the shares of the Group with voting rights.

31 Contract liabilities

	As at December 31, 2025	As at December 31, 2024
Investment banking business	9,910,385.63	30,243,318.83
Advance receivable for sales of goods	106,786,552.19	21,283,424.89
Others	–	882,134.28
Total	116,696,937.82	52,408,878.00

32 Provisions

As at December 31, 2025, the provisions of the Group at the end of the period was nil.

	As at December 31, 2023	Increase for the year	Decrease for the year	As at December 31, 2024
Commitment fee (1)	49,850,000.00	52,150,000.00	102,000,000.00	–
Others	2,558,116.47	–	2,558,116.47	–
Total	52,408,116.47	52,150,000.00	104,558,116.47	–

(1) On March 31, 2023, the Company received the Notice of Case Filing (Zheng Jian Li An Zi No. 03720230016) (《立案告知書》(證監立案字03720230016號)) from the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**"). Due to the Company's suspected failure to perform its duties diligently in the sponsorship, underwriting, and continuous supervision of the project concerning the initial public issuance of shares and listing on the STAR Market of Zeda Yisheng (Tianjin) Technology Co., Ltd. (澤達易盛(天津)科技股份有限公司), the CSRC decided to file a case against the Company in accordance with laws and regulations such as the Securities Law of the People's Republic of China and the Administrative Penalty Law of the People's Republic of China.

On September 21, 2023, the Company held a a meeting of the board of directors, at which it considered and approved the Proposal on the Proposed Establishment of a Special Fund Account for Compensation for the Zeda Yisheng Incident and Application for the Commitment System for Administrative Law Enforcement Parties of Securities and Futures (《關於擬設立澤達易盛事件賠付專項資金賬戶與申請適用證券期貨行政執法當事人承諾制度的議案》). It was agreed that the Company would establish a special fund account for compensation for the Zeda Yisheng incident jointly with other intermediaries and relevant parties to compensate eligible investors for their investment losses through efficient means such as judicial mediation, and apply to the CSRC for the commitment system for parties involved in the administrative law enforcement of securities and futures. On October 24, 2023, the Company received the Notice of Acceptance of Application for the Commitment for Administrative Law Enforcement Parties (Zheng Jian Cheng Nuo Shou Zi [2023] No. 16) (《行政執法當事人承諾申請受理通知書》(證監承諾受字[2023]16號)) issued by the CSRC, indicating that the Company's application for the commitment system for parties involved in the administrative law enforcement of securities and futures had been formally accepted by the CSRC.

On December 26, 2023, the Company received the Civil Mediation Letter ((2023) Hu 74 Min Chu No. 669) (《民事調解書》((2023)滬74民初669號)) issued by the Shanghai Financial Court. According to the Civil Mediation Letter, the Company, Pan-China Certified Public Accountants LLP (Special General Partnership), Beijing Kangda Law Firm, and other defendants were required to pay a compensation of RMB155,139,143.72 to all plaintiff investors within five days from the effective date of the Civil Mediation Letter. The Company's share of the compensation amounted to RMB110,164,305.96, as detailed in Note VIII.54. As of December 31, 2023, the compensation had been paid in full.

On December 31, 2023, based on the actual circumstances of the incident and relevant market precedents, the Company made a provision for commitment funds of RMB49.85 million for the incident, in accordance with the Implementation Rules for the Commitment System for Administrative Law Enforcement Parties of Securities and Futures (《證券期貨行政執法當事人承諾制度實施規定》) and the Accounting Standards for Business Enterprises No. 13 – Contingencies.

On October 23, 2024, the Company signed the Administrative Law Enforcement Party's Commitment Acceptance Agreement (《行政執法當事人承諾認可協議》) with the CSRC. Based on the amount of commitment funds, an additional provision of RMB52.15 million was made this year, and the commitment funds were paid in accordance with the terms of the agreement. On the same day, the Company received the Decision on Suspension of Investigation (《中止調查決定書》) issued by the CSRC, in which the CSRC legally decided to suspend its investigation into the Company.

33 Long-term debt securities issued

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Corporate bonds								
21 Dongxing G2 (21東興G2)	820,000,000.00	07/07/2021	07/07/2026	3.72%	834,875,923.29	30,504,000.00	(30,504,000.00)	834,875,923.29
22 Dongxing G1 (22東興G1)	2,000,000,000.00	19/04/2022	19/04/2025	3.00%	2,042,246,575.34	17,753,424.66	(2,060,000,000.00)	-
22 Dongxing G2 (22東興G2)	1,600,000,000.00	07/06/2022	07/06/2025	2.90%	1,626,441,643.84	19,958,356.16	(1,646,400,000.00)	-
22 Dongxing G5 (22東興G5)	850,000,000.00	24/10/2022	24/10/2025	2.63%	854,226,013.70	18,128,986.30	(872,355,000.00)	-
22 Dongxing G6 (22東興G6)	1,300,000,000.00	08/11/2022	08/11/2025	2.68%	1,305,154,410.96	29,685,589.04	(1,334,840,000.00)	-
23 Dongxing G1 (23東興G1)	1,400,000,000.00	10/07/2023	10/07/2026	2.89%	1,419,398,630.14	40,460,000.00	(40,460,000.00)	1,419,398,630.14
25 Dongxing K1 (25東興K1)	1,000,000,000.00	30/07/2025	30/07/2028	1.80%	-	1,011,417,420.53	(3,773,584.91)	1,007,643,835.62
25 Dongxing G1 (25東興G1)	2,000,000,000.00	21/08/2025	17/08/2028	1.98%	-	2,021,976,758.85	(7,547,169.81)	2,014,429,589.04
25 Dongxing G2 (25東興G2)	2,000,000,000.00	27/08/2025	24/08/2028	1.95%	-	2,021,117,032.82	(7,547,169.81)	2,013,569,863.01
25 Dongxing G3 (25東興G3)	2,000,000,000.00	20/10/2025	20/10/2027	1.94%	-	2,015,307,169.81	(7,547,169.81)	2,007,760,000.00
25 Dongxing G4 (25東興G4)	1,100,000,000.00	17/11/2025	17/11/2027	1.84%	-	1,106,646,285.87	(4,150,943.40)	1,102,495,342.47
25 Dongxing G5 (25東興G5)	1,900,000,000.00	17/11/2025	17/11/2028	1.92%	-	1,911,667,345.57	(7,169,811.32)	1,904,497,534.25
DXVOYAGEB2708	USD350,000,000.00	01/08/2024	01/08/2027	5.30%	2,567,550,940.99	138,985,287.87	(194,289,490.24)	2,512,246,738.62
Subtotal					10,649,894,138.26	10,383,607,657.48	(6,216,584,339.30)	14,816,917,456.44
Total					10,649,894,138.26	10,383,607,657.48	(6,216,584,339.30)	14,816,917,456.44

Type	Nominal value	Issuing date	Maturity date	Coupon rate	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Corporate bonds								
21 Dongxing G1 (21東興G1)	1,660,000,000.00	7/7/2021	7/7/2024	3.42%	1,686,381,039.78	30,390,960.22	(1,716,772,000.00)	-
21 Dongxing G2 (21東興G2)	820,000,000.00	7/7/2021	7/7/2026	3.72%	832,941,961.03	32,437,962.26	(30,504,000.00)	834,875,923.29
21 Dongxing G4 (21東興G4)	900,000,000.00	10/8/2021	10/8/2024	3.08%	909,769,866.25	17,950,133.75	(927,720,000.00)	-
22 Dongxing G1 (22東興G1)	2,000,000,000.00	19/4/2022	19/4/2025	3.00%	2,039,101,921.25	63,144,654.09	(60,000,000.00)	2,042,246,575.34
22 Dongxing G2 (22東興G2)	1,600,000,000.00	7/6/2022	7/6/2025	2.90%	1,623,590,490.80	49,251,153.04	(46,400,000.00)	1,626,441,643.84
22 Dongxing G5 (22東興G5)	850,000,000.00	24/10/2022	24/10/2025	2.63%	852,354,944.52	24,226,069.18	(22,355,000.00)	854,226,013.70
22 Dongxing G6 (22東興G6)	1,300,000,000.00	8/11/2022	8/11/2025	2.68%	1,302,156,507.39	37,837,903.57	(34,840,000.00)	1,305,154,410.96
23 Dongxing G1 (23東興G1)	1,400,000,000.00	10/7/2023	10/7/2026	2.89%	1,414,849,363.89	45,009,266.25	(40,460,000.00)	1,419,398,630.14
DXVOYAGEB2408	USD400,000,000.00	15/8/2019	15/8/2024	3.25%	2,863,007,254.60	136,772,464.24	(2,999,779,718.84)	-
DXVOYAGEB2708	USD350,000,000.00	1/8/2024	1/8/2027	5.30%	-	2,567,550,940.99	-	2,567,550,940.99
Subtotal					13,524,153,349.51	3,004,571,507.59	(5,878,830,718.84)	10,649,894,138.26
Total					13,524,153,349.51	3,004,571,507.59	(5,878,830,718.84)	10,649,894,138.26

34 Lease liabilities

	As at December 31, 2025	As at December 31, 2024
Lease liabilities	164,210,076.25	261,466,688.38

As of December 31, 2025, the lease payments related to the lease contracts that the Group had signed but not yet commenced to execute amounted to RMB8,378,672.86 (December 31, 2024: RMB8,478,643.50).

35 Other liabilities

	As at December 31, 2025	As at December 31, 2024
Other payables (1)	987,092,916.26	2,516,997,044.21
Notes payable	622,729,447.64	278,596,216.90
Dividends payable	9,546,849.32	–
Futures risk reserve	24,795,141.09	23,696,126.72
Amounts payable to other equity holders of consolidated structured entities	547,260,545.79	35,157,416.26
Deferred income	354,765.00	567,624.00
Total	2,191,779,665.10	2,855,014,428.09

Dividends payable refers to the interest payables on perpetual bonds of Dongxing Securities.

(1) Other payables

	As at December 31, 2025	As at December 31, 2024
Margin payable for OTC business	830,730,211.54	2,369,236,344.13
Deposits for warehouse's receipt pledging	64,044,152.00	63,082,720.00
Accounts payable for current transactions	6,496,538.68	12,393,458.46
Options premium payable	–	11,215,050.00
Social security contributions and housing fund withheld	1,179,082.77	1,577,947.77
Others	84,642,931.27	59,491,523.85
Total	987,092,916.26	2,516,997,044.21

As of December 31, 2025 and December 31, 2024, the aforementioned other payables did not include payables to shareholders holding 5% (inclusive) or more of the shares of the Group with voting rights.

36 Classification and measurement of financial instruments

	As at December 31, 2025					
		Measured at fair value through other comprehensive income		Measured at fair value through profit or loss		
Items of financial assets	Financial assets at amortised cost	Financial assets classified as at fair value through other comprehensive income	Non-trading equity instrument investments designated as at fair value through other comprehensive income	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial assets designated as at fair value through profit or loss as per Hedging Accounting standards
Cash and bank balances	18,299,466,104.28	–	–	–	–	–
Deposits with clearing houses	4,401,956,018.13	–	–	–	–	–
Receivable from margin clients	20,507,098,177.52	–	–	–	–	–
Derivative financial assets	–	–	–	115,970,775.03	–	–
Reverse REPOs	518,135,460.89	–	–	–	–	–
Accounts receivable	117,263,678.79	–	–	–	–	–
Refundable deposits	1,602,420,844.21	–	–	–	–	–
Financial assets held for trading	–	–	–	31,823,262,486.71	–	–
Other debt investments	–	23,676,122,859.67	–	–	–	–
Investments in other equity instruments	–	–	10,347,856,580.38	–	–	–
Other financial assets	782,720,394.69	–	–	–	–	–
Total	46,229,060,678.51	23,676,122,859.67	10,347,856,580.38	31,939,233,261.74	–	–

	As at December 31, 2025			
		Measured at fair value through profit or loss		
Items of financial liabilities	Financial liabilities at amortised cost	Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial liabilities designated as at fair value through profit or loss as per Hedging Accounting standards
Short-term borrowings	691,834,408.40	–	–	–
Placements from financial institutions	3,068,222,385.56	–	–	–
Short-term debt securities issued	13,637,073,231.52	–	–	–
Financial liabilities held for trading	–	–	2,639,328,473.79	–
Derivative financial liabilities	–	536,671,165.77	–	–
REPOs	20,969,791,349.51	–	–	–
Accounts payable to brokerage clients	20,699,348,759.33	–	–	–
Accounts payable	717,470,368.25	–	–	–
Long-term debt securities issued	14,816,917,456.44	–	–	–
Lease liabilities	164,210,076.25	–	–	–
Other financial liabilities	2,157,082,909.69	–	–	–
Total	76,921,950,944.95	536,671,165.77	2,639,328,473.79	–

	As at December 31, 2024					
		Measured at fair value through other comprehensive income		Measured at fair value through profit or loss		
Items of financial assets	Financial assets at amortised cost	Financial assets classified as at fair value through other comprehensive income	Non-trading equity instrument investments designated as at fair value through other comprehensive income	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial assets designated as at fair value through profit or loss as per Hedging Accounting standards
Cash and bank balances	15,233,926,639.01	-	-	-	-	-
Deposits with clearing houses	5,801,728,065.27	-	-	-	-	-
Receivable from margin clients	16,536,553,072.95	-	-	-	-	-
Derivative financial assets	-	-	-	290,098,640.49	-	-
Reverse REPOs	314,159,432.76	-	-	-	-	-
Accounts receivable	320,325,270.86	-	-	-	-	-
Refundable deposits	1,185,414,343.09	-	-	-	-	-
Financial assets held for trading	-	-	-	36,091,984,831.58	-	-
Other debt investments	-	20,253,070,781.89	-	-	-	-
Investments in other equity instruments	-	-	6,513,327,112.26	-	-	-
Other financial assets	834,969,164.38	-	-	-	-	-
Total	40,227,075,988.32	20,253,070,781.89	6,513,327,112.26	36,382,083,472.07	-	-

	As at December 31, 2024			
		Measured at fair value through profit or loss		
Items of financial liabilities	Financial liabilities at amortised cost	Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss as per Recognition and Measurement of Financial Instruments	Financial liabilities designated as at fair value through profit or loss as per Hedging Accounting standards
Placements from financial institutions	4,030,402,225.01	–	–	–
Short-term debt securities issued	14,057,565,065.76	–	–	–
Financial liabilities held for trading	–	–	1,041,129,335.88	–
Derivative financial liabilities	–	414,130,317.19	–	–
REPOs	24,521,859,867.99	–	–	–
Accounts payable to brokerage clients	17,780,840,407.55	–	–	–
Accounts payable	650,409,321.96	–	–	–
Long-term debt securities issued	10,649,894,138.26	–	–	–
Lease liabilities	261,466,688.38	–	–	–
Other financial liabilities	2,830,750,677.37	–	–	–
Total	74,783,188,392.28	414,130,317.19	1,041,129,335.88	–

37 Share capital

		Changes for the year					
	As at January 1, 2025	Issuance of new shares	Bonus shares	Capitalization of surplus reserve	Others	Subtotal	As at December 31, 2025
Total number of shares	3,232,445,520.00	–	–	–	–	–	3,232,445,520.00

		Changes for the year					
	As at January 1, 2024	Issuance of new shares	Bonus shares	Capitalization of surplus reserve	Others	Subtotal	As at December 31, 2024
Total number of shares	3,232,445,520.00	–	–	–	–	–	3,232,445,520.00

38 Other equity instruments

	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Perpetual bonds	–	3,000,000,000.00	–	3,000,000,000.00
Total	–	3,000,000,000.00	–	3,000,000,000.00

Other equity instruments of the Group are as follows:

– In October 2025, the Company issued the 2025 Perpetual Subordinated Bonds of Dongxing Securities Co., Ltd. Publicly Issued to Professional Investors (First Tranche), with an issuance scale of RMB1.000 billion.

– In November 2025, the Company issued the 2025 Perpetual Subordinated Bonds of Dongxing Securities Co., Ltd. Publicly Issued to Professional Investors (Second Tranche), with an issuance scale of RMB1.000 billion.

– In December 2025, the Company issued the 2025 Perpetual Subordinated Bonds of Dongxing Securities Co., Ltd. Publicly Issued to Professional Investors (Third Tranche), with an issuance scale of RMB1.000 billion.

The issuance terms related to the equity attributes of other equity instruments that existed at the end of the year mentioned above are as follows:

– The bonds are repriced every 5 interest-accruing years, and at the end of each repricing cycle, the Company has the option to extend such tranche of bonds for another repricing cycle (another five years) or redeem them in full.

– The bonds offer no option to sell back to the investors so that investors cannot require the issuer to redeem their bonds during the duration of the bonds.

– The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that on each interest payment date, the issuer may, at its own discretion, defer the interests for the relevant period, along with all interests already deferred according to the related terms of the prospectus and accreted interests thereon, to the next interest payment date, without any limitation with respect to the number of deferrals. Among them, mandatory interest payment events are limited to dividend distributions to ordinary shareholders and reductions of registered capital;

– The priority over repayment of all above perpetual subordinated bonds is subordinated to the Company's general debts and other subordinated debt; unless in the event of liquidation of the Company, investors of such tranche of bonds cannot require the Company to accelerate payment of the bonds' principals.

– Floating interest rate is adopted. Interests are calculated annually at a simple rate. The coupon rate of the bonds during the previous five interest-accruing years (the first pricing cycle) is determined according to the market conditions at the time of issuance and relevant regulations, remains unchanged in the previous five interest-accruing years, and will be reset for once starting from the 6th interest-accruing year.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented within shareholders' equity in the consolidated balance sheet. As at December 31, 2025, the interests on perpetual bonds payable by the Company amounted to RMB9,546,849.32.

39 Capital reserve

	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Share premium and others	13,761,943,486.30	–	11,320,754.73	13,750,622,731.57

	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Share premium and others	13,761,943,486.30	–	–	13,761,943,486.30

The decrease in amount for the current period represents the underwriting fees incurred from the issuance of perpetual bonds.

40 Other comprehensive income

(1) Table of other comprehensive income attributable to the parent company in the balance sheet

	As at January 1, 2025	Amount attributable to the parent after tax	Other comprehensive income reclassified to retained earnings	As at December 31, 2025
Changes in fair value of other debt investments	296,868,299.65	(157,625,511.21)	–	139,242,788.44
Credit impairment provisions for other debt investments	71,110,123.63	66,318,603.88	–	137,428,727.51
Changes in fair value of investments in other equity instruments	(82,347,639.93)	464,265,001.93	105,301,509.46	487,218,871.46
Foreign currency translation differences	52,292,378.19	(28,657,487.89)	–	23,634,890.30
Total	337,923,161.54	344,300,606.71	105,301,509.46	787,525,277.71

	As at January 1, 2024	Amount attributable to the parent after tax	Other comprehensive income reclassified to retained earnings	As at December 31, 2024
Changes in fair value of other debt investments	51,747,526.53	245,120,773.12	–	296,868,299.65
Credit impairment provisions for other debt investments	127,923,980.25	(56,813,856.62)	–	71,110,123.63
Changes in fair value of investments in other equity instruments	(219,845,200.00)	55,023,695.26	82,473,864.81	(82,347,639.93)
Foreign currency translation differences	52,650,745.75	(358,367.56)	–	52,292,378.19
Total	12,477,052.53	242,972,244.20	82,473,864.81	337,923,161.54

(2) Table of other comprehensive income attributable to the parent company in the income statement

	2025			
Items	Amount before income tax for the year	Less: Transfer out from which were recognised in other comprehensive income in the previous periods	Less: income tax expense	Amount attributable to the parent after tax
Other comprehensive income to be reclassified to profit or loss				
Changes in fair value of other debt investments	(100,314,009.22)	(130,162,911.25)	72,851,409.26	(157,625,511.21)
Credit impairment provisions for other debt investments	121,616,710.25	(43,593,702.55)	(11,704,403.82)	66,318,603.88
Foreign currency translation differences	(28,657,487.89)	–	–	(28,657,487.89)
Other comprehensive income not reclassified to profit or loss				
Changes in fair value of investments in other equity instruments	614,605,731.62	–	(150,340,729.69)	464,265,001.93
Total	607,250,944.76	(173,756,613.80)	(89,193,724.25)	344,300,606.71

	2024			
Items	Amount before income tax for the year	Less: Transfer out from which were recognised in other comprehensive income in the previous periods	Less: income tax expense	Amount attributable to the parent after tax
Other comprehensive income to be reclassified to profit or loss				
Changes in fair value of other debt investments	313,197,781.11	18,956,926.30	(87,033,934.29)	245,120,773.12
Credit impairment provisions for other debt investments	42,935,372.05	(118,775,954.04)	19,026,725.37	(56,813,856.62)
Foreign currency translation differences	(358,367.56)	–	–	(358,367.56)
Other comprehensive income not reclassified to profit or loss				
Changes in fair value of investments in other equity instruments	70,270,568.24	–	(15,246,872.98)	55,023,695.26
Total	426,045,353.84	(99,819,027.74)	(83,254,081.90)	242,972,244.20

41 Surplus reserve

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Statutory surplus reserve (1)	1,769,056,730.11	195,336,256.81	–	1,964,392,986.92
Discretionary surplus reserve	355,231,888.07	–	–	355,231,888.07
Total	2,124,288,618.18	195,336,256.81	–	2,319,624,874.99

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Statutory surplus reserve (1)	1,613,717,141.46	155,339,588.65	–	1,769,056,730.11
Discretionary surplus reserve	355,231,888.07	–	–	355,231,888.07
Total	1,968,949,029.53	155,339,588.65	–	2,124,288,618.18

(1) In accordance with the provisions of the Company Law of the People's Republic of China and the Company's articles of association, the statutory surplus reserve is appropriated at 10% of the net profit of the Company for the period. Appropriation may cease once the cumulative balance of the statutory surplus reserve exceeds 50% of the registered capital of the Company.

In 2025, the Group appropriated RMB195,336,256.81 as the statutory surplus reserve (2024: RMB155,339,588.65).

42 General reserves

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
General reserves	2,043,672,361.12	212,133,862.87	–	2,255,806,223.99
Trading risk reserves	1,883,786,409.57	195,336,256.81	–	2,079,122,666.38
Total	3,927,458,770.69	407,470,119.68	–	4,334,928,890.37

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
General reserves	1,851,833,622.17	191,838,738.95	–	2,043,672,361.12
Trading risk reserves	1,728,446,820.92	155,339,588.65	–	1,883,786,409.57
Total	3,580,280,443.09	347,178,327.60	–	3,927,458,770.69

In accordance with the regulations of regulatory authorities such as the Ministry of Finance and the CSRC, the Company appropriates general reserves and trading risk reserves at 10% of its net profit, respectively. In addition, the general reserves and trading risk reserves also include the general reserves appropriated by the Company and its subsidiaries according to the applicable laws and regulations of their respective industries or regions.

In 2025, the Group appropriated RMB212,133,862.87 as general reserves (2024: RMB191,838,738.95).

In 2025, the Group appropriated RMB195,336,256.81 as trading risk reserves (2024: RMB155,339,588.65).

43 Retained profits

	2025	2024
At the beginning of the year	4,967,459,173.09	4,512,387,597.53
Add: Net profits attributable to shareholders of the parent company during the current year	2,101,764,225.92	1,544,324,857.74
Less: Appropriation to statutory surplus reserve	(195,336,256.81)	(155,339,588.65)
Appropriation to general reserves	(212,133,862.87)	(191,838,738.95)
Appropriation to trading risk reserves	(195,336,256.81)	(155,339,588.65)
Distribution to shareholders	(536,585,956.32)	(504,261,501.12)
Distribution to the holders of other equity instruments	(9,546,849.32)	–
Other comprehensive income carried forward to retained earnings	(105,301,509.46)	(82,473,864.81)
At the end of the year	5,814,982,707.42	4,967,459,173.09

On June 24, 2025, upon the approval of the shareholders' general meeting, the Company declared the following cash dividend for the year 2024: based on the total share capital of 3,232,445,520 shares, a cash dividend of RMB0.9 per 10 shares (tax inclusive) was distributed to all A-share shareholders, amounting to a total cash dividend of RMB290,920,096.80 (tax inclusive).

Authorized by the shareholders' general meeting on June 24, 2025, and reviewed and approved at the meeting of the board of directors on August 26, 2025, the Company declared the following interim cash dividend for the year 2025: based on the total share capital of 3,232,445,520 shares, a cash dividend of RMB0.76 per 10 shares (tax inclusive) was distributed to all A-share shareholders, amounting to a total cash dividend of RMB245,665,859.52 (tax inclusive).

On June 20, 2024, upon the approval of the shareholders' general meeting, the Company declared the following cash dividend for the year 2023: based on the total share capital of 3,232,445,520 shares, a cash dividend of RMB1.02 per 10 shares (tax inclusive) was distributed to all A-share shareholders, amounting to a total cash dividend of RMB329,709,443.04 (tax inclusive).

Authorized by the shareholders' general meeting on June 20, 2024, and reviewed and approved at the meeting of the board of directors on August 27, 2024, the Company declared the following interim cash dividend for the year 2024: based on the total share capital of 3,232,445,520 shares, a cash dividend of RMB0.54 per 10 shares (tax inclusive) was distributed to all A-share shareholders, amounting to a total cash dividend of RMB174,552,058.08 (tax inclusive).

As at December 31, 2025, the Group's retained profit included the balance of surplus reserves attributable to the subsidiaries of the Company in the amount of RMB132,290,775.18 (December 31, 2024: RMB130,158,840.58).

44 Net fee and commission income

	2025	2024
Net income from securities brokerage business	930,133,119.36	705,832,877.82
Income from securities brokerage business	1,227,327,972.21	899,761,336.52
Including: Brokerage trading of securities	1,144,276,813.91	841,502,130.14
Leasing of trading unit seats	8,964,504.59	13,214,995.96
Agency sale of financial products	74,086,653.71	45,044,210.42
Expenses on securities brokerage business	(297,194,852.85)	(193,928,458.70)
Including: Brokerage trading of securities	(297,194,852.85)	(193,928,458.70)
Net income from futures brokerage business	22,388,657.53	25,196,632.12
Income from futures brokerage business	106,237,969.34	126,954,406.98
Expenses on futures brokerage business	(83,849,311.81)	(101,757,774.86)
Net income from investment banking business	490,082,937.19	473,042,527.95
Income from investment banking business	539,101,091.63	501,719,670.12
Including: Securities underwriting business	458,253,150.30	414,639,794.36
Securities sponsorship business	30,384,878.33	16,656,530.61
Financial advisory business (1)	50,463,063.00	70,423,345.15
Expenses of investment banking business	(49,018,154.44)	(28,677,142.17)
Including: Securities underwriting business	(49,018,154.44)	(28,677,142.17)
Net income from asset management business (2)	100,048,589.65	131,763,216.09
Income from asset management business	99,854,450.17	133,677,190.00
Expenses of asset management business	194,139.48	(1,913,973.91)
Net income from fund management business (2)	108,103,978.51	160,784,776.04
Income from fund management business	108,103,978.51	160,784,776.04
Net income from investment advisory business	25,737,376.15	18,176,861.36
Income from investment advisory business	25,737,376.15	18,176,861.36
Net income from other fee and commission	3,553,556.83	1,064,365.66
Income from other fee and commission	3,556,837.96	1,069,554.34
Expenses on other fee and commission	(3,281.13)	(5,188.68)
Total	1,680,048,215.22	1,515,861,257.04
Including: Total fee and commission income	2,109,919,675.97	1,842,143,795.36
Total fee and commission expenses	(429,871,460.75)	(326,282,538.32)

(1) Net income from financial advisory business

Items	2025	2024
Net income from financial advisory business for mergers and acquisitions and restructuring		
– Domestically listed companies	297,169.81	–
Net income from financial advisory business for financing	8,666,509.36	15,036,724.98
Net income from other financial advisory business	41,499,383.83	55,386,620.17
Total	50,463,063.00	70,423,345.15

(2) Asset management business

	2025				
	Mutual funds	Private funds	Collective assets	Single assets	Special assets
Product quantity at the end of the year	29	13	106	42	10
Number of clients at the end of the year	291,345	33	2,601	42	188
Including: Individual clients	290,967	3	2,115	6	–
Institutional clients	378	30	486	36	188
Entrusted funds at the beginning of the year	43,147,243,120.36	2,601,352,427.78	17,660,978,486.11	6,076,094,435.17	22,273,837,515.11
Including: Own capital investment	717,836,747.09	376,067,417.29	735,981,773.76	324,544,361.27	–
Individual clients	13,928,058,955.56	39,015,899.66	4,314,577,784.75	95,519,961.46	–
Institutional clients	28,501,347,417.71	2,186,269,110.83	12,610,418,927.60	5,656,030,112.44	22,273,837,515.11
Entrusted funds at the end of the year	37,415,629,176.58	2,691,275,873.73	23,391,531,494.73	8,344,866,547.42	9,319,500,000.00
Including: Own capital investment	1,130,822,448.98	379,359,275.78	1,234,332,461.29	324,544,361.27	–
Individual clients	10,891,143,819.53	39,015,899.66	4,294,769,122.81	266,558,069.27	–
Institutional clients	25,393,662,908.07	2,272,900,698.29	17,862,429,910.63	7,753,764,116.88	9,319,500,000.00
Initial cost of the main entrusted assets at the end of the year	43,944,935,142.99	1,054,548,954.71	26,630,503,955.34	9,028,725,526.55	9,363,207,521.76
Including: Stocks	739,348,798.66	–	303,500,467.90	1,040,505,965.73	–
Treasury bonds	1,630,126,245.15	–	182,723,220.00	–	–
Other bonds	23,063,075,899.46	55,309,011.00	18,785,700,935.08	4,296,291,341.77	–
Funds	–	106,455,249.77	2,768,876,933.83	526,472,719.86	–
Interbank certificates of deposit	10,658,828,805.34	–	–	–	–
Other investment products	7,853,555,394.38	892,784,693.94	4,589,702,398.53	3,165,455,499.19	9,363,207,521.76
Net income from asset management business in the current year	108,103,978.51	5,104,748.77	74,772,914.65	13,806,405.95	6,364,520.28

	2024				
	Mutual funds	Private funds	Collective assets	Single assets	Special assets
Product quantity at the end of the year	25	11	95	23	17
Number of clients at the end of the year	300,591	31	2,459	23	127
Including: Individual clients	300,244	3	2,214	1	–
Institutional clients	347	28	245	22	127
Entrusted funds at the beginning of the year	41,973,702,510.68	2,368,968,569.77	12,966,927,576.16	5,343,433,052.74	28,184,407,800.00
Including: Own capital investment	718,153,302.33	354,225,021.21	1,005,301,595.51	324,544,361.27	–
Individual clients	20,872,433,373.84	39,015,899.66	5,553,276,212.05	95,179,167.50	–
Institutional clients	20,383,115,834.51	1,975,727,648.90	6,408,349,768.60	4,923,709,523.97	28,184,407,800.00
Entrusted funds at the end of the year	43,147,243,120.36	2,601,352,427.78	17,660,978,486.11	6,076,094,435.17	22,273,837,515.11
Including: Own capital investment	717,836,747.09	376,067,417.29	735,981,773.76	324,544,361.27	–
Individual clients	13,928,058,955.56	39,015,899.66	4,314,577,784.75	95,519,961.46	–
Institutional clients	28,501,347,417.71	2,186,269,110.83	12,610,418,927.60	5,656,030,112.44	22,273,837,515.11
Initial cost of the main entrusted assets at the end of the year	51,635,375,924.06	1,389,123,438.70	23,219,014,215.89	6,879,721,938.65	22,489,939,839.92
Including: Stocks	484,432,722.13	–	90,937,035.67	1,183,707,659.52	43,513,998.80
Treasury bonds	4,849,563,776.70	–	543,463,395.00	71,171,686.67	–
Other bonds	31,630,586,860.71	122,260,953.65	20,245,217,552.26	3,177,612,289.97	27,833,190.22
Funds	–	–	738,739,807.33	45,076,450.01	16,018,273.01
Interbank certificates of deposit	8,002,187,375.32	–	–	–	–
Other investment products	6,668,605,189.20	1,266,862,485.05	1,600,656,425.63	2,402,153,852.48	22,402,574,377.89
Net income from asset management business in the current year	160,784,776.04	5,995,922.80	85,660,316.72	13,015,625.61	27,091,350.96

45 Net interest income

Items	2025	2024
Interest income		
Interest income from cash and bank balances and deposits with clearing houses	300,567,674.59	340,160,451.42
Including: Interest income from client deposits	244,371,488.46	258,076,982.75
Interest income from corporate deposits	56,196,186.13	82,083,468.67
Interest income from margin financing and securities lending business	896,678,555.14	803,524,696.08
Interest income from reverse REPOs	7,280,976.79	4,625,154.99
Including: Interest income from stock-pledged repurchase	619,276.74	196,464.80
Interest income from other debt investments	810,081,846.00	922,061,940.36
Others	325,157.55	10,675,079.23
Subtotal	2,014,934,210.07	2,081,047,322.08

Items	2025	2024
Interest expenses		
Interest expenses on accounts payable to brokerage clients	(20,115,219.68)	(35,430,743.03)
Interest expenses on REPOs	(450,454,287.49)	(588,952,445.41)
Including: Interest expenses on pledged quotation and repurchase	(75,921,699.85)	(100,997,800.39)
Interest expenses on short-term borrowings	(14,492,568.79)	–
Interest expenses on placements from financial institutions	(120,423,368.29)	(69,066,180.02)
Including: Interest expenses of securities lending and refinancing	(74,589,961.11)	(11,819,977.66)
Interest expenses on long-term debt securities issued	(379,307,805.10)	(439,617,181.49)
Interest expenses on short-term debt securities issued	(237,311,107.63)	(205,602,632.92)
Interest expenses on lease liabilities	(6,836,369.45)	(9,887,698.90)
Interest expenses on other financial liabilities calculated by the effective interest rate method	(22,438,156.54)	(16,626,646.92)
Subtotal	(1,251,378,882.97)	(1,365,183,528.69)
Net profit or loss attributable to other holders of interests in the consolidated structured entities	(2,514,547.91)	(27,307,260.38)
Net interest income	761,040,779.19	688,556,533.01

46 Investment income

	2025	2024
Investment income from financial instruments	1,991,105,644.81	2,164,625,439.86
Including: Gains generated during the holding period	1,805,688,680.01	1,776,616,306.81
– Financial instruments held for trading (1)	1,168,269,477.67	1,433,553,929.71
– Investments in other equity instruments	637,419,202.34	343,062,377.10
Profit or loss from disposal of financial instruments	185,416,964.80	388,009,133.05
– Financial instruments held for trading (1)	1,115,090,296.19	203,171,340.54
– Other debt investments	128,542,196.22	134,687,685.10
– Derivative financial instruments	(1,058,215,527.61)	50,150,107.41
Long-term equity investment income accounted for under the equity method	50,394,930.47	12,670,345.39
Others	(21,345,450.54)	(25,812,714.13)
Total	2,020,155,124.74	2,151,483,071.12

In 2025 and 2024, there were no significant restrictions on the repatriation of investment income for the Group.

(1) Statement of investment income from financial instruments held for trading:

	2025	2024
Financial assets classified as at fair value through profit or loss		
– Profit or loss during holding period	1,204,591,003.79	1,433,553,929.71
– Profit or loss from disposal	1,131,208,886.73	154,911,302.76
Financial liabilities classified as at fair value through profit or loss		
– Profit or loss from disposal	(8,449,609.63)	(2,877,886.57)
Financial liabilities designated as at fair value through profit or loss		
– Profit or loss during holding period	(36,321,526.12)	–
– Profit or loss from disposal	(7,668,980.91)	51,137,924.35

47 Gains and losses arising from changes in fair value

	2025	2024
Financial assets held for trading	519,222,031.32	88,907,273.55
Derivative financial instruments	(286,939,972.01)	(90,198,371.05)
Financial liabilities held for trading	(79,804,934.08)	(72,381,423.14)
Total	152,477,125.23	(73,672,520.64)

48 Other operating revenue

	2025	2024
Income from rentals	1,618,770.75	1,664,952.25
Others	2,002,298.54	9,601,128.07
Total	3,621,069.29	11,266,080.32

49 Tax and surcharges

	2025	2024
City maintenance and construction tax	12,928,842.98	10,773,164.62
Educational surtax and local educational surtax	9,326,263.93	7,745,957.65
Housing property tax	2,593,816.72	2,728,954.43
Others	7,207,976.57	6,311,560.56
Total	32,056,900.20	27,559,637.26

50 Operating and administrative expenses

	2025	2024
Staff costs	1,392,915,406.42	1,276,531,472.56
Depreciation and amortization expenses	255,572,049.61	287,673,098.30
Postal and telecommunication expenses	89,234,673.08	90,292,821.27
Electronic equipment operating expenses	64,562,457.97	79,083,831.34
Product sales and advertising expenses	44,698,709.63	92,132,450.51
Exchange membership fee	34,291,137.89	36,974,307.11
Conference travelling and transportation expenses	30,093,818.24	38,499,001.55
Investor protection funds	29,427,088.07	18,233,706.49
Utilities and building management fees	20,017,654.59	20,869,788.17
Research and information expenses	19,295,098.07	22,128,332.58
Others	149,658,039.68	154,684,565.14
Total	2,129,766,133.25	2,117,103,375.02

51 Provision for impairment losses under expected credit loss model

	2025	2024
Credit impairment loss on receivable from margin clients	(16,133,556.93)	181,011,750.06
Credit impairment loss on reverse REPOs	(46,120,682.15)	99,582,471.71
Credit impairment loss on accounts receivable	(6,270,581.38)	9,219,272.55
Credit impairment losses on other debt investments	78,023,007.70	(75,274,778.51)
Credit impairment losses on other financial assets	32,440,878.36	37,331,003.67
Total	41,939,065.60	251,869,719.48

52 Other operating costs

	2025	2024
Leasing costs	2,558,379.84	2,558,379.84
Others	1,463,707.81	5,997,065.77
Total	4,022,087.65	8,555,445.61

53 Non-operating revenue

	Amount		Amount included in non-recurring profit or loss in the current period	
	2025	2024	2025	2024
Government grants (1)	1,333,241.19	2,560,000.00	1,333,241.19	2,560,000.00
Others	1,900,968.21	1,765,040.16	1,900,968.21	1,765,040.16
Total	3,234,209.40	4,325,040.16	3,234,209.40	4,325,040.16

(1) The breakdown of government grants

Grant items	Amount		Related to assets/income	
	2025	2024	2025	2024
Funds for supporting enterprise development	1,333,241.19	2,560,000.00	Related to income	Related to income
Total	1,333,241.19	2,560,000.00		

54 Non-operating expenses

	Amount		Amount included in non-recurring profit or loss in the current period	
	2025	2024	2025	2024
Commitment fee *(note VIII 32)*	–	52,150,000.00	–	52,150,000.00
External donations	5,014,584.59	5,000,000.00	5,014,584.59	5,000,000.00
Expenditure on breach of contract compensation	606,471.25	3,545,854.99	606,471.25	3,545,854.99
Late charges and others	13,366,729.29	2,161,679.03	13,366,729.29	2,161,679.03
Total	18,987,785.13	62,857,534.02	18,987,785.13	62,857,534.02

55 Income tax expense

(1) The composition of income tax expense

Items	2025	2024
Current income tax expenses	324,040,596.14	305,158,076.34
Deferred income tax expenses	67,376,085.52	(76,773,016.99)
Total	391,416,681.66	228,385,059.35

(2) The relationship between income tax expense and accounting profit

Reconciliation between income tax expense and accounting profit as follows:

	2025	2024
Profit before taxation	2,494,913,626.34	1,778,908,960.38
Income tax expense calculated at a rate of 25%	623,728,406.59	444,727,240.10
Effect of different applicable tax rates of subsidiaries	(7,160,246.43)	(2,548,918.98)
Effect of non-deductible expenses	17,184,842.71	31,573,687.75
Effect of non-taxable income	(251,922,996.35)	(265,431,337.26)
Effect of utilisation of unused tax losses with no deferred tax assets recognised in previous period	(11,468,250.01)	–
Effect of the unrecognised unused tax losses and deductible temporary differences for the period	25,250,000.00	19,036,563.61
Differences arising from final income tax settlement	(4,195,074.85)	796,845.00
Others	–	230,979.13
Income tax expense	391,416,681.66	228,385,059.35

56 Earnings per share

The basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue. The specific calculation of basic earnings per share is as follows:

Items	2025	2024
Profit:		
Net profit for the year attributable to shareholders of the parent company	2,101,764,225.92	1,544,324,857.74
Less: net profit for the year attributable to other equity instrument holders of the Company *(note VIII 43)*	9,546,849.32	–
Net profit for the year attributable to ordinary shareholders of the parent company	2,092,217,376.60	1,544,324,857.74
Shares:		
Weighted average number of ordinary shares in issue	3,232,445,520.00	3,232,445,520.00
Basic earnings per share	0.647	0.478

In 2025 and 2024, the Company had no dilutive potential ordinary shares.

57 Notes to the cash flow statement

(1) Supplemental information on cash flow statement

	2025	2024
Reconciliation of net profit to cash flows from operating activities		
Net profit	2,103,496,944.68	1,550,523,901.03
Add: Provision for impairment losses on assets	(7,665,333.01)	30,210,993.06
Provision for impairment losses under expected credit loss model	41,939,065.60	251,869,719.48
Depreciation of investment properties	2,558,379.84	2,558,379.84
Depreciation of fixed assets	51,702,969.37	61,012,847.60
Amortisation of intangible assets	41,582,691.21	53,313,932.14
Amortisation of long-term prepaid expenses	36,179,221.24	27,334,287.43

	2025	2024
Depreciation of right-of-use assets	136,961,326.91	153,618,331.93
Gain and losses on disposal of fixed assets, intangible assets and other long-term assets	907,004.56	(4,143,801.41)
Gains and losses arising from changes in fair value	(152,477,125.23)	73,672,520.64
Net income from non-operating interest	(172,133,995.03)	(280,021,825.35)
Foreign exchange gains and losses	(90,534,255.32)	35,380,793.84
Investment gains and losses	(816,356,329.03)	(490,420,407.59)
Changes in deferred tax	67,376,085.52	(76,773,016.99)
Decrease/(increase) in operating receivables	297,812,667.22	(14,315,181,223.17)
(Decrease)/increase in operating payables	(597,178,931.58)	2,770,651,959.84
Net cash flows generated from operating activities	944,170,386.95	(10,156,392,607.68)

(2) Cash inflows associated with other operating activities

	2025	2024
Revenue from the warehouse receipts business	5,142,543,447.07	5,071,758,305.90
Other operating revenue	3,621,069.29	11,266,080.32
Net decrease in refundable deposits	–	842,392,963.66
Other income	3,816,491.33	10,483,196.25
Non-operating revenue	3,021,350.40	4,112,181.16
Total	5,153,002,358.09	5,940,012,727.29

(3) Cash outflows associated with other operating activities

	2025	2024
Net increase in refundable deposits	417,006,501.12	–
Cost of the warehouse receipts business	5,163,888,897.60	4,908,704,654.47
Other operating costs	1,463,707.81	5,997,065.77
Net increase in amounts due to/from related parties	639,981,904.55	1,673,464,447.44
Operating and administrative expenses	481,513,102.14	564,207,623.48
Non-operating expenses	18,987,785.13	115,265,650.49
Others	2,514,547.91	27,307,260.38
Total	6,725,356,446.26	7,294,946,702.03

(4) Composition of cash and cash equivalents

	2025	2024
Bank deposits on demand	18,078,148,853.48	15,027,185,277.16
Deposits with clearing houses on demand	4,320,254,039.80	5,626,713,960.13
Balance of cash and cash equivalents	22,398,402,893.28	20,653,899,237.29

58 Foreign currency monetary items

Items		As at December 31, 2025 Balance of foreign currency	Exchange rate	Balance in RMB equivalent
Cash and bank balances				
Including:	USD	14,763,327.01	7.0288	103,768,472.87
	EUR	1,903.94	8.2355	15,679.89
	HKD	349,355,729.52	0.9032	315,538,094.90
Total				419,322,247.66
Deposits with clearing houses				
Including:	USD	3,528,444.14	7.0288	24,800,728.17
	HKD	20,514,968.95	0.9032	18,529,119.96
Total				43,329,848.13
Refundable deposits				
Including:	USD	2,486,263.12	7.0288	17,475,446.23
	HKD	1,000,000.00	0.9032	903,200.00
Total				18,378,646.23
Long-term debt securities issued				
Including:	USD	357,421,855.60	7.0288	2,512,246,738.62

Items	As at December 31, 2024		
	Balance of foreign currency	Exchange rate	Balance in RMB equivalent
Cash and bank balances			
Including: USD	21,379,230.81	7.1884	153,682,462.74
EUR	3,113.79	7.5257	23,433.39
HKD	151,238,125.60	0.9260	140,046,504.31
Total			293,752,400.44
Deposits with clearing houses			
Including: USD	4,193,074.34	7.1884	30,141,495.58
HKD	20,505,261.90	0.9260	18,987,872.52
Total			49,129,368.10
Refundable deposits			
Including: USD	3,235,319.34	7.1884	23,256,769.56
HKD	500,000.00	0.9260	463,000.00
Total			23,719,769.56
Long-term debt securities issued			
Including: USD	357,179,753.63	7.1884	2,567,550,940.99

IX INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

1 Interests in structured entities initiated by the Group but not included in consolidated financial statements

The structured entities initiated by the Group but not included in consolidated financial statements primarily include asset management schemes and investment funds initiated by the Group. Acting as the manager of these structured entities, the Group, on behalf of its clients, invests the raised funds into relevant underlying assets in accordance with the product contracts. The interests of the Group in these unconsolidated structured entities mainly consist of direct investment holdings and/or the receipt of management fee income and performance-based remuneration through the management of these structured entities. The variable returns related to these structured entities borne by the Group indicate that the Group acts as an agent rather than the primary obligor of these structured entities. Therefore, the Group does not consolidate such structured entities.

In 2025 and 2024, the total fee income derived by the Group from the asset management plans and investment funds initiated but not included in consolidated financial statements by the Group amounted to RMB207,958,428.68 and RMB246,155,634.89, respectively.

As at December 31, 2025 and December 31, 2024, the carrying amounts and the maximum exposure to loss of the relevant asset items in the balance sheet of the Group representing its interests in the structured entities initiated but not included in consolidated financial statements by the Group are set out as follows:

	As at December 31, 2025	As at December 31, 2024
Financial assets held for trading	2,277,692,063.96	1,899,957,025.32
Long-term equity investments	284,517,060.38	319,585,053.69
Total	2,562,209,124.34	2,219,542,079.01

2 Interests in structured entities initiated by third parties but not included in consolidated financial statements

As at December 31, 2025 and December 31, 2024, the carrying amounts and the maximum exposure to loss of the relevant asset items in the balance sheet of the Group representing its interests in the structured entities initiated by third parties but not included in consolidated financial statements are set out as follows:

	As at December 31, 2025	As at December 31, 2024
Financial assets held for trading	7,874,868,043.58	9,664,163,901.12

X TRANSFER OF FINANCIAL ASSETS

In the ordinary course of business, the Group enters into certain transactions that transfer recognized financial assets to third parties or customers.

If the transfer of these financial assets meets the conditions for derecognition, the relevant financial assets are fully or partially derecognized. When the Group retains substantially all the risks and rewards of the transferred assets, the Group continues to recognize such assets in the statement of financial position.

1 REPO transactions

All the transferred financial assets that have not been derecognized include the securities delivered as collateral to counterparties in the REPO transactions under the outright repurchase business. Under such transactions, the counterparties are allowed to re-pledge those securities in the absence of default by the Group, but have an obligation to return the above-mentioned securities to the Group on the agreed maturity date. In certain circumstances, if relevant securities increase or decrease in value, the Group may require counterparties to return part of the collateral or be required to place additional collateral to counterparties. For the aforementioned transactions, the Group believes that it retains substantially all the risks and rewards of the relevant securities, and therefore does not derecognize the relevant securities. Meanwhile, the Group recognizes the cash received as a financial liability.

2 Securities lending arrangement

All the transferred financial assets that have not been derecognised include securities lent to customers for them to sell in securities lending transactions. In such transactions, the Group requires customers to provide sufficient collateral that can fully cover the credit exposure arising from securities lending, and the customers are simultaneously obligated to return the aforementioned securities to the Group in accordance with the terms of the agreement. In certain circumstances, if relevant securities increase or decrease in value, the Group may need to return part of the collateral to the customer or may require the customer to place additional collateral. For the aforementioned transactions, the Group believes that it retains substantially all the risks and rewards of the relevant securities, and therefore does not derecognise the relevant securities.

The following table presents an analysis of the carrying amounts of financial assets that have been transferred to third parties or customers but do not meet the conditions for derecognition, along with the related financial liabilities:

	As at December 31, 2025		As at December 31, 2024	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
REPO transaction	289,938,154.51	275,022,390.34	–	–
Total	289,938,154.51	275,022,390.34	–	–

XI SEGMENT REPORTING

The Group identify reportable segments based on operating segments which are determined based on the Group's internal organisational structure, management requirements and internal reporting mechanisms, and discloses segment information.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) it can generate revenue and incur expenses in its daily operations; (2) the Group's management can regularly review the operating results of this component to make decisions about resource allocation and to assess its performance; and (3) the Group is able to obtain financial information regarding the financial position and operating results of this component. Two or more operating segments may be combined into a single operating segment if they share similar economic characteristics and meet certain conditions.

The Group organizes and manages its business operations based on the nature of the business and the products and services provided. Each operating segment of the Group is a business unit or subsidiary that offers products and services exposed to risks different from those of other operating segments and earns returns different from those of other operating segments. The following is a summary of the detailed information regarding the operating segments:

Wealth management business primarily includes securities brokerage business and credit business;

Investment and trading business primarily includes equity investment business, alternative investment business and fixed-income investment business conducted with self-owned funds;

Investment banking business primarily includes equity financing business, bond financing business, and financial advisory business;

Asset management business primarily includes asset management business of securities company, private fund management business and publicly offered fund management business;

Other businesses primarily include overseas business, futures business, etc.;

Segment profit/(loss) refers to the profit earned or loss incurred by each segment before the allocation of income tax expenses, which is submitted to management for resource allocation and performance evaluation purposes.

Segment assets/liabilities are allocated to each segment. Inter-segment offsets primarily consist of the offsets for adjustments of own funds among inter-segment transactions. Segment performance excludes income tax expenses, while segment assets and liabilities include prepaid taxes and tax payable, respectively.

Segment revenues are all derived from the Chinese mainland and Hong Kong, and the locations of non-current assets are all within the Chinese mainland and Hong Kong.

The Group's business is not conducted for specific customers, and there is no single customer that accounts for 10% or more of the Group's operating revenue.

	For the year ended December 31, 2025 and as at December 31, 2025						
	Wealth management business	Investment and trading business	Investment banking business	Asset management business	Other businesses	Inter-segment elimination	Total
Operating revenue	1,959,857,642.83	1,734,309,085.05	329,228,530.59	285,801,716.77	401,589,080.52	–	4,710,786,055.76
Including: Net fee and commission income	1,060,913,712.53	55,165,773.64	315,637,465.39	161,128,216.89	87,203,046.77	–	1,680,048,215.22
Investment income	494,567.42	1,790,437,210.62	13,603,282.20	143,333,877.30	72,286,187.20	–	2,020,155,124.74
Other revenue (including changes in fair value)	898,449,362.88	(111,293,899.21)	(12,217.00)	(18,660,377.42)	242,099,846.55	–	1,010,582,715.80
Operating expenses	895,270,553.83	198,593,886.38	223,163,641.74	223,396,029.61	659,694,742.13	–	2,200,118,853.69
Operating profit	1,064,587,089.00	1,535,715,198.67	106,064,888.85	62,405,687.16	(258,105,661.61)	–	2,510,667,202.07
Total profit	1,063,930,464.81	1,535,710,312.06	106,064,888.85	62,831,542.05	(273,623,581.43)	–	2,494,913,626.34
Total assets	29,809,361,576.36	59,386,650,135.10	9,959,021.41	2,966,988,954.17	36,622,372,789.76	(14,597,432,049.28)	114,197,900,427.52
Total liabilities	23,346,435,394.28	37,163,071,451.94	9,362,591.49	199,215,410.15	21,122,037,443.92	(929,960,850.76)	80,910,161,441.02
Supplementary information							
Depreciation and amortization expenses	148,203,816.42	38,925,897.47	22,153,617.12	21,496,947.40	24,791,771.20	–	255,572,049.61
Capital expenditures	21,726,790.25	3,403,347.59	191,056.94	4,963,070.54	67,555,095.58	–	97,839,360.90
Provision for impairment losses under ECL model	(92,714,584.66)	46,817,615.24	5,750,000.00	–	82,086,035.02	–	41,939,065.60
Provision for impairment losses on assets	–	–	–	–	(7,665,333.01)	–	(7,665,333.01)

	For the year ended December 31, 2024 and as at December 31, 2024						
	Wealth management business	Investment and trading business	Investment banking business	Asset management business	Other businesses	Inter-segment elimination	Total
Operating revenue	1,655,350,937.34	1,848,802,319.90	152,784,388.43	313,735,477.21	302,067,501.79	–	4,272,740,624.67
Including: Net fee and commission income	831,550,610.95	62,757,197.07	152,664,479.90	245,668,284.34	223,220,684.78	–	1,515,861,257.04
Investment income	7,604,316.16	1,698,220,290.14	101,500.00	153,697,368.64	291,859,596.18	–	2,151,483,071.12
Other revenue (including changes in fair value)	816,196,010.23	87,824,832.69	18,408.53	(85,630,175.77)	(213,012,779.17)	–	605,396,296.51
Operating expenses	1,261,082,842.79	85,589,512.23	219,547,257.97	247,226,165.00	621,853,392.44	–	2,435,299,170.43
Operating profit	394,268,094.55	1,763,212,807.67	(66,762,869.54)	66,509,312.21	(319,785,890.65)	–	1,837,441,454.24
Total profit	394,058,449.31	1,763,212,807.67	(119,305,754.31)	66,705,996.11	(325,762,538.40)	–	1,778,908,960.38
Total assets	27,350,743,934.76	59,087,117,065.70	22,762,630.84	2,685,407,890.03	29,099,996,617.31	(13,017,526,667.52)	105,228,501,471.12
Total liabilities	23,641,406,445.64	36,981,266,906.00	22,493,591.96	102,655,800.14	16,892,056,047.12	(809,953,880.60)	76,829,924,910.26
Supplementary information							
Depreciation and amortization expenses	169,778,984.24	43,159,881.24	24,106,512.76	24,018,357.77	26,609,362.29	–	287,673,098.30
Capital expenditures	51,014,467.19	3,230,088.49	382,550.68	3,239,705.31	88,444,653.31	–	146,311,464.98
Provision for impairment losses under ECL model	275,668,657.43	(74,966,799.14)	–	–	51,167,861.19	–	251,869,719.48
Provision for impairment losses on assets	–	–	–	–	30,210,993.06	–	30,210,993.06

XII RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The conditions and pricing of transactions between the Group and the Company, and related parties are conducted in the ordinary course of business and are approved by the respective decision-making authorities based on the transaction type and content.

1 The parent company of the Company

Name	Place of registration	Nature of business	Registered capital	Percentage of voting rights	Percentage of shareholding
China Orient	Beijing	Asset management	RMB68.243 billion	45.00%	45.00%

China Orient, the controlling shareholder of the Company, is a central financial enterprise established with the approval of the State Council. China Orient Asset Management Company, its predecessor, was founded in October 1999 and was converted into a joint stock company with limited liability in September 2016. As of December 31, 2025, the registered capital of China Orient was RMB68.243 billion.

In June 2025, the Ministry of Finance transferred all of its equity in China Orient to Central Huijin. The National Financial Regulatory Administration approved the equity change of China Orient, and the CSRC approved Central Huijin as the Company's actual controller. China Orient completed the relevant procedures for the change of register of shareholders. Upon completion of the transfer, Central Huijin holds 71.55% of the equity in China Orient. China Orient's shareholding ratio in the Company remains unchanged, and the Company's controlling shareholder is still China Orient. The actual controller has changed from the Ministry of Finance to Central Huijin.

2 The subsidiaries of the Company

For information on subsidiaries, please refer to Note VII.1.

3 The associates and joint ventures of the Group

For information on associates and joint ventures, please refer to Note VIII.12.

4 Other related parties having related party transactions with the Group but not having a controlling relationship

Name of related party	Relationship with the Group
China United Insurance Holding Corporation (中華聯合保險集團股份有限公司)	Under the ultimate control of the same parent
China United Property Insurance Company Limited (中華聯合財產保險股份有限公司)	Under the ultimate control of the same parent
China United Life Insurance Co., Ltd. (中華聯合人壽保險股份有限公司)	Under the ultimate control of the same parent
Bank of Dalian Co., Ltd. ("**Bank of Dalian**")	Under the ultimate control of the same parent
China Orient Asset Management (International) Holding Limited (中國東方資產管理(國際)控股有限公司)	Under the ultimate control of the same parent
Golden Credit Rating International Co., Ltd. (東方金誠國際信用評估有限公司)	Under the ultimate control of the same parent
Shanghai Dongxing Investment Holdings Development Co., Ltd. (上海東興投資控股發展有限公司)	Under the ultimate control of the same parent
Shanghai Ruifeng International Building Enterprise Management Co., Ltd. (上海瑞豐國際大廈企業管理有限公司)	Under the ultimate control of the same parent
Shanghai Fengyin Catering Management Co., Ltd. (上海豐垠餐飲管理有限公司)	Under the ultimate control of the same parent
Orient Bangxin Financial Property Investment Co., Ltd. (東方邦信置業有限公司)	Under the ultimate control of the same parent
Dongyin (Tianjin) Enterprise Management Consulting Co., Ltd. (東銀(天津)企業管理諮詢有限公司)	Under the ultimate control of the same parent
Orient Bangxin (Beijing) Property Management Co., Ltd. (東方邦信(北京)物業管理有限公司)	Under the ultimate control of the same parent
China Post & Capital Fund Management Co., Ltd. (1)	Enterprises in which related natural persons are executives in the past 12 months
Capital Securities Corporation Limited (首創證券股份有限公司) (1)	Enterprises in which related natural persons are executives in the past 12 months
Shandong Hi-speed Company Limited	Enterprises in which related natural persons are executives
Daye Trust Co., Ltd. (大業信託有限責任公司)	Significantly influenced by the parent company
Tianjin JR Assets Management Co., Ltd. (天津津融資產管理有限公司)	Significantly influenced by the parent company

Name of related party	Relationship with the Group
Shandong Fiberglass Group Co., Ltd	Significantly influenced by the parent company

(1) Mr. Wang Hongliang (王洪亮), the current director and general manager of the Company, resigned from his positions as deputy general manager of Capital Securities Corporation Limited and chairman of China Post & Capital Fund Management Co., Ltd. in October 2024. In accordance with the provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the related party relationship between Capital Securities Corporation Limited, China Post & Capital Fund Management Co., Ltd., and the Company should last from November 2024 when Mr. Wang Hongliang took up his position in the Company until October 2025.

5 Pricing policy

The Group conducts regular business with related parties on general commercial terms.

6 The following significant related-party transactions occurred between the Group and its related parties during the year

(1) Related-party transactions with the parent company

Related party transactions

	2025	2024
Income from fee and commission	34,328,007.21	51,254,987.77
Including: income from brokerage business	2,780,525.61	125,845.36
income from investment banking business	16,822,952.06	30,551,515.86
income from asset management business	10,333,086.59	20,153,098.25
Others	4,391,442.95	424,528.30
Interest expenses	190.30	13,021.36
Investment income	–	11,549,603.53
Gains and losses arising from changes in fair value	–	(17,702.25)
Operating and administrative expenses	378,857.13	555,923.76

Related transaction balance

	As at December 31, 2025	As at December 31, 2024
Accounts receivable	220,000.00	1,480,375.81
Right-of-use assets	–	138,980.99
Other assets	52,500.00	52,500.00
– Deposits	52,500.00	52,500.00
Accounts payable to brokerage clients	240,505,283.68	155,348,044.74
Lease liabilities	–	145,523.99

(2) Related party transactions with United Insurance

Related party transactions

	2025	2024
Income from fee and commission	611,168.68	821,169.34
Including: income from brokerage business	595,655.16	821,169.34
income from asset management business	15,513.52	–
Interest expenses	1,433.23	3,660.11
Investment income	4,760,906.82	6,738,253.91
Gains and losses arising from changes in fair value	1,253,942.81	1,035,135.77
Operating and administrative expenses	5,042,315.13	7,762,841.02
Other operating costs	1,430,000.00	5,971,431.24

Related transaction balance

	As at December 31, 2025	As at December 31, 2024
Right-of-use assets	35,295.79	120,005.35
Other assets	10,005,599.26	18,346,508.82
– Prepaid OTC derivatives margin receivable	7,223,441.17	18,336,508.82
– Deposits	10,000.00	10,000.00
– Others	2,772,158.09	–
Derivative financial liabilities	2,916,198.02	1,248,303.20
Lease liabilities	–	85,471.53
Other liabilities	1,962,879.60	17,400,253.48
– Margin payable for OTC business	1,962,879.60	17,400,253.48

United Insurance refers to China United Insurance Holding Corporation (中華聯合保險集團股份有限公司) and its subsidiaries.

(3) Related party transactions with Bank of Dalian

Related party transactions

	2025	2024
Income from fee and commission	60,326.87	588,780.68
Including: income from brokerage business	18,223.62	7,528.22
income from investment banking business	–	169,811.32
income from asset management business	42,103.25	411,441.14
Interest income	1,603,104.95	83,991.78
Operating and administrative expenses	4,711,724.58	8,453,441.08

Related transaction balance

	As at December 31, 2025	As at December 31, 2024
Cash and bank balances	36,821,074.41	23,585,579.30
Accounts payable to brokerage clients	208,177.20	43,782.84
Accounts payable	706,675.82	920,058.23

(4) Related party transactions with Shanghai Dongxing

Related party transactions

	2025	2024
Income from fee and commission	190,004.15	1,632,688.68
Including: income from brokerage business	33,412.59	–
income from investment banking business	–	1,255,330.19
income from asset management business	156,591.56	–
Others	–	377,358.49
Interest expenses	343,487.05	623,745.45
Investment income	–	3,531,551.39
Non-operating expenses	–	2,104,722.30
Operating and administrative expenses	31,393,186.74	31,068,553.57

Related transaction balance

	As at December 31, 2025	As at December 31, 2024
Right-of-use assets	5,169,173.24	11,654,230.79
Other assets	2,464,734.76	2,464,734.76
– Deposits	2,464,734.76	2,464,734.76
Accounts payable to brokerage clients	16,757,482.83	16,011,807.21
Lease liabilities	5,712,268.48	12,681,926.31

Shanghai Dongxing refers to Shanghai Dongxing Investment Holdings Development Co., Ltd. (上海東興投資控股發展有限公司) and its subsidiaries.

(5) Related party transactions with other related parties under the ultimate control and significant influence of the same parent

Related party transactions

	2025	2024
Income from fee and commission	404,882.40	1,092,493.21
Including: income from brokerage business	600.03	41,280.01
income from investment banking business	153,575.65	693,439.14
income from asset management business	250,706.72	357,774.06
Interest expenses	1,343,209.39	34,628.39

Related transaction balance

	As at December 31, 2025	As at December 31, 2024
Accounts payable to brokerage clients	1,164.63	1,169,352.03

(6) Transactions with Central Huijin's subsidiaries

Transactions

	2025	2024
Income from fee and commission	1,299,120.22	–
Including: income from brokerage business	620,845.69	–
income from investment banking business	678,274.53	–
Interest income	6,904,461.24	–
Interest expenses	95,761,491.19	–
Investment income	(1,572,262.95)	–
Gains and losses arising from changes in fair value	750,771.24	–
Expenses on fee and commission	17,617.92	–
Operating and administrative expenses	9,323,906.61	–

Balance

	As at December 31, 2025	As at December 31, 2024
Cash and bank balances	350,348,109.65	–
Financial assets held for trading	1,906,750,550.40	–
Other debt investments	428,813,260.00	–
Investments in other equity instruments	2,179,522,691.40	–
Accounts receivable	350.50	–
Placements from financial institutions	1,068,025,577.79	–
REPOs	2,397,881,486.57	–
Derivative financial liabilities	2,721,234.57	–
Accounts payable	43,155.03	–

Central Huijin's subsidiaries do not include China Orient and its subsidiaries.

(7) Guarantees from related parties

On August 1, 2024, Dongxing Voyage Co., Ltd., a special purpose entity wholly owned by the Company's subsidiary Dongxing Hong Kong, issued USD350 million of bonds. The bonds have a term of 3 years, a coupon rate of 5.3%, and mature on August 1, 2027. The Company provides an unconditional and irrevocable guarantee for the full repayment obligations of these bonds.

(8) Borrowing or lending of funds with related parties

As of December 31, 2025, the balance of funds borrowing from or lending to related parties by the Company was nil (December 31, 2024: nil).

(9) Asset transfer and debt restructuring involving related parties

In 2025 and 2024, the Group did not have any asset transfer and debt restructuring involving related parties.

(10) Joint investment by related parties

(a) As of December 31, 2025, as a principal, the Company, together with its related parties, namely, Orient Bangxin Financial Property Investment Co., Ltd. and Ningbo Financial Asset Management Co., Ltd. (寧波金融資產管理股份有限公司), invested in a collective asset management plan managed by the Company, with a total scale of RMB1.049 billion (December 31, 2024: RMB1.049 billion). Among them, the capital contribution balance from Orient Bangxin Financial Property Investment Co., Ltd. was RMB700 million (December 31, 2024: RMB700 million); the capital contribution balance from Ningbo Financial Asset

Management Co., Ltd. was RMB182 million (December 31, 2024: RMB182 million), and the capital contribution balance from the Company's own funds was RMB167 million (December 31, 2024: RMB167 million). The investment income realized from the Company's own funds during the reporting period was nil (2024: nil).

(b) On June 7, 2024, Bank of Dalian Co., Ltd. redeemed all its shares in the collective asset management plan managed by the Company and co-invested with the Company. In 2024, the investment income realized from the Company's own funds in the collective asset management plan was RMB99,346.65, and the management fee income was RMB379,001.48.

(c) In 2025, the management fee income from the private equity fund "Dongfang Zhaoying (Shenzhen) Private Equity Fund Structural Adjustment Industry Investment Partnership (Limited Partnership)", jointly established by Dongxing Capital Investment Management Co., Ltd. (hereinafter referred to as "**Dongxing Capital**"), China Orient and others, was RMB269,464.43 (2024: RMB239,595.76). The total scale of the private equity fund was RMB1.0 billion (December 31, 2024: RMB1.0 billion). Among them, the capital contribution balance from China Orient was RMB55.0738 million (December 31, 2024: RMB55.0738 million); the capital contribution balance from Dongxing Capital was RMB2.8424 million (December 31, 2024: RMB2.8424 million).

(d) In 2025, the management fee income from the private equity fund "Shenzhen Guangming Dongwei Private Equity Investment Fund Partnership (Limited Partnership)", jointly established by Dongxing Capital, its fund of funds, namely Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership), and others, was RMB1,060,739.20 (2024: nil). The total scale of the private equity fund was RMB200 million (December 31, 2024: RMB200 million). Among them, the capital contribution balance from Dongxing Capital was RMB20.00 million (December 31, 2024: RMB20.00 million); the capital contribution balance from Shangrao High-Speed Rail Economic Pilot Zone Dongtou Digital Industry Development Mother Fund (Limited Partnership) was RMB30.00 million (December 31, 2024: RMB30.00 million).

(e) In 2025, as a principal, the Company, together with its related party Shanghai Dongxing Investment Holdings Development Co., Ltd., invested in a collective asset management plan managed by the Company, with a total scale of RMB240 million. Among them, the capital contribution balance from Shanghai Dongxing Investment Holdings Development Co., Ltd. was RMB160 million; the capital contribution balance from the Company's own funds was RMB80 million. During the reporting period, the investment loss realized from the Company's own funds was RMB7,024,302.21 and the management fee income was RMB97,154.16.

(11) Other related party transactions

(a) As of December 31, 2025, the carrying amount of mutual funds issued or managed by the Company and held by its related natural persons was RMB43,329.25 (December 31, 2024: RMB796,390.11).

(b) In 2025, the Company purchased and sold bonds issued by China Orient in the secondary market amounting to nil (2024: RMB100.00 million).

(c) In 2025, the distribution purchases of bonds by the Company from Capital Securities Corporation Limited amounted to nil (2024: RMB20.00 million), spot bond purchases amounted to RMB812.7077 million (2024: RMB256.1842 million), and spot bond sales amounted to RMB983.4432 million (2024: RMB81.5025 million).

(d) In 2025, the Company purchased and sold bonds issued by Tianjin FIS Asset Management Co., Ltd. in the secondary market amounting to RMB10.0000 million (2024: purchased and held bonds amounting to RMB20.00 million).

(e) In 2025, the Company purchased and sold bonds issued by Shandong Fiberglass Group Co., Ltd. (山東玻纖集團股份有限公司) in the secondary market amounting to nil (2024: RMB4.8380 million).

(f) In 2025, the Company's spot bond purchases from China Post & Capital Fund Management Co., Ltd. amounted to RMB522.2889 million, and spot bond sales amounted to RMB207.3204 million. The Company borrowed funds from China Post & Capital Fund Management Co., Ltd. through pledged repurchase agreements totaling RMB5,978.1703 million (2024: RMB354.56 million), and paid interest of RMB1.3432 million on REPOs (2024: RMB34,600).

(g) In 2025, the Company purchased bonds issued by Bank of Dalian in the secondary market amounting to RMB10.0000 million (2024: RMB70.00 million).

(12) Remuneration for key management personnel

	2025	**2024**
	RMB0'000	***RMB0'000***
Remuneration for key management personnel	1,040.19	1,105.57

Key management personnel refers to those who have the power and responsibility for planning, directing and controlling the activities of the enterprise, including directors and senior management. The remuneration of key management personnel refers to the annual cash

remuneration that shall be attributed to the reporting period on an accrual basis, including basic salary, performance-based salary, allowances and subsidies for positions or posts, etc. (excluding the remuneration that shall have been paid but was not paid in previous years).

XIII COMMITMENTS AND PENDING LITIGATION

1 Capital expenditure commitment

As at December 31, 2025 and December 31, 2024, the Group and the Company had not entered into any externally significant capital expenditure contracts.

2 Pending litigation

In the ordinary course of business, the Group and the Company may be involved in claims, litigation or regulatory investigations. As at December 31, 2025 and December 31, 2024, except for the matters described in Note VIII.32, the Group and the Company were not involved in any significant legal or arbitration cases. Such significant cases refer to those for which if an unfavorable judgment occurs, the Group and the Company expect that they will have a significant impact on their financial position or operating results.

XIV RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

1 Policies for and structure of risk management

(1) Policies of risks management

Since its establishment, the Group has strictly complied with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines for the Internal Control of Securities Companies (《證券公司內部控制指引》) and the requirements of other relevant laws, regulations, and rules. It has clearly defined the risk management responsibilities of the board of directors, the management team, and various departments, and has established a comprehensive risk management organizational structure and a multi-layered internal control mechanism. By implementing a comprehensive risk management system, the Group continuously optimizes the governance framework for risk management, risk management strategies, risk monitoring indicators, risk assessment processes, risk response measures, and risk reporting system. It fosters a risk culture to ensure the effective operation of mechanisms for risk identification, monitoring, assessment, and control. Risk management is integrated throughout the pre-event, in-process, and post-event stages to ensure that the Company's risks are measurable, controllable, and tolerable. In line with the characteristics of its business development, the Group imposes strict risk controls, particularly on innovative businesses, with a focus on risk management in the pre-event and in-process stages. It continuously revises and improves relevant risk monitoring indicators and risk assessment processes for innovative businesses to ensure that the Company's mechanisms for risk identification, monitoring, assessment, and control operate effectively in this area as well.

(2) Risk management organizational structure

The Group has established a four-tier risk management structure comprising the board of directors, the management team, the chief risk officer, and the chief compliance officer; dedicated risk management departments; and business operating departments, functional management departments, branches, and subsidiaries.

The board of directors serves as the highest authority for risk management within the Group, bearing ultimate responsibility for comprehensive risk management. It reviews and approves the fundamental policies for the Group's comprehensive risk management; is responsible for approving the Group's overall risk management strategy and major policies; determines the overall risk tolerance level of the Group; reviews and approves the Company's risk appetite, risk tolerance, and major risk limits; appoints and evaluates chief risk officer, and determines its remuneration, and establishes a direct communication mechanism with the chief risk officer; and oversees and evaluates the comprehensiveness and effectiveness of risk management. The board of directors exercises its risk management functions through its subordinate risk control committee and audit committee.

The management team serves as the execution and management body for the Company's risk management, bearing primary responsibility for comprehensive risk management. Its main duties include: implementing the risk management policies established by the board of directors; organizing the establishment and improvement of effective risk management system and mechanism; and organizing the identification, assessment, and management of various risks.

The chief risk officer is responsible for the comprehensive risk management of the Company, with duties encompassing all aspects of the Company's operations. Responsibilities include: drafting the fundamental policies and establishing related workflows for the risk management; supervising all departments in establishing and improving relevant business systems and corresponding risk management rules, inspecting and evaluating the implementation and effectiveness of each department's risk management measures and procedures, and requiring corrections or enhancements; recommending to the board of directors and the management team the formulation, revision, or adjustment of risk appetite, risk tolerance, and risk limits related to the Company's business based on market conditions and business development; conducting risk assessments for the major decisions and primary business activities of the Company; providing risk management consultation and organizing relevant training for senior management, various departments, and branches; and reporting the risk management status of the Company to the risk control committee and the board of directors of the Company, and regulatory authorities.

The chief compliance officer is fully responsible for the compliance management of the Group and reports to the board of directors. Key responsibilities include: organizing the formulation of fundamental compliance management system and other compliance management systems, and supervising their implementation by subordinate units; where there are changes in laws, regulations, or rules, promptly advising the board of directors or senior management and guiding relevant departments to assess the impact on compliance

management, and revising or improving relevant systems and business processes; conducting compliance reviews and signing the compliance review opinions on the Group's internal rules and regulations, major decisions, new product and business proposals, etc.; supervising and inspecting the compliance of the Group and its staff in business management and professional practice; assisting the board of directors and senior management in establishing and implementing an information wall, conflict of interest management, and anti-money laundering systems; providing compliance consultation and organizing compliance training for senior management and subordinate units in accordance with the Company's policies; upon discovering any illegal or non-compliant activities or compliance risk exposures within the Company, reporting promptly to the board of directors and the principal person in charge of management in accordance with the articles of association, proposing corrective measures, and urging rectification; and cooperating with securities regulatory authorities in their inspections and investigations of the Company, and tracking and evaluating the implementation of regulatory opinions and requirements.

The Group has established three dedicated risk management departments: the risk management department, the compliance and legal department, and the audit department. The risk management department, under the leadership of the chief risk officer, promotes the comprehensive risk management efforts of the Group. Its responsibilities include planning and implementing the risk management strategy of the Company; building and improving the risk management system; reviewing the operational risks associated with the Company's business activities and providing risk management recommendations for business decisions; conducting risk identification, assessment, monitoring, reporting, and resolution; and guiding, supervising, assisting, and inspecting the risk management work of various departments, branches, and subsidiaries.

The compliance and legal department is primarily responsible for building and improving the compliance management system; providing compliance consultations for all business activities, conducting compliance reviews for various new businesses, and fostering a culture of compliance within the Group; implementing the Group's information wall and anti-money laundering system, and managing professional conduct of employees; and managing the Group's legal affairs, reviewing various contracts of the Group, and providing legal advice and guidance. The audit department primarily supervises, evaluates, and provides recommendations in an independent, objective manner regarding the financial revenues and expenditures, economic activities, internal controls, and risk management of the Company. It is responsible for providing materials to the audit committee of the Company to support and facilitate its audit decisions; and conducts planned, periodic or ad hoc audits of the head office departments, branches, and subsidiaries of the Company as appropriate.

The three dedicated risk management departments, namely the risk management department, the compliance and legal department, and the audit department, operate independently of each other. By establishing working mechanisms for information sharing, coordinated handling, and mutual assistance, they prevent and mitigate risks across the three stages of pre-event, in-process, and post-event, thereby constructing a three-dimensional and complete risk management system. These three dedicated risk management departments have established information communication channels with various business departments, branches,

and their internal compliance and risk control positions. They maintain smooth communication and coordination mechanisms with each business department and branch, issuing compliance reminders, risk alerts, risk reports, and other documents to provide risk prevention and supervision for the business activities of each department and branch. Business operating departments and functional management departments are responsible for front-line monitoring and management of their respective business risks.

The Group incorporates the risk management of its subsidiaries into a unified system and implements vertical management of their risk management efforts. Each subsidiary establishes risk management policies and structures tailored to its own business development, referencing the Group's aforementioned risk management policies and organizational structures.

2 Credit risk

Credit risk is the risk of loss arising from a client, securities issuer, or counterparty failing to fulfill its contractual obligations. It primarily originates from three sources: first, the default risk of credit business (including margin financing and securities lending, and share pledging); second, the default risk of debt (including bonds and non-standard debt) investments; and third, the default risk of counterparties. For credit business, the Group ensures the good creditworthiness of target clients through stringent control over client suitability management, internal credit ratings, credit investigations, and the credit granting review standards. It monitors negative events related to clients and underlying securities in a timely manner and identifies potential credit risks in advance through mark-to-market monitoring of indicators such as the price of underlying securities and the collateral ratio of clients. The Group safeguards the assets lent out by the Company through measures including client risk notifications, requests for additional collateral, forced liquidation, and judicial recourse.

For the debt investment business, in terms of bonds, the Group has established risk management mechanisms including internal credit ratings, financial statement fraud analysis, and public opinion monitoring and early warnings to control bond default and downgrade risks. It imposes investment restrictions based on credit ratings and adopts a diversified investment strategy to mitigate losses arising from credit risk. For non-standard debt investments, by establishing rigorous due diligence and post-investment management systems, the Group strengthens substantive project research, controls project quality, enhances post-investment management, controls fund flows as well as fund collection and recovery, thereby managing the default risk of projects. For counterparties, the Group minimizes losses from counterparty default by establishing a joint control mechanism involving a blacklist and whitelist of bond counterparties as well as a counterparty rating and credit granting system, strengthening counterparty due diligence and tracking management, and setting credit risk limits such as individual counterparty limits and aggregate limits for low-rated counterparties. The Group sets margin ratios and trading size limits for financial derivative counterparties, and controls counterparty credit risk through means such as internal credit ratings, credit granting management, mark-to-market monitoring, risk notifications, and requests for additional collateral.

Measurement of ECL

For financial assets measured at amortised cost (including receivable from margin clients, reverse REPOs and debt investment) and debt instrument investments measured at fair value through other comprehensive income (including other debt investment), models and assumptions are used in the measurement of ECL. These models and assumptions involve future macroeconomic conditions and the credit behavior of customers (such as the probability of customer default and the corresponding losses).

The significant judgments and assumptions made by the Group in the ECL model of the above-mentioned financial assets mainly include:

– Selecting appropriate ECL models and determining the relevant key parameters;

– Determining the criteria for significant increase in credit risk, and definition of default and credit impairment;

– Adopting forward-looking information and its weighting for the measurement of ECL;

– Forecasting of future cash flows of financial assets in the third stage.

For financial assets included in the measurement of ECL, the Group uses an impairment model in which the credit quality of the financial assets has changed in three stages since the initial recognition of the financial assets to measure the ECL respectively, including:

(1) A financial instrument whose credit risk has not increased significantly since initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group.

(2) If a significant increase in credit risk since initial recognition is identified, but it will not be regarded as the instrument for credit impairment, the Group will transfer it to Stage 2.

(3) If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.

Criteria of significant increase in credit risk

The Group evaluates the financial instruments at each financial statement date after considering whether a significant increase in credit risk has occurred since initial recognition. An ECL allowance for financial assets is recognised according to the stage of ECL, which reflects the reasonable information and evidence available about the significant increase in credit risk and is also forward-looking. The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

For financing-related businesses, the Company fully considers factors such as the credit status of the financing entity, contract duration, the sector to which the collateral securities belong, liquidity, lock-up conditions, concentration, volatility, performance guarantee status, and the operating conditions of the listed company to which the collateral securities belong, setting different warning and liquidation lines for different financing entities or contracts. Indicators that suggest a significant increase in credit risk include: principal or interest is overdue for more than 30 days (inclusive) but not exceeding 90 days after the contract payment date; a client's credit status in margin financing and securities lending business is warning, maintaining a collateral ratio not lower than 130% but less than 150%; and for stock pledge repo transactions, the collateral ratio remained not lower than 100% but less than 130% for the 5 trading days prior to the reporting date.

For bond investment business, indicators that suggest a significant increase in credit risk include: a bond is overdue for more than 30 days (inclusive) but not exceeding 90 days after the contract payment date; the latest rating of the bond issuer or the bond has been downgraded by more than two levels compared to the external rating at the initial recognition, and the latest external rating of the bond issuer or the bond is below investment grade.

If the default risk of a financial asset is low, and the borrower is highly capable of meeting its contract cash flow obligations in short term, the financial instrument is considered to have a lower credit risk even if there is a negative change in the economic situation and operating environment over a longer period of time, but it may not necessarily reduce the borrower's performance of its contract cash flow obligations. As at December 31, 2025, the Group considered cash and bank balances, deposits with clearing houses, refundable deposits, and financial instruments such as bond reverse repurchase under reverse REPOs as having lower credit risk, and consequently, no longer compared whether the credit risk at the balance sheet date had significantly increased compared to that at initial recognition.

Definition of default and credit-impaired assets

When determining whether a financial instrument has suffered credit impairment, the criteria adopted by the Group are consistent with the internal credit risk management objectives for the relevant financial instruments, while taking into account both quantitative and qualitative indicators. The Group defines a financial instrument as credit-impaired, which is fully aligned with the definition of in default, when it meets one or more of the following conditions:

- The debtor is more than 90 days (inclusive) past due on its contractual payments;
- The financing assets business of the financing category has taken forced liquidation measures, and the value of the collateral can no longer cover the financing amount;
- In margin financing and securities lending, the client's credit status is pre-liquidation, and the collateral ratio is less than 130%;

- In the stock pledge repo transactions, the collateral ratio remains below 100% for the 5 trading days prior to the reporting date;
- The latest external ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor is in significant financial difficulty;
- An active market for that financial asset has disappeared because of financial difficulty;
- Concessions have been made by the lender relating to the debtor's financial difficulty;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring.

When a financial asset experiences credit impairment, it may be caused by the combined effect of multiple events, and not necessarily by an individually identifiable event.

The Group measures the loss allowance for a Stage 1 financial instrument at an amount equal to the next 12 months ECLs. The Group measures the loss allowance for financial instrument in Stage 2 and Stage 3 at an amount equal to the lifetime ECLs. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. The Group has measured the loss allowance for these financial assets at an amount equal to the lifetime ECLs.

For Stage 1 and Stage 2 financial assets related to margin financing business and bond investment business, management assesses loss allowances using a risk parameter model approach that incorporates key parameters, including probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). For above credit-impaired financial assets classified under Stage 3, management measures the loss allowances by estimating the future cash flows associated with the financial assets.

Models and parameters for measuring ECL

Based on whether there has been a significant increase in credit risk and whether credit impairment has occurred, the Group measures impairment provisions for different financial assets using either 12-month or lifetime ECLs.

In measuring ECL, the Group fully considers the impact of forward-looking information. ECLs represent the discounted result of the product of the PD, LGD, and EAD, all adjusted for forward-looking effects:

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation. Key factors considered by the Group in calculating the PD include: for financing business, the ratio of collateral value to financing liabilities and the volatility characteristics of the collateral securities; for bond investment business, externally assessed credit rating information, etc.

- LGD refers to the Group's expectation of the extent of loss on the exposure at default. Key factors considered by the Group in calculating the LGD include: for financing business, the liquidation value of collateral securities after forced liquidation; for bond investment business, the type of issuer and bond, etc.

- EAD refers to the amount expected to be repaid to the Group within the next 12 months or over the remaining lifetime, upon the occurrence of a default.

Forward-looking information

Both the assessment of a significant increase in credit risk and the calculation of ECLs involve adjustments based on forward-looking information. The Group identifies the key economic factors affecting credit risk and ECLs of each asset portfolio based on historical data analysis.

The forward-looking adjustment primarily encompasses two aspects: first, the calculation of forward-looking factors, which determines these factors under normal, optimistic, and pessimistic scenarios based on historical data of macroeconomic indicators and expert forecasts; and second, the assignment of weights to multiple scenarios. The calculation of forward-looking factors incorporates industry practice and experience. Based on internal and external data, a comprehensive set of alternative indicators is constructed, and a quantitative model relationship between macroeconomic conditions and risk parameters is established to predict information on risk parameters. The impact of macroeconomic factors is taken into account on expected credit risk, thereby determining the ECLs.

For margin financing and securities lending business, the Group conducts analysis based on the characteristics of the business and identifies economic indicators relevant to business risk, including the annualized volatility of the CSI 1000 Index and the year-on-year growth rate of total loan balances of financial institutions. By establishing the relationship between these economic indicators and the risk features of the business, forward-looking adjustments are made to the PD for financiers in margin financing and securities lending, resulting in expected PD under normal, optimistic, and pessimistic scenarios.

For bond investments, the Group utilizes publicly released macroeconomic data from authoritative third-party institutions and historical PD data published by international rating agencies to establish a prediction regression model of default rate. This model identifies key economic indicators affecting expected default rates, primarily including cumulative quarter-on-quarter GDP growth rate, cumulative year-on-year growth rate of total export value and year-on-year growth rate of new RMB loans in China at the end of the year. Through regression analysis, the Group determines the relationship between the aforementioned macroeconomic indicators and the PD of issuers over a relatively complete economic cycle, and forecasts economic indicators to determine the expected PD for issuers. Based on the latest historical default rates of global issuers published by international rating agencies and combined with upward and downward adjustments to macroeconomic indicator parameters, the expected issuer default rates under optimistic and pessimistic scenarios are determined. Based on the latest annual global issuer default rate data published by international rating agencies, combined with upward and downward adjustments of macroeconomic indicator parameters, the expected issuer default rates under optimistic and pessimistic scenarios are determined. The forecast values used by the Group to assess ECLs as at December 31, 2025 under the baseline scenario were: cumulative year-on-year growth rate of total retail sales of consumer goods at 3.45%, cumulative year-on-year growth rate of total export value at 4.6%, cumulative year-on-year growth rate of total export value at 2%, and year-on-year growth rate of the broad money at 7.72%. Considering reasonable estimates of loss rates upon bond default, and with reference to industry practices, management judgment, and expert opinions, the Group applied different loss rates to defaulted bonds for the calculation of ECLs.

The Group comprehensively considers the current economic situation and various supportive policies implemented by governments and others, updating relevant economic indicators used for forward-looking measurements based on the latest economic forecasts. Similar to other economic forecasts, estimates of projected economic indicators and their likelihood of occurrence carry a high degree of inherent uncertainty; therefore, actual outcomes may differ materially from the forecasts. The Group believes these forecasts represent the Company's best estimate of possible outcomes.

The Group considers that all asset portfolios shall incorporate three different scenarios to appropriately reflect the non-linear characteristics of key economic indicator developments. The Group combines statistical analysis and expert judgment to determine scenario weights, also considering the range of possible outcomes each scenario represents. The Group reassesses the number and characteristics of scenarios at each balance sheet date. As at December 31, 2025 and December 31, 2024, the Group has set three scenarios – optimistic, baseline, and pessimistic – for the analysis of major product types, with weights of 20%, 55%, and 25%, respectively.

In determining whether a significant increase in credit risk has occurred, the Group utilizes the lifetime PD under the baseline and other scenarios, multiplied by their respective scenario weights, while also considering qualitative, quantitative, and ceiling indicators. The Group measures the relevant loss allowance using either the weighted 12-month ECLs or the weighted lifetime ECLs. The aforementioned weighted credit loss is calculated by multiplying the ECLs under each scenario by the corresponding scenario weight.

Sensitivity analysis

The ECL measurement model will use model parameters, macroeconomic variables for forward-looking forecast, the weights of economic scenarios, and other factors considered when applying expert judgement. Changes in these parameters, assumptions and judgement will have an impact on the measurement of a significant increase in credit risk and ECLs. The Company regularly re-examines the model every year, and appropriately amends and enhances the parameters and assumptions used within the models based on external economic environment and internal observable data.

The Company has conducted a sensitivity analysis on the economic indicators used in forward-looking measurement, which shows that when the weights of the optimistic and pessimistic scenarios change by 10%, the impact on the provision for ECLs made by the Group will not be significant.

At the same time, the Company has also conducted a sensitivity analysis on the stage classification of credit risk. As at December 31, 2025 and December 31, 2024, assuming that there was no significant increase in credit risk since the initial recognition that might lead to transfer of all the financial instruments in Stage 2 to Stage 1, the impact on the ECLs recognised in the balance sheet would not be significant.

Collateral and other credit enhancements

The Group adopts a series of policies and credit enhancements to lower credit risk exposure to acceptable levels. Among them, the most common method is to provide collateral or guarantee. The amount and type of collateral required depend on an assessment on the credit risk of the counterparty. The collaterals under the receivable from margin clients and repurchase agreements are mainly stocks and bonds. The management of the Group regularly monitors the market value of the collateral, requests additional collateral when needed according to the contract, and monitors changes in the market value of the collateral when reviewing the adequacy of loss provision.

Credit risk exposure analysis

The asset quality of clients in the margin financing business of the Group remained sound. As at December 31, 2025 and December 31, 2024, most of the margin financing business maintained a collateral ratio not lower than the liquidation line, and sufficient collateral information existed indicating that defaults on these assets were not anticipated. For its bond investment business, the Company employs public market credit ratings as an access criterion, with investments only being approved for those bonds meeting both internal and external rating standards. The vast majority of the bond investments held by the Group carries an external credit rating of investment grade (AA) or above.

(1) Maximum exposure to credit risk without taking into account of any collateral and other credit enhancements

The maximum credit risk exposure at the balance sheet date, without taking into account collateral or other credit enhancement measures, refers to the carrying amount of financial assets after deducting impairment provisions. The maximum credit risk exposure amount of the Group is presented as follows:

	The Group	
	As at December 31, 2025	**As at December 31, 2024**
Deposits with banks	18,299,466,104.28	15,233,926,639.01
Deposits with clearing houses	4,401,956,018.13	5,801,728,065.27
Receivable from margin clients	20,507,098,177.52	16,536,553,072.95
Derivative financial assets	115,970,775.03	290,098,640.49
Reverse REPOs	518,135,460.89	314,159,432.76
Accounts receivable	117,263,678.79	320,325,270.86
Refundable deposits	1,602,420,844.21	1,185,414,343.09
Financial investments		
Including: Financial assets held for trading	20,487,035,230.58	23,860,651,376.34
Other debt investments	23,676,122,859.67	20,253,070,781.89
Other financial assets	782,720,394.69	834,969,164.38
Total credit risk exposure within the balance sheet	90,508,189,543.79	84,630,896,787.04

(2) Measurement of ECL

The loss allowance recognised in the current year is primarily affected by the following factors:

Increases in the current year are primarily attributable to loss allowance accrued on newly added financial assets, changes in PD, LGD and expected cash flow recovery rate of existing businesses affected by market changes, impact on ECL measurement from stage transfers, as well as impairment charges resulting from updates to model parameters and assumptions;

Reversals in the current year include the reversal of corresponding loss allowance caused by the redemption or disposal of financial assets, and impairment reversals resulting from updates to model parameters and assumptions;

Stage transfers are attributable to the movement of financial assets between Stage 1, Stage 2, and Stage 3 due to a significant increase (or decrease) in their credit risk or the occurrence of credit impairment, which correspondingly leads to a change in the measurement basis for the loss allowance between the 12-month and the lifetime basis;

Other movements refer to the impact of foreign currency translation on the ECLs of assets denominated in foreign currencies.

(a) Allowance for impairment of receivable from margin clients:

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2025	60,079,115.46	4,479,948.01	177,897,968.94	242,457,032.41
Increases	117,394,601.14	2,999,596.63	542,041.38	120,936,239.15
Reversals	(51,037,198.43)	(3,662,259.26)	(82,370,338.39)	(137,069,796.08)
Amounts written off and transferred out	–	–	(18,401,913.15)	(18,401,913.15)
Stage transfers:				
Stage 1 to stage 2	(304,711.14)	304,711.14	–	–
Stage 1 to stage 3	–	–	–	–
Stage 2 to stage 1	669,651.68	(669,651.68)	–	–
Other changes	–	–	(215,124.65)	(215,124.65)
Balance as at December 31, 2025	126,801,458.71	3,452,344.84	77,452,634.13	207,706,437.68

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2024	36,172,198.83	5,908,996.87	18,966,009.83	61,047,205.53
Increases	51,868,358.58	4,399,100.29	157,745,506.14	214,012,965.01
Reversals	(28,934,952.92)	(4,066,262.03)	–	(33,001,214.95)
Stage transfers:				
Stage 1 to stage 2	(49,633.17)	49,633.17	–	–
Stage 1 to stage 3	(788,376.15)	–	788,376.15	–
Stage 2 to stage 1	1,811,520.29	(1,811,520.29)	–	–
Other changes	–	–	398,076.82	398,076.82
Balance as at December 31, 2024	60,079,115.46	4,479,948.01	177,897,968.94	242,457,032.41

(b) Allowance for impairment of reverse REPOs:

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2025	22,090.29	–	1,478,500,869.35	1,478,522,959.64
Increases	951,300.22	–	9,475.27	960,775.49
Reversals	(22,090.29)	–	(47,059,367.35)	(47,081,457.64)
Amounts written off and transferred out	–	–	(292,449,117.17)	(292,449,117.17)
Other changes	–	–	(603,480.00)	(603,480.00)
Balance as at December 31, 2025	951,300.22	–	1,138,398,380.10	1,139,349,680.32

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2024	–	–	1,377,823,767.93	1,377,823,767.93
Increases	22,090.29	–	99,560,381.42	99,582,471.71
Reversals	–	–	–	–
Amounts written off and transferred out	–	–	–	–
Other changes	–	–	1,116,720.00	1,116,720.00
Balance as at December 31, 2024	22,090.29	–	1,478,500,869.35	1,478,522,959.64

(c) Allowance for impairment of debt investments:

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2025	–	–	81,532,701.70	81,532,701.70
Increases	–	–	–	–
Reversals	–	–	–	–
Other changes	–	–	(2,007,500.65)	(2,007,500.65)
Balance as at December 31, 2025	–	–	79,525,201.05	79,525,201.05

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2024	–	–	79,789,345.87	79,789,345.87
Increases	–	–	–	–
Reversals	–	–	–	–
Other changes	–	–	1,743,355.83	1,743,355.83
Balance as at December 31, 2024	–	–	81,532,701.70	81,532,701.70

(d) Allowance for impairment of other debt investments:

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2025	95,060,177.76	–	32,392.41	95,092,570.17
Increases	137,679,378.33	–	–	137,679,378.33
Reversals	(59,623,978.22)	–	(32,392.41)	(59,656,370.63)
Other changes	(460,165.74)	–	–	(460,165.74)
Balance as at December 31, 2025	172,655,412.13	–	–	172,655,412.13

	Stage 1 Next 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (credit impaired)	Total
Balance as at January 1, 2024	23,042,794.24	–	147,281,157.54	170,323,951.78
Increases	82,749,445.99	–	–	82,749,445.99
Reversals	(10,775,459.37)	–	(147,248,765.13)	(158,024,224.50)
Other changes	43,396.90	–	–	43,396.90
Balance as at December 31, 2024	95,060,177.76	–	32,392.41	95,092,570.17

3 Market risk

The market risk encountered by the Group refers to the impact on the value of the Group's assets arising from changes in market prices, interest rates, or exchange rates, including interest rate risk, foreign exchange risk, and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk primarily affects interest-bearing assets and interest-bearing liabilities. The interest-bearing assets of the Group mainly consist of cash and bank balances, deposits with clearing houses, refundable deposits, reverse REPOs, bond investments, and other fixed-income investments. The interest-bearing liabilities mainly consist of short-term debt securities issued, placements from financial institutions, financial liabilities held for trading, REPOs, accounts payable to brokerage clients and long-term debt securities issued. The Group utilizes sensitivity analysis as a primary tool for monitoring interest rate risk. The sensitivity analysis measures the impact of reasonably possible changes in interest rates on total profit and on other comprehensive income (excluding corporate income tax effects), assuming all other variables remain constant. The Group monitors and manages the interest rate risk of its investment portfolio through sensitivity indicators and value at risk (VaR) and conducts regular stress tests to assess changes in various risk control indicators under different stress scenarios. For securities brokerage business, the currency and maturity of cash held on behalf of clients and accounts payable to brokerage clients are matched. The currency and maturity structure of interest-sensitive assets and liabilities in the Group's brokerage business are substantially aligned, keeping interest rate risk under control.

The Group's financial instruments subject to interest rate risk, presented at the earlier of the contractually agreed repricing date or maturity date as at the end of the reporting period, are as follows:

	As at December 31, 2025						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and bank balances	17,831,883,590.41	128,067,600.00	329,500,000.00	-	-	10,014,913.87	18,299,466,104.28
Deposits with clearing houses	4,401,526,725.39	-	-	-	-	429,292.74	4,401,956,018.13
Refundable deposits	1,602,411,130.26	-	-	-	-	9,713.95	1,602,420,844.21
Receivable from margin clients	487,126,580.06	4,815,004,249.00	15,055,720,612.27	-	-	149,246,736.19	20,507,098,177.52
Derivative financial assets	-	-	-	-	-	115,970,775.03	115,970,775.03
Reverse REPOs	407,312,218.48	-	109,948,699.78	-	-	874,542.63	518,135,460.89
Accounts receivable	-	-	-	-	-	117,263,678.79	117,263,678.79
Financial investments							
Including: Financial assets held for trading	1,958,624,803.00	863,135,526.80	3,766,875,791.04	9,159,094,215.82	2,583,351,860.51	13,492,180,289.54	31,823,262,486.71
Debt investments	-	-	-	-	-	-	-
Other debt investments	41,709,616.32	234,859,040.02	109,873,362.43	3,068,548,726.26	19,966,500,387.67	254,631,726.97	23,676,122,859.67
Investments in other equity instruments	-	-	-	-	-	10,347,856,580.38	10,347,856,580.38
Other financial assets	-	-	-	-	-	782,720,394.69	782,720,394.69
Total assets	26,730,594,663.92	6,041,066,415.82	19,371,918,465.52	12,227,642,942.08	22,549,852,248.18	25,271,198,644.78	112,192,273,380.30

	As at December 31, 2025						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Short-term borrowings	447,060,887.11	143,094,924.36	98,423,329.76	–	–	3,255,267.17	691,834,408.40
Short-term debt securities issued	18,000,000.00	4,500,000,000.00	9,050,335,336.00	–	–	68,737,895.52	13,637,073,231.52
Placements from financial institutions	3,060,000,000.00	–	–	–	–	8,222,385.56	3,068,222,385.56
Financial liabilities held for trading	24,164,949.33	83,508,004.91	1,314,832,478.05	–	–	1,216,823,041.50	2,639,328,473.79
Derivative financial liabilities	–	–	–	–	–	536,671,165.77	536,671,165.77
REPOs	19,434,889,916.15	302,783,000.00	1,200,000,000.00	–	–	32,118,433.36	20,969,791,349.51
Accounts payable to brokerage clients	20,424,299,147.88	–	–	–	–	275,049,611.45	20,699,348,759.33
Accounts payable	–	–	–	–	–	717,470,368.25	717,470,368.25
Long-term debt securities issued	–	–	2,220,000,000.00	12,460,583,244.00	–	136,334,212.44	14,816,917,456.44
Lease liabilities	525,081.91	1,056,859.30	26,210,322.67	136,417,812.37	–	–	164,210,076.25
Other financial liabilities	–	–	–	–	–	2,157,082,909.69	2,157,082,909.69
Total liabilities	43,408,939,982.38	5,030,442,788.57	13,909,801,466.48	12,597,001,056.37	–	5,151,765,290.71	80,097,950,584.51
Net position	(16,678,345,318.46)	1,010,623,627.25	5,462,116,999.04	(369,358,114.29)	22,549,852,248.18	20,119,433,354.07	32,094,322,795.79

	As at December 31, 2024						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and bank balances	14,020,210,977.00	547,000,000.00	653,269,200.00	–	–	13,446,462.01	15,233,926,639.01
Deposits with clearing houses	5,798,924,422.01	–	–	–	–	2,803,643.26	5,801,728,065.27
Refundable deposits	1,185,383,481.91	–	–	–	–	30,861.18	1,185,414,343.09
Receivable from margin clients	781,308,023.84	1,767,332,666.58	13,860,459,517.28	–	–	127,452,865.25	16,536,553,072.95
Derivative financial assets	–	–	–	–	–	290,098,640.49	290,098,640.49
Reverse REPOs	309,174,654.45	–	4,977,909.71	–	–	6,868.60	314,159,432.76
Accounts receivable	–	–	–	–	–	320,325,270.86	320,325,270.86
Financial investments							
Including: Financial assets held for trading	1,413,329,311.03	564,995,391.79	4,581,255,351.12	6,497,233,485.80	9,151,016,076.92	13,884,155,214.92	36,091,984,831.58
Debt investments	–	–	–	–	–	–	–
Other debt investments	307,303,253.76	641,684,341.60	2,662,988,904.07	11,828,590,296.26	4,555,649,525.80	256,854,460.40	20,253,070,781.89
Investments in other equity instruments	–	–	–	–	–	6,513,327,112.26	6,513,327,112.26
Other financial assets	–	–	–	–	–	834,969,164.38	834,969,164.38
Total assets	23,815,634,124.00	3,521,012,399.97	21,762,950,882.18	18,325,823,782.06	13,706,665,602.72	22,243,470,563.61	103,375,557,354.54

	As at December 31, 2024						
Items	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Short-term debt securities issued	701,969,000.00	2,260,575,000.00	11,025,759,000.00	–	–	69,262,065.76	14,057,565,065.76
Placements from financial institutions	3,370,000,000.00	–	650,000,000.00	–	–	10,402,225.01	4,030,402,225.01
Financial liabilities held for trading	41,950,562.93	107,907,909.62	96,548,857.06	25,874,270.46	–	768,847,735.81	1,041,129,335.88
Derivative financial liabilities	–	–	–	–	–	414,130,317.19	414,130,317.19
REPOs	20,581,917,733.70	1,224,730,045.53	2,460,000,000.00	200,000,000.00	–	55,212,088.76	24,521,859,867.99
Accounts payable to brokerage clients	17,779,836,299.52	–	–	–	–	1,004,108.03	17,780,840,407.55
Accounts payable	–	–	–	–	–	650,409,321.96	650,409,321.96
Long-term debt securities issued	–	–	5,750,000,000.00	4,735,940,000.00	–	163,954,138.26	10,649,894,138.26
Lease liabilities	–	383,914.05	13,585,603.47	231,137,338.11	16,359,832.75	–	261,466,688.38
Other financial liabilities	–	–	–	–	–	2,830,750,677.37	2,830,750,677.37
Total liabilities	42,475,673,596.15	3,593,596,869.20	19,995,893,460.53	5,192,951,608.57	16,359,832.75	4,963,972,678.15	76,238,448,045.35
Net position	(18,660,039,472.15)	(72,584,469.23)	1,767,057,421.65	13,132,872,173.49	13,690,305,769.97	17,279,497,885.46	27,137,109,309.19

Sensitivity analysis

The Group employs sensitivity analysis as a primary tool for monitoring interest rate risk. Assuming all other variables remain constant, the impact of reasonably possible changes in interest rates on the Group's total profit and other comprehensive income (excluding corporate income tax effects) is as follows:

	2025	
	Impact on total profit	**Impact on other comprehensive income**
A parallel increase of 100 basis points in market interest rate	(133,698,241.26)	(1,086,821,336.02)
A parallel decrease of 100 basis points in market interest rate	133,698,241.26	1,241,217,559.13

	2024	
	Impact on total profit	Impact on other comprehensive income
A parallel increase of 100 basis points in market interest rate	(194,874,015.07)	(786,118,105.17)
A parallel decrease of 100 basis points in market interest rate	194,874,015.07	848,061,750.19

The impact on total profit refers to the effect on changes in interest income from net interest-earning positions within the next year, assuming interest rates change by a specified amount.

The impact on other comprehensive income refers to the effect of fair value changes resulting from the revaluation of other debt investments held at the end of a year, based on a given interest rate change.

The aforementioned sensitivity analysis assumes a parallel upward or downward shift in the yields of assets and liabilities across all duration; therefore, it does not reflect the potential effects that may arise if only certain interest rates change while others remain unchanged. This projection is also based on other simplified assumptions, including that all positions will be held until maturity.

The assumption does not represent the Group's policies regarding capital deployment and interest rate risk management; therefore, the aforementioned impacts may differ from actual circumstances.

Furthermore, the above analysis of the effects of interest rate changes serves only as an illustration, showing the estimated changes in total profit and other comprehensive income under various projected yield scenarios and the Group's current interest rate risk profile. However, this impact does not account for potential risk management actions that management may undertake to manage interest rate risk.

(2) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in foreign exchange rates.

The foreign exchange risk of the Group primarily relates to its operations (which involve settlement and payments in currencies other than the Group's functional currency).

Foreign currency assets and liabilities held by the Group constitute a relatively small proportion of its total assets and liabilities. As at December 31, 2025, net foreign currency assets accounted for approximately 2.45% of the Group's net assets (December 31, 2024:

1.36%), indicating no significant foreign exchange risk. Measured by the revenue structure of the Group, the majority of transactions are settled in Renminbi, and the proportion of foreign currency transactions is not significant for the Group. The Group believes that, given the small proportion of foreign currency assets, liabilities, and revenue relative to total assets, liabilities, and revenue, the foreign exchange risk associated with its operations is not material.

(3) Other price risks

Price risk is the risk associated with fluctuations in the future cash flows or fair value of a financial instrument as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), regardless of whether those changes are caused by factors specific to the individual financial instrument or the issuer, or certain factors affecting all similar financial instruments traded in the market. The price risk of the Group primarily arises from positions held in proprietary investment activities. To manage the risk effectively, the Group primarily adopts the following measures: first, by constructing securities investment portfolios and utilizing financial derivative instruments to implement effective risk hedging; second, by centrally managing the risk exposures of all positions, with independent risk monitoring, analysis, and reporting conducted through two lines of defense – the internal risk control function within business units and the risk management department – to promptly identify and address risks; third, by implementing a risk license management to control metrics such as the scale of risk exposure, concentration levels, and loss limits, with periodic adjustments made to adapt to evolving market risks, business conditions, or risk tolerance; and fourth, by evaluating both the relative and absolute risk of portfolios through methods such as scenario analysis and stress testing.

Sensitivity analysis

Assuming, based on the financial assets held for trading and investments in other equity instruments as of the balance sheet date, that the market price of equity instruments increases or decreases by 10%, with all other variables held constant, the impact on the Group's total profit and other comprehensive income (excluding corporate income tax effects) is as follows:

	2025	
	Impact on total profit	**Impact on other comprehensive income**
Market price increasing by 10%	1,349,218,028.95	1,034,785,658.04
Market price decreasing by 10%	(1,349,218,028.95)	(1,034,785,658.04)

	2024	
	Impact on total profit	Impact on other comprehensive income
Market price increasing by 10%	1,388,415,521.49	651,332,711.23
Market price decreasing by 10%	(1,388,415,521.49)	(651,332,711.23)

4 Liquidity risk

Liquidity risk refers to the risks arising from securities company's inability to obtain sufficient funds at reasonable costs in a timely manner to settle debts due, fulfill other payment obligations, and satisfy the funding needs in conducting normal business operations.

The Group continuously prioritizes and strengthens the liquidity risk management, consistently refining the liquidity risk management system. The funds management department is responsible for the centralized management and allocation of funds, closely monitoring and effectively managing the maturity structure of assets and liabilities to ensure that the funds of the Group meet business operation needs, pay off maturing debts, and mitigate risk impacts. Furthermore, the Group maintains a strong credit profile in both domestic exchanges and interbank markets. It supplements short-term financing funds through relatively stable interbank borrowing and repurchase agreements, and long-term working capital through the issuance of corporate bonds and subordinated bonds. Consequently, the overall liquidity position of the Group is maintained at a relatively safe level.

The Group has established a liquidity risk limit and early warning system. Based on the business scale, nature, complexity, liquidity risk appetite, and external market developments, the Group sets liquidity risk limits and monitors their implementation. It continuously improves the risk indicator system based on the liquidity coverage ratio and net stable funding ratio, coordinating asset allocation, liability issuance, and business constraints according to the risk indicators. The Group consistently strengthens the liquidity risk monitoring of business data and establishes corresponding management mechanisms to enhance liquidity risk management at the business end. The Group has established a liquidity risk reporting mechanism, specifying the types, contents, formats, frequencies, and reporting paths for liquidity risk reports to ensure that the board of directors, management, and other managers are promptly informed of the liquidity risk level and its management status. The Group continuously strengthens intraday liquidity management by conducting advance cash flow forecasts and financing arrangements to ensure sufficient intraday liquidity positions, promptly meeting intraday payment needs under both normal and stressed scenarios. The Group actively expands and maintains financing channels to ensure the stability and reliability of funding sources. The Group has established a high-quality liquidity reserve pool, maintains a certain amount of liquid reserve assets, monitors their liquidity, and ensures the reasonableness of their size and structure to address emergency liquidity gaps of the Group and mitigate liquidity risk. The Group continuously improves the liquidity risk emergency response mechanism, formulates liquidity risk emergency plans, conducts regular drills, and continuously updates and refines the emergency response procedures to ensure it can meet liquidity needs in emergency situations and prevent extreme liquidity risk events.

Undiscounted cash flows classified by contract term

The undiscounted cash flows of the financial assets and financial liabilities held by the Group are analyzed and presented below by the maturity of remaining contractual obligations. The undiscounted cash flows shown in the table include cash flows for both interest and principal. For floating-rate items, the undiscounted amounts are calculated based on the interest rates prevailing at the end of the reporting period.

	As at December 31, 2025						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and bank balances	17,839,966,266.68	-	129,522,320.99	332,778,565.21	-	-	18,302,267,152.88
Deposits with clearing houses	4,401,956,018.13	-	-	-	-	-	4,401,956,018.13
Refundable deposits	1,602,420,844.21	-	-	-	-	-	1,602,420,844.21
Receivable from margin clients	6,843,753.28	485,345,041.67	4,929,683,084.82	15,428,682,622.81	-	-	20,850,554,502.58
Derivative financial assets	115,970,775.03	-	-	-	-	-	115,970,775.03
Reverse REPOs	408,088,354.70	-	-	110,049,594.23	-	-	518,137,948.93
Accounts receivable	117,263,678.79	-	-	-	-	-	117,263,678.79
Financial investments							
Including: Financial assets held for trading	13,352,725,355.37	2,000,940,374.40	943,078,878.18	4,038,457,334.04	10,057,148,779.82	2,916,494,994.51	33,308,845,716.32
Other debt investments	-	41,709,616.32	234,859,040.02	109,873,362.43	4,833,924,903.46	22,058,032,020.67	27,278,398,942.90
Investments in other equity instruments	10,347,856,580.38	-	-	-	-	-	10,347,856,580.38
Other financial assets	782,720,394.69	-	-	-	-	-	782,720,394.69
Total assets	48,975,812,021.26	2,527,995,032.39	6,237,143,324.01	20,019,841,478.72	14,891,073,683.28	24,974,527,015.18	117,626,392,554.84

	As at December 31, 2025						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Short-term borrowings	–	449,675,770.79	143,263,541.14	149,455,493.48	–	–	742,394,805.41
Short-term debt securities issued	–	18,024,775.89	4,533,934,931.51	9,191,788,753.16	–	–	13,743,748,460.56
Placements from financial institutions	–	3,068,652,365.55	–	–	–	–	3,068,652,365.55
Financial liabilities held for trading	–	24,210,538.37	83,514,169.29	2,531,603,766.13	–	–	2,639,328,473.79
Derivative financial liabilities	536,671,165.77	–	–	–	–	–	536,671,165.77
REPOs	–	19,467,575,103.51	308,330,673.78	1,220,566,027.40	–	–	20,996,471,804.69
Accounts payable to brokerage clients	20,699,348,759.33	–	–	–	–	–	20,699,348,759.33
Accounts payable	717,470,368.25	–	–	–	–	–	717,470,368.25
Long-term debt securities issued	–	–	–	2,291,158,421.92	13,236,174,658.40	–	15,527,333,080.32
Lease liabilities	–	525,081.91	1,056,859.30	26,352,428.05	161,319,659.49	–	189,254,028.75
Other financial liabilities	2,157,082,909.69	–	–	–	–	–	2,157,082,909.69
Total liabilities	24,110,573,203.04	23,028,663,636.02	5,070,100,175.02	15,410,924,890.14	13,397,494,317.89	–	81,017,756,222.11
Net position	24,865,238,818.22	(20,500,668,603.63)	1,167,043,148.99	4,608,916,588.58	1,493,579,365.39	24,974,527,015.18	36,608,636,332.73

	As at December 31, 2024						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and bank balances	13,173,892,301.94	860,356,709.36	549,361,129.05	660,124,722.01	–	–	15,243,734,862.36
Deposits with clearing houses	5,801,728,065.27	–	–	–	–	–	5,801,728,065.27
Refundable deposits	1,185,414,343.09	–	–	–	–	–	1,185,414,343.09
Receivable from margin clients	2,456,382.17	871,222,706.25	1,880,346,594.15	14,256,874,000.81	–	–	17,010,899,683.38
Derivative financial assets	290,098,640.49	–	–	–	–	–	290,098,640.49
Reverse REPOs	261,440,504.87	47,747,273.63	–	4,977,909.71	–	–	314,165,688.21
Accounts receivable	320,325,270.86	–	–	–	–	–	320,325,270.86
Financial investments							
Including: Financial assets held for trading	13,612,050,858.91	1,447,615,540.28	617,471,266.27	4,859,604,386.11	7,763,972,957.34	10,335,644,976.92	38,636,359,985.83
Other debt investments	–	353,816,182.41	798,471,376.00	3,177,900,591.40	13,596,183,450.30	5,911,730,501.80	23,838,102,101.91
Investments in other equity instruments	6,513,327,112.26	–	–	–	–	–	6,513,327,112.26
Other financial assets	834,969,164.38	–	–	–	–	–	834,969,164.38
Total assets	41,995,702,644.24	3,580,758,411.93	3,845,650,365.47	22,959,481,610.04	21,360,156,407.64	16,247,375,478.72	109,989,124,918.04

	As at December 31, 2024						
Items	Overdue/on demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Short-term debt securities issued	–	703,814,377.88	2,263,471,113.04	11,225,135,876.21	–	–	14,192,421,367.13
Placements from financial institutions	–	3,378,552,280.59	–	652,112,388.89	–	–	4,030,664,669.48
Financial liabilities held for trading	–	41,950,562.93	107,907,909.62	280,915,006.08	610,355,857.25	–	1,041,129,335.88
Derivative financial liabilities	414,130,317.19	–	–	–	–	–	414,130,317.19
REPOs	–	21,460,830,601.27	419,733,191.60	2,523,670,958.91	204,260,000.00	–	24,608,494,751.78
Accounts payable to brokerage clients	17,780,840,407.55	–	–	–	–	–	17,780,840,407.55
Accounts payable	650,409,321.96	–	–	–	–	–	650,409,321.96
Long-term debt securities issued	–	–	–	5,914,043,205.48	5,274,177,925.27	–	11,188,221,130.75
Lease liabilities	–	383,914.05	21,272,678.36	3,455,226.43	243,040,413.59	11,929,363.52	280,081,595.95
Other financial liabilities	2,830,750,677.37	–	–	–	–	–	2,830,750,677.37
Total liabilities	21,676,130,724.07	25,585,531,736.72	2,812,384,892.62	20,599,332,662.00	6,331,834,196.11	11,929,363.52	77,017,143,575.04
Net position	20,319,571,920.17	(22,004,773,324.79)	1,033,265,472.85	2,360,148,948.04	15,028,322,211.53	16,235,446,115.20	32,971,981,343.00

5 Capital management

The Company's objectives on capital management are as follows:

- To establish a risk control indicators system with net capital as the core to ensure compliance with external regulatory requirements;
- To ensure the Company's ability to maintain a stable operation so as to continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

The Company calculates net capital, and prepares and submits risk regulatory reports in accordance with the relevant regulations of the CSRC. Among them, net capital refers to a risk regulatory indicator derived from the net assets of a securities company after risk adjustments are made to its asset items and other items.

Meanwhile, the Company has established internal control systems commensurate with risk regulatory indicators, as well as a dynamic risk monitoring and capital replenishment mechanism, to ensure that net capital and other risk regulatory indicators remain in compliance with standards. The Company submits monthly risk regulatory reports to the local regulatory authority.

As at December 31, 2025 and December 31, 2024, the Company met the capital management objectives set by external regulatory requirements.

XV FAIR VALUE DISCLOSURE

1 Fair value of assets and liabilities measured at fair value

Level 1 fair value measurement refers to the fair value measurement derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurement refers to the fair value measurement derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 fair value measurement refers to the fair value measurement derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities measured at fair value on a recurring basis, the Group determines whether there is a transfer among levels by reassessing the level classification at the end of each reporting year.

	As at December 31, 2025			
Items	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Financial assets held for trading				
Bonds	2,054,360,925.64	16,589,492,429.74	–	18,643,853,355.38
Stocks	822,682,024.65	–	544,830,127.52	1,367,512,152.17
Funds	5,367,552,877.31	192,132,284.56	230,754,801.58	5,790,439,963.45
Bank wealth management products	2,633,555,390.88	210,781,172.21	442,023,244.23	3,286,359,807.32
Asset management products	–	965,680,351.21	–	965,680,351.21
Others	–	1,478,399,602.31	291,017,254.87	1,769,416,857.18
Subtotal	10,878,151,218.48	19,436,485,840.03	1,508,625,428.20	31,823,262,486.71
Other debt investments	–	23,676,122,859.67	–	23,676,122,859.67
Investments in other equity instruments	7,615,980,525.42	2,708,716,230.00	23,159,824.96	10,347,856,580.38
Derivative financial assets	4,250,391.53	75,075,191.32	36,645,192.18	115,970,775.03
Total assets	18,498,382,135.43	45,896,400,121.02	1,568,430,445.34	65,963,212,701.79
Financial liabilities held for trading				
Financial liabilities designated as at fair value through profit or loss	–	1,422,727,418.59	1,216,601,055.20	2,639,328,473.79
Subtotal	–	1,422,727,418.59	1,216,601,055.20	2,639,328,473.79
Derivative financial liabilities	7,319,714.31	466,100,140.12	63,251,311.34	536,671,165.77
Total liabilities	7,319,714.31	1,888,827,558.71	1,279,852,366.54	3,175,999,639.56

	As at December 31, 2024			
Items	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Financial assets held for trading				
Bonds	1,795,054,409.11	20,978,673,204.29	21,641,062.03	22,795,368,675.43

	As at December 31, 2024			
Items	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Stocks	928,687,662.18	–	555,130,623.61	1,483,818,285.79
Funds	6,668,520,649.15	193,959,682.91	219,721,316.14	7,082,201,648.20
Bank wealth management products	2,783,834,501.94	100,910,000.00	23,026,938.50	2,907,771,440.44
Asset management products	–	595,048,593.00	–	595,048,593.00
Others	–	935,011,963.41	292,764,225.31	1,227,776,188.72
Subtotal	12,176,097,222.38	22,803,603,443.61	1,112,284,165.59	36,091,984,831.58
Other debt investments	100,021,917.81	20,146,619,436.35	6,429,427.73	20,253,070,781.89
Investments in other equity instruments	3,009,462,940.56	3,469,642,010.00	34,222,161.70	6,513,327,112.26
Derivative financial assets	1,601,379.00	73,542,493.19	214,954,768.30	290,098,640.49
Total assets	15,287,183,459.75	46,493,407,383.15	1,367,890,523.32	63,148,481,366.22
Financial liabilities held for trading				
Financial liabilities designated as at fair value through profit or loss	–	550,170,791.90	490,958,543.98	1,041,129,335.88
Subtotal	–	550,170,791.90	490,958,543.98	1,041,129,335.88
Derivative financial liabilities	4,700,145.00	404,399,695.65	5,030,476.54	414,130,317.19
Total liabilities	4,700,145.00	954,570,487.55	495,989,020.52	1,455,259,653.07

2 Basis for determining the market value used for continuous fair value measurement categorised within level 1

If there is an active market for financial assets and liabilities held for trading, other debt investments and investment in other equity instruments, the quoted market price is used to establish the fair value of the financial instruments at the balance sheet date.

3 Valuation techniques used and the information of key parameters for continuous fair value measurement categorised within level 2

Financial instruments	Valuation techniques and inputs
Debt instruments	China Bond/China Securities Valuation. Future cash flows are estimated based on the contractual amount and coupon rate, and discounted at a rate reflecting the counterparty credit risk.
Asset management products, funds, bank wealth management products and others	Market price combination method. The value is determined based on the market value of the underlying financial assets and associated costs.
Equity return swap	The fair value is determined by the difference between the returns on the relevant equity securities calculated based on the exchange quotations of the underlying assets to which the contract is linked, and the fixed income agreed upon in the swap agreement between the Company and the counterparty.
Other derivatives	Market price adjustment method. Fair value is determined after adjustment based on market quotations.

4 Valuation techniques used and the information of key parameters for continuous fair value measurement categorised within level 3

Financial instruments	Valuation techniques and inputs	Unobservable significant inputs
Stocks and non-trading equity instruments	Fair value is determined using the comparable company method, with an appropriate liquidity discount applied. Average Price Asian Options Model.	Market multiples among comparable companies and liquidity discount
Options and beneficiary certificates	Fair value is calculated based on an option valuation model.	Implied volatility
Funds	Fair value is determined by multiplying net assets by the proportionate share, with an appropriate liquidity discount applied, and discounted at a rate reflecting the risk of the underlying investment.	Liquidity discount
Unlisted equity	Fair value is determined by methods such as the comparable company method and discounted cash flow.	Liquidity discount, discount rate, etc.
Bank wealth management products, debt instruments and others	Discounted cash flows and future cash flows are estimated based on contractual agreements.	Discount rate, projected future cash flows

5 Transfers between Level 1 and Level 2

In 2025 and 2024, no significant transfers occurred between Level 1 and Level 2 for the Group.

6 The following table sets forth the movements in financial instruments measured at fair value categorised within level 3

	Investments in other equity instruments	Financial assets held for trading	Other debt investments	Financial liabilities held for trading	Derivative financial assets	Derivative financial liabilities
As at January 1, 2025	34,222,161.70	1,112,284,165.59	6,429,427.73	(490,958,543.98)	214,954,768.30	(5,030,476.54)
Total impact recognised in profit or loss for the year	–	95,492,678.58	–	(122,786,642.88)	231,159,117.21	(482,700,865.81)
Total impact recognised in other comprehensive income for the year	(11,062,336.74)	–	69,139.80	–	–	–
Increase	–	810,049,962.63	–	(2,943,516,486.98)	30,779,405.33	(63,452,364.53)
Decrease	–	(509,201,378.60)	(6,498,567.53)	2,340,660,618.64	(440,248,098.66)	487,932,395.54
Transferred into Level 3	–	–	–	–	–	–
Transferred out of Level 3	–	–	–	–	–	–
As at December 31, 2025	23,159,824.96	1,508,625,428.20	–	(1,216,601,055.20)	36,645,192.18	(63,251,311.34)
Realized gains/(losses) included in profit or loss – Investment income	–	22,367,555.36	–	(43,510,347.01)	219,820,889.32	(248,239,030.73)
Unrealized gains/(losses) included in profit or loss – Gains and losses arising from changes in fair value	–	73,125,123.22	–	(79,276,295.87)	11,338,227.89	(234,461,835.08)

	Investments in other equity instruments	Financial assets held for trading	Other debt investments	Financial liabilities held for trading	Derivative financial assets	Derivative financial liabilities
As at January 1, 2024	34,258,652.67	2,340,933,944.58	10,017,327.60	(599,902,029.19)	326,223,510.11	(27,390,652.72)
Total impact recognised in profit or loss for the year	–	34,756,861.31	4,148,806.17	(38,432,323.19)	163,239,669.39	(404,524,992.54)
Total impact recognised in other comprehensive income for the year	4,518,829.03	–	1,522,309.26	–	–	–
Increase	–	658,323,796.41	–	(360,773,776.71)	2,133,459.75	(7,282,885.76)
Decrease	–	(1,403,825,340.14)	(9,259,015.30)	508,149,585.11	(276,641,870.95)	434,168,054.48
Transferred into Level 3	–	–	–	–	–	–
Transferred out of Level 3	(4,555,320.00)	(517,905,096.57)	–	–	–	–
As at December 31, 2024	34,222,161.70	1,112,284,165.59	6,429,427.73	(490,958,543.98)	214,954,768.30	(5,030,476.54)
Realized gains/(losses) included in profit or loss – Investment income	–	256,104,698.44	4,148,806.17	51,137,924.35	165,807,069.92	(313,082,732.35)
Unrealized gains/(losses) included in profit or loss – Gains and losses arising from changes in fair value	–	(221,347,837.13)	–	(89,570,247.54)	(2,567,400.53)	(91,442,260.19)

7 Fair value of financial assets and financial liabilities not measured at fair value

The management of the Group believes that, except for the following items, the carrying amounts of financial assets and financial liabilities measured at amortised cost in the Group's financial statements approximate the fair value of these assets and liabilities.

	As at December 31, 2025			
	Carrying amount	Fair value	Difference	Level of fair value measurement
Long-term debt securities issued				
Corporate bonds	14,816,917,456.44	14,832,925,699.53	(16,008,243.09)	Level 2

	As at December 31, 2024			
	Carrying amount	Fair value	Difference	Level of fair value measurement
Long-term debt securities issued				
Corporate bonds	10,649,894,138.26	10,675,393,682.66	(25,499,544.40)	Level 2

XVI NOTES TO KEY ITEMS OF THE FINANCIAL STATEMENTS OF THE COMPANY

1 Accounts receivable

Top five debtor units in accounts receivable as at the end of the year

Name	As at December 31, 2025	Nature of the debt	Aging	As a percentage of total accounts receivable	Impairment loss allowance
Wu Shengbo (武勝波)	13,745,028.09	Receivables from margin clients	More than 3 years	13.09%	(13,745,028.09)
Chengdu Jintang Development and Investment Co., Ltd. (成都金堂發展投資有限公司)	3,525,000.00	Bond underwriting fees	Within 1 year	3.36%	(17,625.00)
Wu Di (吳鏑)	2,811,125.13	Receivables from margin clients	1 to 2 years	2.68%	(2,811,125.13)
Nanping Yanping District State-owned Assets Operation Co., Ltd. (南平市延平區國有資產運營有限責任公司)	2,070,000.00	Bond underwriting fees	Within 1 year	1.97%	(10,350.00)
Shenzhen Zhucheng Technology Co., Ltd.(深圳市注成科技股份有限公司)	2,000,000.00	Income from financial advisory services	More than 3 years	1.90%	(2,000,000.00)
Aoyuan Beauty Valley Technology Co., Ltd. (奧園美谷科技股份有限公司)	2,000,000.00	Income from financial advisory services	More than 3 years	1.90%	(2,000,000.00)
Total accounts receivable from top five debtors	26,151,153.22			24.90%	(20,584,128.22)

Name	As at December 31, 2024	Nature of the debt	Aging	As a percentage of total accounts receivable	Impairment loss allowance
Wu Shengbo (武勝波)	14,845,028.09	Receivables from margin clients	More than 3 years	4.79%	(14,845,028.09)
Beijing Haidian District State-owned Capital Operation Co., Ltd. (北京市海淀區國有資本運營有限公司)	5,762,828.80	Bond underwriting fees	1 to 2 years	1.86%	(576,282.88)
Zhuang Lifen (莊麗芬)	4,811,987.08	Receivables from margin clients	More than 3 years	1.55%	(4,811,987.08)
Wu Di (吳鏑)	2,811,125.13	Receivables from margin clients	Within 1 year	0.91%	(2,811,125.13)
Zigong State-owned Capital Investment and Operation Group Co., Ltd. (自貢市國有資本投資運營集團有限公司)	2,779,200.00	Bond underwriting fees	Within 1 year	0.90%	(13,896.00)
Total accounts receivable from top five debtors	31,010,169.10			10.01%	(23,058,319.18)

2 Long-term equity investments

(1) By categories

	As at December 31, 2025	As at December 31, 2024
Subsidiaries	3,598,756,292.82	3,323,416,292.82
Less: Impairment loss allowance	–	–
Net long-term equity investments	3,598,756,292.82	3,323,416,292.82

(2) The breakdown of long-term equity investments

Name of investees	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Subsidiaries accounted for using the cost method				
Dongxing Futures Co., Ltd.	538,306,355.56	–	–	538,306,355.56
Dongxing Securities Investment Co., Ltd.	1,000,000,000.00	–	–	1,000,000,000.00
Dongxing Capital Investment Management Co., Ltd. (東興資本投資管理有限公司)	366,000,000.00	–	–	366,000,000.00
Dongxing Fund Management Co., Ltd. (東興基金管理有限公司)	200,000,000.00	–	–	200,000,000.00
Dongxing Securities (Hong Kong) Financial Holdings Limited	1,219,109,937.26	275,340,000.00	–	1,494,449,937.26
Total	3,323,416,292.82	275,340,000.00	–	3,598,756,292.82

Name of investees	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Subsidiaries accounted for using the cost method				
Dongxing Futures Co., Ltd.	538,306,355.56	–	–	538,306,355.56
Dongxing Securities Investment Co., Ltd.	1,370,000,000.00	–	(370,000,000.00)	1,000,000,000.00
Dongxing Capital Investment Management Co., Ltd. (東興資本投資管理有限公司)	366,000,000.00	–	–	366,000,000.00
Dongxing Fund Management Co., Ltd. (東興基金管理有限公司)	200,000,000.00	–	–	200,000,000.00
Dongxing Securities (Hong Kong) Financial Holdings Limited	1,219,109,937.26	–	–	1,219,109,937.26
Total	3,693,416,292.82	–	(370,000,000.00)	3,323,416,292.82

3 Other assets

Top five units in other receivables at the end of the year

Name	As at December 31, 2025	Nature of the debt	Aging	Proportion of total other receivables	Impairment loss allowance
Guotai Junan Securities Co. Ltd.	405,551,237.54	Prepaid OTC derivatives OTC derivatives margin settlement	1 to 2 years	28.88%	(33,118,904.21)
Zhejiang Zheqi Industrial Co., Ltd.	78,000,000.00	Prepaid OTC derivatives	Within 1 year	5.55%	(390,000.00)
Shanghai Xibu Yongtang Investment Management Co., Ltd. (上海西部永唐投資管理有限公司)	40,000,000.00	Prepaid OTC derivatives	Within 1 year	2.85%	(200,000.00)
Changkai Trading (Shanghai) Co., Ltd. (長開經貿 (上海) 有限公司)	29,000,000.00	Prepaid OTC derivatives	Within 1 year	2.06%	(145,000.00)
Shanghai Xinhu Ruifeng Financial Service Co., Ltd. (上海新湖瑞豐金融服務有限公司)	28,000,000.00	Prepaid OTC derivatives	Within 1 year	1.99%	(140,000.00)
Total	580,551,237.54			41.33%	(33,993,904.21)

Name	As at December 31, 2024	Nature of the debt	Aging	Proportion of total other receivables	Impairment loss allowance
Guotai Junan Securities Co. Ltd.	343,642,381.63	Prepaid OTC derivatives OTC derivatives margin settlement	Within 1 year	31.67%	(1,718,211.91)
Zhejiang Zheqi Industrial Co., Ltd.	70,000,000.00	Prepaid OTC derivatives	Within 1 year	6.45%	(350,000.00)
Beijing Yinglifang Private Fund Management Co. Ltd. (北京盈立方私募基金管理有限公司)	63,892,500.00	Prepaid OTC derivatives	Within 1 year	5.89%	(319,462.50)
Shanghai Xibu Yongtang Investment Management Co., Ltd. (上海西部永唐投資管理有限公司)	40,000,000.00	Prepaid OTC derivatives	Within 1 year	3.69%	(200,000.00)
Ruida New Control Capital Management Co., Ltd. (瑞達新控資本管理有限公司)	30,000,000.00	Prepaid OTC derivatives	Within 1 year	2.77%	(150,000.00)
Luzheng Capital Management Co., Ltd. (魯證資本管理有限公司)	30,000,000.00	Prepaid OTC derivatives	Within 1 year	2.77%	(150,000.00)
Total	577,534,881.63			53.24%	(2,887,674.41)

4 Employee benefits payable

	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Short-term employee benefits:				
Wages or salaries, bonuses, allowances and subsidies	361,057,289.12	849,761,590.90	(769,937,883.82)	440,880,996.20
Employee welfare	–	41,625,895.89	(41,625,895.89)	–
Social insurance	264,421.51	52,846,564.72	(50,873,356.97)	2,237,629.26
Including: Medical insurance	227,236.98	50,628,631.11	(48,694,797.55)	2,161,070.54
Work injury insurance	12,815.38	1,244,903.34	(1,205,529.15)	52,189.57
Maternity insurance	24,369.15	973,030.27	(973,030.27)	24,369.15
Housing funds	37,012.03	68,355,935.02	(68,355,935.02)	37,012.03
Labor union fees and staff education expenses	3,887,063.75	18,425,131.77	(17,296,312.99)	5,015,882.53
Termination benefits	81,972.95	6,808,585.91	(6,887,380.21)	3,178.65
Supplementary medical insurance	–	35,285,786.62	(35,285,786.62)	–
Others	6,656.96	19,898.23	(19,898.23)	6,656.96
Subtotal	365,334,416.32	1,073,129,389.06	(990,282,449.75)	448,181,355.63
Defined contribution plans				
Including: Basic pension insurance	363,518.73	91,863,899.91	(88,623,431.07)	3,603,987.57
Annuity	8,828.48	58,698,941.06	(58,707,769.54)	–
Unemployment insurance	36,440.19	3,068,682.92	(2,975,884.57)	129,238.54
Subtotal	408,787.40	153,631,523.89	(150,307,085.18)	3,733,226.11
Total	365,743,203.72	1,226,760,912.95	(1,140,589,534.93)	451,914,581.74

	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Short-term employee benefits:				
Wages or salaries, bonuses, allowances and subsidies	326,786,325.73	700,672,473.50	(666,401,510.11)	361,057,289.12
Employee welfare	–	40,651,964.21	(40,651,964.21)	–
Social insurance	218,272.75	54,109,794.78	(54,063,646.02)	264,421.51
Including: Medical insurance	181,609.75	51,632,331.55	(51,586,704.32)	227,236.98
Work injury insurance	12,293.85	1,438,240.68	(1,437,719.15)	12,815.38
Maternity insurance	24,369.15	1,039,222.55	(1,039,222.55)	24,369.15
Housing funds	37,012.03	73,224,282.13	(73,224,282.13)	37,012.03
Labor union fees and staff education expenses	1,715,380.94	16,592,301.54	(14,420,618.73)	3,887,063.75
Termination benefits	3,178.65	2,909,843.60	(2,831,049.30)	81,972.95
Supplementary medical insurance	13,468.04	67,033,855.60	(67,047,323.64)	–
Others	6,656.96	20,953.58	(20,953.58)	6,656.96
Subtotal	328,780,295.10	955,215,468.94	(918,661,347.72)	365,334,416.32
Defined contribution plans				
Including: Basic pension insurance	326,870.60	92,922,800.83	(92,886,152.70)	363,518.73
Annuity	–	68,554,842.03	(68,546,013.55)	8,828.48
Unemployment insurance	29,450.48	3,159,239.70	(3,152,249.99)	36,440.19
Subtotal	356,321.08	164,636,882.56	(164,584,416.24)	408,787.40
Total	329,136,616.18	1,119,852,351.50	(1,083,245,763.96)	365,743,203.72

The Company participates in the pension insurance and unemployment insurance schemes established by government authorities as required. Under these schemes, the Company makes monthly contributions to the schemes based on a certain percentage of the employees' basic salary. Meanwhile, the Company has established an enterprise annuity scheme for eligible employees, with contributions to the scheme made at a certain percentage of the total employee wages of the previous year. Beyond the aforementioned monthly contributions, the Company assumes no further payment obligations. Corresponding expenses are recognised in profit or loss as they are incurred.

5 Net fee and commission income

	2025	2024
Net income from securities brokerage business	942,363,518.38	711,171,818.19
Income from securities brokerage business	1,239,495,782.70	904,697,634.56
Including: Brokerage trading of securities	1,140,799,895.89	829,349,552.80
Leasing of trading unit seats	8,964,504.59	13,214,995.96
Agency sale of financial products	89,731,382.22	62,133,085.80
Expenses on securities brokerage business	(297,132,264.32)	(193,525,816.37)
Including: Brokerage trading of securities	(297,132,264.32)	(193,525,816.37)
Net income from investment banking business	464,817,823.15	294,036,397.36
Income from investment banking business	513,835,977.59	322,713,539.53
Including: Securities underwriting business	442,848,153.57	239,462,861.58
Securities sponsorship business	22,553,342.70	13,969,189.41
Financial advisory business (1)	48,434,481.32	69,281,488.54
Expenses of investment banking business	(49,018,154.44)	(28,677,142.17)
Including: Securities underwriting business	(49,018,154.44)	(28,677,142.17)
Net income from asset management business (2)	74,559,124.60	106,743,291.46
Income from asset management business	74,559,124.60	106,743,291.46
Net income from investment advisory business	29,609,048.16	18,176,861.36
Income from investment advisory business	29,609,048.16	18,176,861.36
Net income from other fee and commission	951,226.10	1,064,365.66
Income from other fee and commission	954,507.23	1,069,554.34
Expenses on other fee and commission	(3,281.13)	(5,188.68)
Total	1,512,300,740.39	1,131,192,734.03
Including: Total fee and commission income	1,858,454,440.28	1,353,400,881.25
Total fee and commission expenses	(346,153,699.89)	(222,208,147.22)

(1) Net income from financial advisory business

	2025	2024
Net income from financial advisory business for mergers and acquisitions and restructuring		
– Domestically listed companies	297,169.81	–
Net income from financial advisory business for financing	8,666,509.36	15,036,724.98
Net income from other financial advisory business	39,470,802.15	54,244,763.56
Total	48,434,481.32	69,281,488.54

(2) Asset management business

	2025		
	Collective assets	Single assets	Special assets
Product quantity at the end of the year	101	31	10
Number of clients at the end of the year	2,160	31	188
Including: Individual clients	1,723	5	–
Institutional clients	437	26	188
Entrusted funds at the beginning of the year	16,020,005,147.01	5,130,511,390.49	22,272,103,600.00
Including: Own capital investment	722,981,773.76	324,544,361.27	–
Individual clients	3,737,276,042.95	95,519,961.46	–
Institutional clients	11,559,747,330.30	4,710,447,067.76	22,272,103,600.00
Entrusted funds at the end of the year	21,518,694,802.26	6,596,827,530.14	9,319,500,000.00
Including: Own capital investment	1,234,332,461.29	324,544,361.27	–
Individual clients	3,638,095,488.66	242,255,955.21	–
Institutional clients	16,646,266,852.31	6,030,027,213.66	9,319,500,000.00
Initial cost of the main entrusted assets at the end of the year	23,251,973,166.01	7,664,462,438.87	9,363,207,521.76
Including: Stocks	303,500,467.90	1,040,505,965.73	–
Treasury bonds	172,679,000.00	–	–
Other bonds	15,500,070,965.75	3,784,409,381.85	–
Funds	2,738,876,933.83	450,916,752.55	–
Interbank certificates of deposit	–	–	–
Other investment products	4,536,845,798.53	2,388,630,338.74	9,363,207,521.76
Net income from asset management business in the current year	57,477,030.85	10,717,573.47	6,364,520.28

	2024		
	Collective assets	Single assets	Special assets
Product quantity at the end of the year	88	20	13
Number of clients at the end of the year	2,018	20	123
Including: Individual clients	1,812	1	–
Institutional clients	206	19	123
Entrusted funds at the beginning of the year	11,116,290,098.35	4,712,609,545.07	28,184,407,800.00
Including: Own capital investment	804,301,595.51	324,544,361.27	–
Individual clients	4,985,233,204.72	95,179,167.50	–
Institutional clients	5,326,755,298.12	4,292,886,016.30	28,184,407,800.00
Entrusted funds at the end of the year	16,020,005,147.01	5,130,511,390.49	22,272,103,600.00
Including: Own capital investment	722,981,773.76	324,544,361.27	–
Individual clients	3,737,276,042.95	95,519,961.46	–
Institutional clients	11,559,747,330.30	4,710,447,067.76	22,272,103,600.00
Initial cost of the main entrusted assets at the end of the year	17,828,781,162.27	5,809,309,378.37	22,402,522,258.03
Including: Stocks	58,738,847.85	1,183,707,659.52	–
Treasury bonds	543,463,395.00	–	–
Other bonds	14,915,656,686.46	2,972,948,869.97	–
Funds	738,739,807.33	15,039,925.47	–
Interbank certificates of deposit	–	–	–
Other investment products	1,572,182,425.63	1,637,612,923.41	22,402,522,258.03
Net income from asset management business in the current year	67,673,132.88	12,508,454.27	26,561,704.31

6 Net interest income

Items	2025	2024
Interest income		
Interest income from cash and bank balances and deposits with clearing houses	250,768,683.66	263,441,903.87
Including: Interest income from client deposits	217,215,449.97	216,814,257.77
Interest income from corporate deposits	33,553,233.69	46,627,646.10
Interest income from margin financing and securities lending business	896,678,555.14	803,428,402.02
Interest income from reverse REPOs	4,865,053.13	2,808,510.48
Including: Interest income from stock-pledged repurchase	619,276.74	196,464.80
Interest income from other debt investments	605,738,952.75	744,125,859.36
Others	11,128,137.95	9,974,799.94
Subtotal	1,769,179,382.63	1,823,779,475.67
Interest expenses		
Interest expenses on accounts payable to brokerage clients	(12,009,782.99)	(20,460,854.77)
Interest expenses on REPOs	(414,016,146.69)	(540,030,675.34)
Including: Interest expenses on pledged quotation and repurchase	(75,921,699.85)	(100,997,800.39)
Interest expenses on placements from financial institutions	(120,423,368.29)	(69,066,180.02)
Including: Interest expenses of securities lending and refinancing	(74,589,961.11)	(11,819,977.66)
Interest expenses on long-term debt securities issued	(244,622,369.61)	(313,315,500.66)
Interest expenses on short-term debt securities issued	(236,337,452.72)	(205,602,632.92)
Interest expenses on lease liabilities	(5,992,482.46)	(9,073,350.74)
Interest expenses on other financial liabilities calculated by the effective interest rate method	(20,074,974.22)	(16,917,304.03)
Subtotal	(1,053,476,576.98)	(1,174,466,498.48)
Net interest income	715,702,805.65	649,312,977.19

7 Investment income

	2025	2024
Investment income from financial instruments	1,957,977,183.31	1,994,259,819.55
Including: Gains generated during the holding period	2,813,428,210.93	1,561,537,248.00
– Financial instruments held for trading (1)	2,176,009,008.59	1,218,474,870.90
– Investments in other equity instruments	637,419,202.34	343,062,377.10
Profit or loss from disposal of financial instruments	(855,451,027.62)	432,722,571.55
– Financial instruments held for trading (1)	157,652,534.47	324,298,989.40
– Other debt investments	116,620,278.42	141,349,594.02
– Derivative financial instruments	(1,129,723,840.51)	(32,926,011.87)
Long-term equity investments accounted for under the cost method	–	–
Total	1,957,977,183.31	1,994,259,819.55

In 2025 and 2024, there were no significant restrictions on the repatriation of investment income for the Company.

(1) Statement of investment income from financial instruments held for trading:

	2025	2024
Financial assets classified as at fair value through profit or loss		
– Profit or loss during holding period	2,176,009,008.59	1,218,474,870.90
– Profit or loss from disposal	173,771,125.01	276,038,951.62
Financial liabilities classified as at fair value through profit or loss		
– Profit or loss from disposal	(8,449,609.63)	(2,877,886.57)
Financial liabilities designated as at fair value through profit or loss		
– Profit or loss from disposal	(7,668,980.91)	51,137,924.35

8 Gains and losses arising from changes in fair value

	2025	2024
Financial assets held for trading	218,231,563.59	239,019,460.94
Derivative financial instruments	(239,023,640.82)	(128,609,754.81)
Financial liabilities held for trading	(39,816,292.99)	(84,106,111.47)
Total	(60,608,370.22)	26,303,594.66

9 Operating and administrative expenses

	2025	2024
Staff costs	1,226,760,912.95	1,119,852,351.50
Depreciation and amortization expenses	239,949,025.13	268,347,226.56
Postal and telecommunication expenses	85,137,983.61	85,534,937.13
Electronic equipment operating expenses	49,421,167.16	63,358,059.55
Exchange membership fee	32,097,413.29	35,071,089.30
Investor protection funds	29,244,898.71	18,026,271.68
Conference travelling and transportation expenses	25,686,091.50	33,638,632.48
Product sales and advertising expenses	22,085,180.59	50,084,159.75
Utilities and building management fees	16,946,536.88	17,250,520.35
Research and information expenses	15,947,072.20	18,396,350.28
Others	66,142,516.36	79,302,429.16
Total	1,809,418,798.38	1,788,862,027.74

10 Notes to the cash flow statement

(1) Supplemental information on cash flow statement

	2025	2024
Reconciliation of net profit to cash flows from operating activities:		
Net profit	1,953,362,568.11	1,553,395,886.46
Add: Provision for impairment losses under expected credit loss model	(20,470,372.80)	193,560,674.13
Depreciation of investment properties	2,558,379.84	2,558,379.84
Depreciation of fixed assets	48,971,089.39	58,930,808.18
Amortisation of intangible assets	40,839,681.66	52,755,317.03
Amortisation of long-term prepaid expenses	34,611,326.62	24,594,450.01
Depreciation of right-of-use assets	126,713,369.40	139,672,952.14
Gain and losses on disposal of fixed assets, intangible assets and other long-term assets	351,197.27	(3,710,024.69)
Gains and losses arising from changes in fair value	60,608,370.22	(26,303,594.66)
Net income from non-operating interest	(118,786,647.96)	(216,134,375.04)
Foreign exchange gains and losses	564,563.63	(267,116.25)
Investment gains and losses	(754,039,480.76)	(313,405,003.97)
Changes in deferred tax	46,402,443.46	(53,739,141.18)
(Increase)/decrease in operating receivables	1,611,527,818.19	(14,640,172,365.17)
Increase/(decrease) in operating payables	(2,754,656,808.97)	2,069,694,303.31
Net cash flows generated from operating activities	278,557,497.30	(11,158,568,849.86)

(2) Cash inflows associated with other operating activities

	2025	2024
Net decrease in amounts due to/from related parties	1,878,276,518.55	–
Net decrease in refundable deposits	31,677,393.19	165,623,296.58
Other income	2,536,369.98	9,074,030.55
Other operating revenue	6,286,047.48	7,449,294.68
Non-operating revenue	2,614,572.57	4,055,580.62
Total	1,921,390,901.77	186,202,202.43

(3) Cash outflows associated with other operating activities

	2025	2024
Net increase in amounts due to/from related parties	3,599,395,095.96	1,729,884,347.44
Operating and administrative expenses	342,708,860.30	400,662,449.68
Non-operating expenses	18,531,079.99	112,951,001.55
Total	3,960,635,036.25	2,243,497,798.67

(4) Composition of cash and cash equivalents

	As at December 31, 2025	As at December 31, 2024
Bank deposits on demand	14,998,092,709.60	12,246,449,778.20
Deposits with clearing houses on demand	3,876,817,432.06	5,128,836,411.64
Balance of cash and cash equivalents	18,874,910,141.66	17,375,286,189.84

XVII COMPARATIVE FIGURES

Due to changes in the presentation of the financial statements, certain comparative figures in these financial statements have been restated in accordance with the presentation adopted for the year of 2025.

XVIII SUBSEQUENT EVENTS OF THE BALANCE SHEET

1 Issuance of corporate bonds

On April 2026, the Company completed the public issuance of corporate bonds with par value of RMB2.0 billion to professional investors, named as "26 Dongxing G1", with a total principal amount of RMB2.0 billion and a duration of 2 years. The bonds include a coupon rate adjustment option at the end of the first year and a put option for investors, and the nominal interest rate is 1.53% per annum, bearing interest at fixed rates and calculated annually at a simple rate. The interest shall be paid annually, and the bonds are unsecured.

2 Issuance of commercial papers

Subsequent to December 31, 2025 and up to the date of this report, the Company has issued two tranches of commercial papers, with a total principal amount of RMB3.0 billion, and the nominal interest rate of 1.63% to 1.66% per annum.

3 Profit distribution

On March 30, 2026, upon consideration at the 12th meeting of the sixth session of the board of directors of the Company, the Company proposed to make a cash distribution as follow: a cash dividend of RMB0.09 per share (tax inclusive) will be distributed to all shareholders of the Company whose names appear in the register of members as at the record date for entitlement to the distribution for 2025, totaling cash dividends of RMB290,920,096.80 (tax inclusive) to be distributed based on the total share capital of the Company of 3,232,445,520 shares as of December 31, 2025. Based on the above profit distribution plan, the total amount of the Company's cash dividends (including the cash dividend paid in the interim distribution) for the year is RMB536,585,956.32 (tax inclusive), representing 25.53% of the net profit attributable to the shareholders of the Post-Merger Company in the 2025 consolidated financial statements. The remaining distributable profit after this distribution will be carried forward to the next year. Thereafter, the proposal will be submitted to the shareholders' meeting for consideration.

4 Merger by absorption

On December 2025, the Company published an announcement on the Draft Plan on the Proposed Mergers by CICC with Dongxing Securities and Cinda Securities (《中國國際金融股份有限公司換股吸收合併東興證券股份有限公司、信達證券股份有限公司預案》) on the SSE, in relation to China International Capital Corporation ("CICC") merging with Dongxing Securities by way of absorption, in which CICC will issue CICC A Shares to all the share-exchange shareholders holding A shares of the Company. In addition, the A Shares to be issued will be applied for listing and circulated on the SSE, while the A shares of the Company shall be canceled accordingly, and the listing position of Company shall also be terminated. Thus, the Proposed Mergers is expected to constitute a material asset restructuring in accordance with the Measures for the Administration of the Material Asset Restructurings of Listed Companies (《上市公司重大資產重組管理辦法》). From the Closing Date of the Proposed Mergers onwards, CICC will assume and succeed to all assets, liabilities, businesses, personnel, contracts, qualifications and all other rights and obligations of the

Company. Following the Closing Date, CICC will complete the relevant registration procedures for changes in registered capital and other related industrial and commercial registrations, while the Company will be deregistered as a legal entity. On December 17, 2025 and May 18, 2026, the Proposed Mergers was considered and approved by the 11th and 14th meeting of the sixth session of the board of directors of the Company, respectively, with subject to approval by the shareholders' meeting, and the implementation of the Proposed Mergers is conditional upon the approval of governmental authority.

XIX APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the board of directors of the Company on May 18, 2026.

DONGXING SECURITIES CO., LTD.
SUPPLEMENTARY INFORMATION FROM THE MANAGEMENT

For the years ended December 31, 2025 and 2024

(All amounts in RMB unless otherwise stated)

I NON-RECURRING PROFIT OR LOSS

	The Group	
	2025	**2024**
Gains or losses from disposal of non-current assets	(907,004.56)	4,143,801.41
Government grants recognized in current profit or loss (excluding those closely related to the Group's normal operations, in line with national policies, entitled based on determined standards, and having a continuous impact on the Group's profit or loss)	3,095,513.13	5,198,998.79
Other non-operating income and expenses other than the above items	(17,042,755.71)	(53,248,296.40)
Other profit or loss items that are within the meaning of non-recurring profit or loss	–	–
Total	(14,854,247.14)	(43,905,496.20)
Income tax effect of non-recurring gains or losses	1,203,567.20	(2,471,852.58)
Effect of non-recurring gains or losses attributable to minority shareholders, net	–	–
Effect of non-recurring gains or losses attributable to shareholders of the parent company, net	(13,650,679.94)	(46,377,348.78)

The above statement of non-recurring profit or loss is determined and disclosed in accordance with the requirements of the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss (2023 Revision) (CSRC Announcement [2023] No. 65) (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益 (2023年修訂)》(證監會公告[2023]65號)) issued by the China Securities Regulatory Commission.

Since financial instruments measured at fair value through profit or loss, financial instruments measured at fair value through other comprehensive income, and financial instruments measured at amortised cost form part of the Company's normal proprietary securities business, the relevant non-recurring profit or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss, which include investment income from holding, and gains and losses arising from changes in fair value from, as well as investment income arising from disposing of such financial instruments, are defined by the Company as recurring profit or loss items.

II RETURN ON NET ASSETS AND EARNINGS PER SHARE

	Weighted average return on net assets (%)	
	2025	2024
Net profits attributable to ordinary shareholders of the parent company	7.13	5.57
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	7.18	5.73

	Earnings per share			
	2025		2024	
	Basic earnings per share	Diluted earnings per share	Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the parent company	0.647	0.647	0.478	0.478
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	0.651	0.651	0.492	0.492

The number of outstanding ordinary shares as at December 31, 2025 was 3,232,445,520 shares (December 31, 2024: 3,232,445,520 shares).

The Company has prepared the aforementioned computation sheet of return on net assets and earnings per share in accordance with the relevant requirements stipulated in the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 Revision) (《公開發行證券的公司信息披露編報規則第9號-淨資產收益率和每股收益的計算及披露》 (2010年修訂)) issued by the China Securities Regulatory Commission.

B. RECONCILIATION BETWEEN THE ACCOUNTING POLICIES ADOPTED BY THE COMPANY (IFRS ACCOUNTING STANDARDS) AND DONGXING GROUP (PRC GAAP)

As described in the section entitled "*Letter from the Board – Waiver from Strict Compliance with Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules*", the Company has applied to the Hong Kong Stock Exchange for, and been granted, a waiver from the requirement to include in this circular an accountants' report on Dongxing Group in accordance with Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules.

Instead, this circular contains a copy of the English translation of the audited consolidated financial statements of Dongxing Group for the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), which have been prepared by the Directors of the Dongxing Group under China Accounting Standard for Business Enterprise ("**PRC GAAP**") (the "**Dongxing Group's PRC GAAP Consolidated Financial Statement**"), as set out in Section A of this Appendix.

The accounting policies adopted in the preparation of the Dongxing Group PRC GAAP Consolidated Financial Statement (the "**Dongxing Group Accounting Policies**") are substantially consistent with the accounting policies adopted by the Company, which comply with IFRS Accounting Standards, except for the classification and presentation of certain the account captions.

Basis of Preparation

The reconciliation information for the Relevant Periods is set out by providing a reconciliation (the "**GAAP Difference Reconciliation**") prepared based on the audited consolidated financial statements of the Dongxing Group for the years ended 31 December 2023, 2024 and 2025 prepared under the China Accounting Standard for Business Enterprise ("**PRC GAAP**"), with adjustments made (if any) thereto in arriving at the unaudited financial information of the Dongxing Group prepared under the accounting policies adopted by the Group as at and for each of the year ended 31 December 2023, 2024 and 2025 which follow IFRS Accounting Standards.

Reconciliation Process

The GAAP Difference Reconciliation has been prepared by the Directors of the Company by comparing the Dongxing Group Accounting Policies and the accounting policies adopted by the Group as at and for each of the year ended 31 December 2023, 2024 and 2025 which follow IFRS Accounting Standards, and quantifying the relevant material financial effects of such differences, where appropriate. Attention is drawn to the fact that as the GAAP Difference Reconciliation has not been subject to an independent audit and accordingly, no opinion is expressed by an auditor or reporting accountants on whether the financial information in the GAAP Difference Reconciliation presents a true and fair view of the Dongxing Group's consolidated financial position as at 31 December 2023, 2024 and 2025, nor its consolidated results and its consolidated cash flows for the years then ended under the accounting policies adopted by the Company.

Ernst & Young was engaged by the Company to report on the GAAP Difference Reconciliation in accordance with International Standards on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial*

Information ("**ISAE 3000 (Revised)**") as issued by the International Auditing and Assurance Standards Board (IAASB) on the GAAP Difference Reconciliation as set out on pages II-421 to II-448.

The work conducted by Ernst & Young consisted primarily of:

(i) comparing the relevant financial information in the columns "Unadjusted Financial Information under PRC GAAP" as disclosed in the GAAP Difference Reconciliation for the years ended 31 December 2023, 2024 and 2025 with the respective line items in the Dongxing Group's PRC GAAP Consolidated Financial Statement, as appropriate, as set out in Appendix II of this circular;

(ii) assessing the adjustments made in arriving at the "Unaudited Financial Information under IFRS Accounting Standards" of the Reconciliation Information, which included evaluating the differences between the Dongxing Group Accounting Policies and the accounting policies adopted by the Group for the years ended 31 December 2023, 2024 and 2025, as set out in Appendix II of this circular, and obtaining evidence supporting the adjustments made in arriving at the "Unaudited Financial Information under IFRS Accounting Standards"; and

(iii) checking the arithmetic accuracy of the computation of the "Unaudited Financial Information under IFRS Accounting Standards" of the GAAP Difference Reconciliation.

For the purposes of the engagement on the GAAP Difference Reconciliation, Ernst & Young is not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the GAAP Difference Reconciliation, nor has Ernst & Young, in the course of the engagement, performed an audit or review of the financial information used in compiling the GAAP Difference Reconciliation. The work carried out in accordance with ISAE 3000 (Revised) is different in scope from an audit or a review conducted in accordance with International Standards on Auditing or International Standards on Review Engagements as issued by the IAASB and consequently, Ernst & Young did not express an audit opinion nor a review conclusion on the GAAP Difference Reconciliation.

Ernst & Young's engagement was intended solely for the use of the Directors in connection with this circular and may not be suitable for another purpose.

Based on the work performed, Ernst & Young has concluded that:

(i) the relevant financial information in the columns "Unadjusted Financial Information under PRC GAAP" as disclosed in the GAAP Difference Reconciliation for the years ended 31 December 2023, 2024 and 2025 is in agreement with the respective line items in the Dongxing Group's PRC GAAP Consolidated Financial Statement prepared in accordance with the PRC GAAP;

(ii) the adjustments made in arriving at the "Unaudited Financial Information under IFRS Accounting Standards" of the GAAP Difference Reconciliation reflect, in all material respects, the differences between the accounting policies adopted by the Dongxing Group and the accounting policies adopted by the Group for the years ended 31 December 2023, 2024 and 2025, as set out in Appendix II of this circular; and

(iii) the computation of the "Unaudited Financial Information under IFRS Accounting Standards" of the GAAP Difference Reconciliation is arithmetically accurate.

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
				Revenue:
Operating revenue	4,710,786,056			
Net fee and commission income	1,680,048,215	429,871,461	2,109,919,676	Fee and commission income
Including: net income from brokerage business	952,521,777	(952,521,777)	–	
net income from investment banking business	490,082,937	(490,082,937)	–	
net income from asset management business	208,152,568	(208,152,568)	–	
Net interest income	761,040,779	1,253,893,431	2,014,934,210	Interest income
Including: interest income	2,014,934,210	(2,014,934,210)	–	
interest expenses	1,253,893,431	(1,253,893,431)	–	
Investment income	2,020,155,125	102,082,195	2,122,237,320	Investment income
Including: share of profits of associates and joint ventures	50,394,930	(50,394,930)	–	
Gains and losses arising from changes in fair value	152,477,125	(152,477,125)	–	
Foreign exchange gains and losses	90,534,255	(90,534,255)	–	
Other operating revenue	3,621,070	(3,621,070)	–	
Other income	3,816,491	(3,816,491)	–	
Gains or losses on disposal of assets	(907,004)	907,004	–	
			6,247,091,206	**Total revenue**
		101,206,025	101,206,025	Other income, net
			6,348,297,231	**Total revenue and other income**
				Expenses:
Operating expenses	2,200,118,854			
		429,871,461	429,871,461	Fee and commission expenses
		1,253,893,431	1,253,893,431	Interest expenses
Tax and surcharges	32,056,900	–	32,056,900	Tax and surcharges
Operating and administrative expenses	2,129,766,133	(736,850,727)	1,392,915,406	Staff costs
		255,572,050	255,572,050	Depreciation and amortisation expenses
		505,195,554	505,195,554	Other operating expenses and costs
Provision for impairment losses under expected credit loss model	41,939,066	–	41,939,066	Provision for impairment losses under ECL model
Provision for impairment losses on assets	(7,665,333)	–	(7,665,333)	Reversal of impairment losses on other assets
Other operating costs	4,022,088	(4,022,088)	–	
			3,903,778,535	**Total expenses**
Operating profit	2,510,667,202			
Add: Non-operating revenue	3,234,209	(3,234,209)	–	
Less: Non-operating expenses	18,987,785	(18,987,785)	–	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			2,444,518,696	**Operating profit**
		50,394,930	50,394,930	Share of profits of associates and joint ventures
Profit before income tax	2,494,913,626	–	2,494,913,626	**Profit before income tax**
Less: Income tax expense	391,416,681	–	391,416,681	Less: Income tax expense
Profit for the year	2,103,496,945	–	2,103,496,945	**Profit for the year**
Classified by operation continuity				
Profit from continuing operations	2,103,496,945			
Profit from discontinued operations	–			
				Attributable to:
Classified by attribution				
Attributable to shareholders of the parent company	2,101,764,226	–	2,101,764,226	Shareholders of the Company
Attributable to non-controlling interests	1,732,719	–	1,732,719	Non-controlling interests

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			2,103,496,945	**Profit for the year**
				Other comprehensive income for the year
Other comprehensive income for the year, net of tax	343,119,041	–	343,119,041	**Total other comprehensive income for the year, net of income tax**
Total comprehensive income for the year	2,446,615,986	–	2,446,615,986	**Total comprehensive income for the year**
				Attributable to:
Attributable to shareholders of the parent company	2,446,064,833	–	2,446,064,833	Shareholders of the Company
Attributable to non-controlling interests	551,153	–	551,153	Non-controlling interests
Earnings per share				
Basic and diluted earnings per share (RMB/share)	0.647		0.647	Basic earnings per share (in RMB per share)
			0.647	Diluted earnings per share (in RMB per share)

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
				Revenue:
Operating revenue	4,272,740,624			
Net fee and commission income	1,515,861,257	326,282,538	1,842,143,795	Fee and commission income
Including: net income from brokerage business	731,029,510	(731,029,510)	–	
net income from investment banking business	473,042,528	(473,042,528)	–	
net income from asset management business	292,547,992	(292,547,992)	–	
Net interest income	688,556,533	1,392,490,789	2,081,047,322	Interest income
Including: interest income	2,081,047,322	(2,081,047,322)	–	
interest expenses	1,392,490,789	(1,392,490,789)	–	
Investment income	2,151,483,071	(86,342,866)	2,065,140,205	Investment income
Including: share of profits of associates and joint ventures	12,670,345	(12,670,345)	–	
Gains and losses arising from changes in fair value	(73,672,521)	73,672,521	–	
Foreign exchange gains and losses	(35,380,794)	35,380,794	–	
Other operating revenue	11,266,080	(11,266,080)	–	
Other income	10,483,196	(10,483,196)	–	
Gains or losses on disposal of assets	4,143,802	(4,143,802)	–	
			5,988,331,322	**Total revenue**
		(5,080,475)	(5,080,475)	Other income, net
			5,983,250,847	**Total revenue and other income**
				Expenses:
Operating expenses	2,435,299,170			
		326,282,538	326,282,538	Fee and commission expenses
		1,392,490,789	1,392,490,789	Interest expenses
Tax and surcharges	27,559,637	–	27,559,637	Tax and surcharges
Operating and administrative expenses	2,117,103,375	(840,571,902)	1,276,531,473	Staff costs
		287,673,099	287,673,099	Depreciation and amortisation expenses
		624,393,984	624,393,984	Other operating expenses and costs
Provision for impairment losses under expected credit loss model	251,869,719	–	251,869,719	Provision for impairment losses under ECL model
Provision for impairment losses on assets	30,210,993	–	30,210,993	Provision for impairment losses on other assets
Other operating costs	8,555,446	(8,555,446)	–	
			4,217,012,232	**Total expenses**
Operating profit	1,837,441,454			
Add: Non-operating revenue	4,325,040	(4,325,040)	–	
Less: Non-operating expenses	62,857,534	(62,857,534)	–	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			1,766,238,615	**Operating profit**
		12,670,345	12,670,345	Share of profits of associates and joint ventures
Profit before income tax	1,778,908,960	–	1,778,908,960	**Profit before income tax**
Less: Income tax expense	228,385,059	–	228,385,059	Less: Income tax expense
Profit for the year	1,550,523,901	–	1,550,523,901	**Profit for the year**
Classified by operation continuity				
Profit from continuing operations	1,550,523,901			
Profit from discontinued operations	–			
				Attributable to:
Classified by attribution				
Attributable to shareholders of the parent company	1,544,324,858	–	1,544,324,858	Shareholders of the Company
Attributable to non-controlling interests	6,199,043	–	6,199,043	Non-controlling interests

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			1,550,523,901	**Profit for the year**
				Other comprehensive income for the year
Other comprehensive income for the year, net of tax	243,937,674	–	243,937,674	**Total other comprehensive income for the year, net of income tax**
Total comprehensive income for the year	1,794,461,575	–	1,794,461,575	**Total comprehensive income for the year**
				Attributable to:
Attributable to shareholders of the parent company	1,787,297,102	–	1,787,297,102	Shareholders of the Company
Attributable to non-controlling interests	7,164,473	–	7,164,473	Non-controlling interests
Earnings per share				
Basic and diluted earnings per share (RMB/share)	0.478		0.478	Basic earnings per share (in RMB per share)
			0.478	Diluted earnings per share (in RMB per share)

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
				Revenue:
Operating revenue	4,735,175,868			
Net fee and commission income	1,462,198,870	278,176,182	1,740,375,052	Fee and commission income
Including: net income from brokerage business	632,705,538	(632,705,538)	–	
net income from investment banking business	583,586,154	(583,586,154)	–	
net income from asset management business	215,860,886	(215,860,886)	–	
Net interest income	1,104,215,906	1,435,202,911	2,539,418,817	Interest income
Including: interest income	2,539,418,817	(2,539,418,817)	–	
interest expenses	1,435,202,911	(1,435,202,911)	–	
Investment income	930,007,013	(49,580,638)	880,426,375	Investment income
Including: share of profits of associates and joint ventures	22,927,303	(22,927,303)	–	
Gains and losses arising from changes in fair value	(30,005,222)	30,005,222	–	
Foreign exchange gains and losses	7,757,335	(7,757,335)	–	
Other operating revenue	1,245,186,396	(1,245,186,396)	–	
Other income	12,977,816	(12,977,816)	–	
Gains on disposal of assets	2,837,754	(2,837,754)	–	
			5,160,220,244	**Total revenue**
		34,241,518	34,241,518	Other income, net
			5,194,461,762	**Total revenue and other income**
				Expenses:
Operating expenses	3,619,980,949			
		278,176,182	278,176,182	Fee and commission expenses
		1,435,202,911	1,435,202,911	Interest expenses
Tax and surcharges	24,657,219	–	24,657,219	Tax and surcharges
Operating and administrative expenses	2,156,649,677	(851,814,649)	1,304,835,028	Staff costs
		311,696,790	311,696,790	Depreciation and amortisation expenses
		717,917,612	717,917,612	Other operating expenses and costs
Provision for impairment losses under expected credit loss model	202,442,607	–	202,442,607	Provision for impairment losses under ECL model
Other operating costs	1,236,231,446	(1,236,231,446)	–	
			4,274,928,349	**Total expenses**
Operating profit	1,115,194,919			
Add: Non-operating revenue	2,507,170	(2,507,170)	–	
Less: Non-operating expenses	175,241,373	(175,241,373)	–	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			919,533,413	**Operating profit**
		22,927,303	22,927,303	Share of profits of associates and joint ventures
Profit before income tax	942,460,716	–	942,460,716	**Profit before income tax**
Less: Income tax expense	120,836,449	–	120,836,449	Less: Income tax expense
Profit for the year	821,624,267	–	821,624,267	**Profit for the year**
Classified by operation continuity				
Profit from continuing operations	821,624,267			
Profit from discontinued operations	–			
				Attributable to:
Classified by attribution				
Attributable to shareholders of the parent company	819,739,772	–	819,739,772	Shareholders of the Company
Attributable to non-controlling interests	1,884,495	–	1,884,495	Non-controlling interests

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			821,624,267	**Profit for the year**
				Other comprehensive income for the year
Other comprehensive income for the year, net of tax	359,723,404	–	359,723,404	**Total other comprehensive income for the year, net of income tax**
Total comprehensive income for the year	1,181,347,671	–	1,181,347,671	**Total comprehensive income for the year**
				Attributable to:
Attributable to shareholders of the parent company	1,178,911,596	–	1,178,911,596	Shareholders of the Company
Attributable to non-controlling interests	2,436,075	–	2,436,075	Non-controlling interests
Earnings per share				
Basic and diluted earnings per share (RMB/share)	0.254		0.254	Basic earnings per share (in RMB per share)
			0.254	Diluted earnings per share (in RMB per share)

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current assets	Non-current assets	
		(Note 1)			
Cash and bank balances	18,299,466,104	(15,747,227,548)	2,552,238,556	–	Cash and bank balances
Deposits with clearing houses	4,401,956,018	(4,401,956,018)	–	–	
		20,149,183,566	20,149,183,566	–	Cash held on behalf of clients
Receivable from margin clients	20,507,098,178	–	20,507,098,178	–	Receivables from margin clients
Derivative financial assets	115,970,775	–	115,970,775	–	Derivative financial assets
Financial assets held under resale agreements ("**reverse REPOs**")	518,135,461	–	518,135,461	–	Reverse REPOs
Accounts receivable	117,263,679	688,868,633	806,132,312	–	Accounts receivable
Refundable deposits	1,602,420,844	–	–	1,602,420,844	Refundable deposits
Financial assets held for trading	31,823,262,487	–	31,701,219,096	122,043,391	Financial assets at fair value through profit or loss
Other debt investments	23,676,122,860	–	23,676,122,860	–	Debt instruments at fair value through other comprehensive income
Investments in other equity instruments	10,347,856,580	–	–	10,347,856,580	Equity instruments at fair value through other comprehensive income
Long-term equity investments	284,517,060	–	–	284,517,060	Interests in associates and joint ventures
Fixed assets	118,953,655	9,799,793	–	128,753,448	Property and equipment
Investment properties	13,455,643	–	–	13,455,643	Investment properties
Right-of-use assets	180,297,728	–	–	180,297,728	Right-of-use asset
Intangible assets	49,347,674	–	–	49,347,674	Intangible assets
Deferred tax assets	461,874,168	–	–	461,874,168	Deferred tax assets
Other assets	1,679,901,514	(1,679,901,514)	–	–	
		981,233,088	981,233,088	–	Other current assets
Total assets	114,197,900,428	–	101,007,333,892	13,190,566,536	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current liabilities	Non-current liabilities	
		(Note 1)			
Short-term borrowings	(691,834,408)	691,834,408	–	–	
Placements from financial institutions	(3,068,222,386)	(691,834,408)	(3,760,056,794)	–	Placements from financial institutions
Short-term debt securities issued	(13,637,073,232)	–	(13,637,073,232)	–	Short-term debt securities issued
Financial liabilities held for trading	(2,639,328,474)	–	(2,639,328,474)	–	Financial liabilities at fair value through profit or loss
Derivative financial liabilities	(536,671,166)	–	(536,671,166)	–	Derivative financial liabilities
Financial assets sold under repurchase agreements ("**REPOs**")	(20,969,791,350)	–	(20,969,791,350)	–	REPOs
Accounts payable to brokerage clients	(20,699,348,759)	–	(20,699,348,759)	–	Accounts payable to brokerage clients
Employee benefits payable	(466,598,320)	466,598,320	–	–	
		(365,598,320)	(365,598,320)	–	Employee benefits payable
		(101,000,000)	–	(101,000,000)	Non-current employee benefits payable
Taxes payable	(150,271,798)	150,271,798	–	–	
		(25,490,789)	(25,490,789)	–	Income tax payable
Accounts payable	(717,470,368)	717,470,368	–	–	
Contract liabilities	(116,696,938)	–	(116,696,938)	–	Contract liabilities
Long-term debt securities issued	(14,816,917,456)	14,816,917,456	–	–	
		(12,562,642,903)	–	(12,562,642,903)	Long-term debt securities issued
		(2,254,274,553)	(2,254,274,553)	–	Long-term debt securities issued due within one year
Lease liabilities	(164,210,076)	–	(27,792,264)	(136,417,812)	Lease liabilities
Deferred tax liabilities	(43,947,045)	–	–	(43,947,045)	Deferred tax liabilities
Other liabilities	(2,191,779,665)	2,191,779,665	–	–	
		(3,033,676,277)	(3,033,676,277)	–	Other current liabilities
		(354,765)	–	(354,765)	Other non-current liabilities
Total liabilities	(80,910,161,441)	–	(68,065,798,916)	(12,844,362,525)	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
Share capital	(3,232,445,520)	–	(3,232,445,520)	Share capital
Other equity instruments	(3,000,000,000)	–	(3,000,000,000)	Other equity instruments
Capital reserve	(13,750,622,732)	13,750,622,732	–	
Other comprehensive income	(787,525,278)	787,525,278	–	
Surplus reserve	(2,319,624,875)	2,319,624,875	–	
General reserves	(4,334,928,890)	4,334,928,890	–	
		(21,192,701,775)	(21,192,701,775)	Reserves
Retained profits	(5,814,982,707)	–	(5,814,982,707)	Retained profits
Total equity attributable to shareholders of the parent company	(33,240,130,002)	–	(33,240,130,002)	Total equity attributable to shareholders of the Company
Non-controlling interests	(47,608,985)	–	(47,608,985)	Non-controlling interests
Total equity	(33,287,738,987)	–	(33,287,738,987)	Total equity

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current assets	Non-current assets	
		(Note 1)			
Cash and bank balances	15,233,926,639	(11,897,060,100)	3,336,866,539	–	Cash and bank balances
Deposits with clearing houses	5,801,728,065	(5,801,728,065)	–	–	
		17,698,788,165	17,698,788,165	–	Cash held on behalf of clients
Receivable from margin clients	16,536,553,073	–	16,536,553,073	–	Receivables from margin clients
Derivative financial assets	290,098,640	–	290,098,640	–	Derivative financial assets
Reverse REPOs	314,159,433	–	314,159,433	–	Reverse REPOs
Accounts receivable	320,325,271	725,853,363	1,046,178,634	–	Accounts receivable
Refundable deposits	1,185,414,343	–	–	1,185,414,343	Refundable deposits
Financial assets held for trading	36,091,984,832	–	35,889,763,770	202,221,062	Financial assets at fair value through profit or loss
Other debt investments	20,253,070,782	–	20,246,678,739	6,392,043	Debt instruments at fair value through other comprehensive income
Investments in other equity instruments	6,513,327,112	–	–	6,513,327,112	Equity instruments at fair value through other comprehensive income
Long-term equity investments	319,585,054	–	–	319,585,054	Interests in associates and joint ventures
Fixed assets	130,636,725	48,626,842	–	179,263,567	Property and equipment
Investment properties	16,014,023	–	–	16,014,023	Investment properties
Right-of-use assets	282,264,894	–	–	282,264,894	Right-of-use asset
Intangible assets	54,196,130	–	–	54,196,130	Intangible assets
Deferred tax assets	636,895,281	–	–	636,895,281	Deferred tax assets
Other assets	1,248,321,174	(1,248,321,174)	–	–	
		473,840,969	473,840,969	–	Other current assets
Total assets	105,228,501,471	–	95,832,927,962	9,395,573,509	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current liabilities	Non-current liabilities	
		(Note 1)			
Placements from financial institutions	(4,030,402,225)	–	(4,030,402,225)	–	Placements from financial institutions
Short-term debt securities issued	(14,057,565,066)	–	(14,057,565,066)	–	Short-term debt securities issued
Financial liabilities held for trading	(1,041,129,336)	–	(1,041,129,336)	–	Financial liabilities at fair value through profit or loss
Derivative financial liabilities	(414,130,317)	–	(414,130,317)	–	Derivative financial liabilities
REPOs	(24,521,859,868)	–	(24,521,859,868)	–	REPOs
Accounts payable to brokerage clients	(17,780,840,408)	–	(17,780,840,408)	–	Accounts payable to brokerage clients
Employee benefits payable	(374,240,290)	–	(374,240,290)	–	Employee benefits payable
Taxes payable	(113,200,397)	113,200,397			
		(51,116,368)	(51,116,368)	–	Income tax payable
Accounts payable	(650,409,322)	650,409,322	–	–	
Contract liabilities	(52,408,878)	–	(52,408,878)	–	Contract liabilities
Long-term debt securities issued	(10,649,894,138)	10,649,894,138	–	–	
		(4,821,825,494)	–	(4,821,825,494)	Long-term debt securities issued
		(5,828,068,644)	(5,828,068,644)	–	Long-term debt securities issued due within one year
Lease liabilities	(261,466,688)	–	(13,969,517)	(247,497,171)	Lease liabilities
Deferred tax liabilities	(27,363,549)	–	–	(27,363,549)	Deferred tax liabilities
Other liabilities	(2,855,014,428)	2,855,014,428	–	–	
		(3,566,940,156)	(3,566,940,156)	–	Other current liabilities
		(567,623)	–	(567,623)	Other non-current liabilities
Total liabilities	(76,829,924,910)	–	(71,732,671,073)	(5,097,253,837)	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
Share capital	(3,232,445,520)	–	(3,232,445,520)	Share capital
Capital reserve	(13,761,943,486)	13,761,943,486	–	
Other comprehensive income	(337,923,162)	337,923,162	–	
Surplus reserve	(2,124,288,618)	2,124,288,618	–	
General reserves	(3,927,458,771)	3,927,458,771	–	
	–	(20,151,614,037)	(20,151,614,037)	Reserves
Retained profits	(4,967,459,173)	–	(4,967,459,173)	Retained profits
Total equity attributable to shareholders of the parent company	(28,351,518,730)	–	(28,351,518,730)	Total equity attributable to shareholders of the Company
Non-controlling interests	(47,057,831)	–	(47,057,831)	Non-controlling interests
Total equity	(28,398,576,561)	–	(28,398,576,561)	Total equity

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current assets	Non-current assets	
		(Note 1)			
Cash and bank balances	11,041,203,045	(8,670,545,067)	2,370,657,978	–	Cash and bank balances
Deposits with clearing houses	3,725,209,149	(3,725,209,149)	–	–	
		12,395,754,216	12,395,754,216	–	Cash held on behalf of clients
Receivable from margin clients	17,210,495,673	–	17,210,495,673	–	Receivables from margin clients
Derivative financial assets	426,066,588	–	426,066,588	–	Derivative financial assets
Reverse REPOs	533,291,650	–	533,291,650	–	Reverse REPOs
Accounts receivable	283,777,913	–	283,777,913	–	Accounts receivable
Refundable deposits	2,027,807,307	–	–	2,027,807,307	Refundable deposits
Financial assets held for trading	20,319,523,150	–	20,305,611,832	13,911,318	Financial assets at fair value through profit or loss
Other debt investments	36,291,803,150	–	36,283,259,793	8,543,357	Debt instruments at fair value through other comprehensive income
Investments in other equity instruments	4,603,335,909	–	–	4,603,335,909	Equity instruments at fair value through other comprehensive income
Long-term equity investments	336,484,915	–	–	336,484,915	Interests in associates and joint ventures
Fixed assets	160,355,586	16,160,249	–	176,515,835	Property and equipment
Investment properties	18,572,403	–	–	18,572,403	Investment properties
Right-of-use assets	269,507,282	–	–	269,507,282	Right-of-use asset
Intangible assets	52,793,335	–	–	52,793,335	Intangible assets
Goodwill	20,000,000	–	–	20,000,000	Goodwill
Deferred tax assets	662,768,253	–	–	662,768,253	Deferred tax assets
Other assets	1,296,548,324	(1,296,548,324)	–	–	
		1,280,388,075	1,280,388,075	–	Other current assets
Total assets	99,279,543,632	–	91,089,303,718	8,190,239,914	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current liabilities	Non-current liabilities	
		(Note 1)			
Placements from financial institutions	(5,122,191,649)	–	(5,122,191,649)	–	Placements from financial institutions
Short-term debt securities issued	(9,619,645,914)	–	(9,619,645,914)	–	Short-term debt securities issued
Financial liabilities held for trading	(651,222,379)	–	(651,222,379)	–	Financial liabilities at fair value through profit or loss
Derivative financial liabilities	(431,655,795)	–	(431,655,795)	–	Derivative financial liabilities
REPOs	(24,339,744,735)	–	(24,339,744,735)	–	REPOs
Accounts payable to brokerage clients	(13,125,729,886)	–	(13,125,729,886)	–	Accounts payable to brokerage clients
Employee benefits payable	(334,909,588)	–	(334,909,588)	–	Employee benefits payable
Taxes payable	(44,394,206)	44,394,206	–	–	
		(3,513,536)	(3,513,536)	–	Income tax payable
Accounts payable	(622,979,896)	622,979,896	–	–	
Contract liabilities	(39,480,915)	–	(39,480,915)	–	Contract liabilities
Provisions	(52,408,116)	52,408,116	–	–	
Long-term debt securities issued	(13,524,153,350)	13,524,153,350	–	–	
		(7,970,000,000)	–	(7,970,000,000)	Long-term debt securities issued
		(5,554,153,350)	(5,554,153,350)	–	Long-term debt securities issued due within one year
Lease liabilities	(238,160,247)	–	(15,718,372)	(222,441,875)	Lease liabilities
Deferred tax liabilities	(26,200,521)	–	–	(26,200,521)	Deferred tax liabilities
Other liabilities	(3,998,289,948)	3,998,289,948	–	–	
		(4,713,778,146)	(4,713,778,146)	–	Other current liabilities
		(780,484)	–	(780,484)	Other non-current liabilities
Total liabilities	(72,171,167,145)	–	(63,951,744,265)	(8,219,422,880)	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
Share capital	(3,232,445,520)	–	(3,232,445,520)	Share capital
Capital reserve	(13,761,943,486)	13,761,943,486	–	
Other comprehensive income	(12,477,053)	12,477,053	–	
Surplus reserve	(1,968,949,030)	1,968,949,030	–	
General reserves	(3,580,280,443)	3,580,280,443	–	
		(19,323,650,012)	(19,323,650,012)	Reserves
Retained profits	(4,512,387,598)	–	(4,512,387,598)	Retained profits
Total equity attributable to shareholders of the parent company	(27,068,483,130)	–	(27,068,483,130)	Total equity attributable to shareholders of the Company
Non-controlling interests	(39,893,357)	–	(39,893,357)	Non-controlling interests
Total equity	(27,108,376,487)	–	(27,108,376,487)	Total equity

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities					**Cash flows from operating activities:**
Net decrease in financial assets held for trading	5,061,612,799	(5,061,612,799)	–	–	
Net increase in financial liabilities held for trading	1,311,329,291	(1,311,329,291)	–	–	
Interest, fee and commission income received	4,483,986,422	(4,483,986,422)	–	–	
Net cash received from brokerage clients	2,918,508,352	(2,918,508,352)	–	–	
Cash inflows associated with other operating activities	5,153,002,358	(5,153,002,358)	–	–	
Net increase in receivable from margin clients	(3,902,707,490)	3,902,707,490	–	–	
Net decrease in placements from financial institutions	(962,179,839)	962,179,839	–	–	
Net decrease in repo transactions	(3,416,871,267)	3,416,871,267	–	–	
Interest, fee and commission expenses paid	(1,102,836,751)	1,102,836,751	–	–	
Cash paid to and for employees	(1,308,003,301)	1,308,003,301	–	–	
Cash paid for taxes	(566,313,741)	566,313,741	–	–	
Cash outflows associated with other operating activities	(6,725,356,446)	6,725,356,446	–	–	
		2,494,913,626	–	2,494,913,626	Profit before income tax
					Adjustments for:
		623,455,282	–	623,455,282	Net financing interest expenses
		268,984,588	–	268,984,588	Depreciation and amortisation expenses
		41,939,066	–	41,939,066	Provision for impairment losses under ECL model
		(7,665,333)	–	(7,665,333)	Reversal of impairment losses on other assets
		907,005	–	907,005	Net losses on disposal of property, equipment and other long-term assets
		(90,534,255)	–	(90,534,255)	Foreign exchange gains from derivatives and others
		(152,477,125)	–	(152,477,125)	Gains on changes in fair value of financial instruments at fair value through profit or loss
		(810,081,846)	–	(810,081,846)	Interest income from debt instruments at fair value through other comprehensive income

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities (continued)					**Cash flows from operating activities:** (continued)
					Adjustments for: (continued)
					Dividend income from investments in financial assets and share of profits
		(687,814,133)	–	(687,814,133)	of associates and joint ventures
		(128,542,196)	–	(128,542,196)	Net gains on disposal of investments
				1,553,084,679	**Operating cash flows before movements in working capital**
		(3,902,707,490)	–	(3,902,707,490)	Increase in receivables from margin clients
		(1,402,567,657)	–	(1,402,567,657)	Increase in accounts receivable, other receivables and prepayments
		135,197,251	–	135,197,251	Decrease in reverse REPOs
		5,811,966,777	–	5,811,966,777	Decrease in financial instruments at fair value through profit or loss
		–	(2,450,395,401)	(2,450,395,401)	Increase in cash held on behalf of clients
		72,930,286	–	72,930,286	Increase in restricted bank deposits
		(417,006,501)	–	(417,006,501)	Increase in refundable deposits
		2,918,508,352	–	2,918,508,352	Increase in accounts payable to brokerage clients
		(3,552,068,518)	–	(3,552,068,518)	Decrease in REPOs
		731,476,950	–	731,476,950	Increase in other liabilities
				(501,581,272)	**Cash used in operating activities, before income tax**
		(341,794,471)	–	(341,794,471)	Income tax paid
Net cash generated from operating activities	944,170,387	662,849,271	(2,450,395,401)	(843,375,743)	**Net cash used in operating activities**
Cash flows from investing activities					**Cash flows from investing activities:**
Cash receipts from disposal of investments	85,462,924	–	–	85,462,924	Cash receipts from disposal of investments
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	385,354	–	–	385,354	Proceeds from disposal of property, equipment and other long-term assets
Cash receipts of investment returns	1,670,605,839	–	–	1,670,605,839	Cash receipts from investment returns
Payment for purchase of investments	(7,104,397,100)	–	–	(7,104,397,100)	Purchase of investments
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets	(78,058,164)	–	–	(78,058,164)	Purchase of property, equipment and other long-term assets
Net cash generated from investing activities	(5,426,001,147)	–	–	(5,426,001,147)	**Net cash used in investing activities**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from financing activities					**Cash flows from financing activities:**
Cash received from capital contributions	3,000,000,000	(3,000,000,000)	–	–	
		3,000,000,000	–	3,000,000,000	Proceeds from issuance of perpetual subordinated bonds
Cash received from borrowings	1,705,868,168	(1,705,868,168)	–	–	
Cash received from issuance of bonds	26,036,150,000	(16,036,150,000)	–	10,000,000,000	Proceeds from issuance of corporate bonds
		16,036,150,000	–	16,036,150,000	Proceeds from issuance of commercial papers
Cash repayments of borrowings	(23,223,742,027)	6,767,289,027	–	(16,456,453,000)	Redemption of commercial papers
		(5,750,000,000)	–	(5,750,000,000)	Redemption of corporate bonds
Cash paid for dividends, profit distribution or interests	(1,150,334,294)	613,748,338	–	(536,585,956)	Dividends paid to shareholders of the Company
		(588,018,468)	–	(588,018,468)	Cash paid for interest
Cash outflows associated with other financing activities	(137,254,319)	–	–	(137,254,319)	Repayment of lease liabilities
Net cash generated from financing activities	6,230,687,528	(662,849,271)	–	5,567,838,257	**Net cash generated from financing activities**
Effect of exchange rate changes on cash and cash equivalents	(4,353,112)				
Net change in cash and cash equivalents	1,744,503,656	4,353,112	(2,450,395,401)	(701,538,633)	Net decrease in cash and cash equivalents
				(4,353,112)	Effect of exchange rate changes
Add: cash and cash equivalents at the beginning of the year	20,653,899,237	–	(17,698,788,165)	2,955,111,072	Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year	22,398,402,893	–	(20,149,183,566)	2,249,219,327	**Cash and cash equivalents at the end of the year**
					Net cash generated from/(used in) operating activities including:
				1,204,852,364	Interest received
				(613,431,032)	Interest paid

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities					**Cash flows from operating activities:**
Net increase in financial liabilities held for trading	299,247,549	(299,247,549)	–	–	
Interest, fee and commission income received	4,403,102,057	(4,403,102,057)	–	–	
Net increase in repo transactions	300,548,159	(300,548,159)	–	–	
Net cash received from brokerage clients	4,655,110,521	(4,655,110,521)	–	–	
Net decrease in receivable from margin clients	598,689,451	(598,689,451)	–	–	
Cash inflows associated with other operating activities	5,940,012,727	(5,940,012,727)	–	–	
Net increase in financial assets held for trading	(15,249,395,852)	15,249,395,852	–	–	
Net decrease in placements from financial institutions	(1,091,789,424)	1,091,789,424	–	–	
Interest, fee and commission expenses paid	(1,146,162,033)	1,146,162,033	–	–	
Cash paid to and for employees	(1,222,889,809)	1,222,889,809	–	–	
Cash paid for taxes	(347,919,251)	347,919,251	–	–	
Cash outflows associated with other operating activities	(7,294,946,703)	7,294,946,703	–	–	
		1,778,908,960	–	1,778,908,960	Profit before income tax
					Adjustments for:
		642,040,115	–	642,040,115	Net financing interest expenses
		297,837,778	–	297,837,778	Depreciation and amortisation expenses
		251,869,719	–	251,869,719	Provision for impairment losses under ECL model
		30,210,993	–	30,210,993	Provision for impairment losses on other assets
		(4,143,801)	–	(4,143,801)	Net losses on disposal of property, equipment and other long-term assets
		35,380,794	–	35,380,794	Foreign exchange losses from derivatives and others
		73,672,521	–	73,672,521	Losses on changes in fair value of financial instruments at fair value through profit or loss
		(922,061,940)	–	(922,061,940)	Interest income from debt instruments at fair value through other comprehensive income

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities (continued)					**Cash flows from operating activities:** (continued)
					Adjustments for: (continued)
					Dividend income from investments in financial assets and share of profits
		(355,732,722)	–	(355,732,722)	of associates and joint ventures
		(134,687,685)	–	(134,687,685)	Net gains on disposal of investments
				1,693,294,732	**Operating cash flows before movements in working capital**
		598,689,451	–	598,689,451	Decrease in receivables from margin clients
		309,863,302	–	309,863,302	Decrease in accounts receivable, other receivables and prepayments
		118,433,025	–	118,433,025	Decrease in reverse REPOs
		(15,980,442,306)	–	(15,980,442,306)	Increase in financial instruments at fair value through profit or loss
		–	(5,303,033,949)	(5,303,033,949)	Increase in cash held on behalf of clients
		(204,117,659)	–	(204,117,659)	Increase in restricted bank deposits
		842,392,964	–	842,392,964	Decrease in refundable deposits
		4,655,110,521	–	4,655,110,521	Increase in accounts payable to brokerage clients
		182,115,133	–	182,115,133	Increase in REPOs
		(2,210,707,359)	–	(2,210,707,359)	Decrease in other liabilities
				(15,298,402,145)	**Cash used in operating activities, before income tax**
		(161,024,412)	–	(161,024,412)	Income tax paid
Net cash generated from operating activities	(10,156,392,608)	–	(5,303,033,949)	(15,459,426,557)	**Net cash used in operating activities**
Cash flows from investing activities					**Cash flows from investing activities:**
Cash receipts from disposal of investments	16,536,836,155	–	–	16,536,836,155	Cash receipts from disposal of investments
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	1,522,205	–	–	1,522,205	Proceeds from disposal of property, equipment and other long-term assets
Cash receipts of investment returns	1,483,800,723	–	–	1,483,800,723	Cash receipts from investment returns
Payment for purchase of investments	(1,919,819,611)	–	–	(1,919,819,611)	Purchase of investments
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets	(146,096,277)	–	–	(146,096,277)	Purchase of property, equipment and other long-term assets
Net cash generated from investing activities	15,956,243,195	–	–	15,956,243,195	**Net cash generated from investing activities**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from financing activities					**Cash flows from financing activities:**
Cash received from issuance of bonds	17,813,610,000	(15,334,665,000)	–	2,478,945,000	Proceeds from issuance of corporate bonds
		15,334,665,000	–	15,334,665,000	Proceeds from issuance of commercial papers
Cash repayments of borrowings	(16,279,685,000)	5,393,080,000	–	(10,886,605,000)	Redemption of commercial papers
		(5,393,080,000)	–	(5,393,080,000)	Redemption of corporate bonds
Cash paid for dividends, profit distribution or interests	(1,132,880,178)	628,618,677	–	(504,261,501)	Dividends paid to shareholders of the Company
		(628,618,677)	–	(628,618,677)	Cash paid for interest
Cash outflows associated with other financing activities	(146,844,972)	–	–	(146,844,972)	Repayment of lease liabilities
Net cash generated from financing activities	254,199,850	–	–	254,199,850	**Net cash generated from financing activities**
Effect of exchange rate changes on cash and cash equivalents	10,187,942				
Net change in cash and cash equivalents	6,064,238,379	(10,187,942)	(5,303,033,949)	751,016,488	Net increase in cash and cash equivalents
				10,187,942	Effect of exchange rate changes
Add: cash and cash equivalents at the beginning of the year	14,589,660,858	–	(12,395,754,216)	2,193,906,642	Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year	20,653,899,237	–	(17,698,788,165)	2,955,111,072	**Cash and cash equivalents at the end of the year**
					Net cash generated from/(used in) operating activities including:
				1,158,985,382	Interest received
				(710,076,015)	Interest paid

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities					**Cash flows from operating activities:**
Net decrease in financial assets held for trading	210,613,234	(210,613,234)	–	–	
Net increase in placements from financial institutions	1,564,275,286	(1,564,275,286)	–	–	
Interest, fee and commission income received	3,652,127,913	(3,652,127,913)	–	–	
Cash inflows associated with other operating activities	4,400,664,353	(4,400,664,353)	–	–	
Net decrease in repo transactions	(1,778,646,373)	1,778,646,373	–	–	
Net decrease in financial liabilities held for trading	(829,262,315)	829,262,315	–	–	
Net increase in receivable from margin clients	(200,723,315)	200,723,315	–	–	
Net decrease in accounts payable to brokerage clients	(3,112,838,032)	3,112,838,032	–	–	
Interest, fee and commission expenses received	(1,034,270,214)	1,034,270,214	–	–	
Cash paid to and for employees	(1,548,561,483)	1,548,561,483	–	–	
Cash paid for taxes	(520,493,203)	520,493,203	–	–	
Cash outflows associated with other operating activities	(1,968,297,225)	1,968,297,225	–	–	
		942,460,716	–	942,460,716	Profit before income tax
					Adjustments for:
		692,511,881	–	692,511,881	Net financing interest expenses
		314,255,170	–	314,255,170	Depreciation and amortisation expenses
		202,442,607	–	202,442,607	Provision for impairment losses under ECL model
		(2,837,753)	–	(2,837,753)	Net losses on disposal of property, equipment and other long-term assets
		(7,757,335)	–	(7,757,335)	Foreign exchange gains from derivatives and others
		30,005,222	–	30,005,222	Losses on changes in fair value of financial instruments at fair value through profit or loss
		(1,195,063,796)	–	(1,195,063,796)	Interest income from debt instruments at fair value through other comprehensive income
		(234,225,309)	–	(234,225,309)	Dividend income from investments in financial assets and share of profits of associates and joint ventures

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP	Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities (continued)				**Cash flows from operating activities:** (continued)
				Adjustments for: (continued)
	(2,270,772)	–	(2,270,772)	Interest income from financial assets at amortized cost
	(188,623,508)	–	(188,623,508)	Net gains on disposal of investments
			550,897,123	**Operating cash flows before movements in working capital**
	(200,723,315)	–	(200,723,315)	Increase in receivables from margin clients
	1,327,259,165	–	1,327,259,165	Decrease in accounts receivable, other receivables and prepayments
	106,737,622	–	106,737,622	Decrease in reverse REPOs
	(695,624,891)	–	(695,624,891)	Increase in financial instruments at fair value through profit or loss
	–	2,316,989,104	2,316,989,104	Decrease in cash held on behalf of clients
	(36,393,716)	–	(36,393,716)	Increase in restricted bank deposits
	914,679,957	–	914,679,957	Decrease in refundable deposits
	(3,112,838,032)	–	(3,112,838,032)	Decrease in accounts payable to brokerage clients
	(2,097,869,006)	–	(2,097,869,006)	Decrease in REPOs
	2,375,013,207	–	2,375,013,207	Increase in other liabilities
			1,448,127,218	**Cash generated from operating activities, before income tax**
	(296,549,488)	–	(296,549,488)	Income tax paid
Net cash generated from operating activities	(1,165,411,374)	–	2,316,989,104	1,151,577,730	**Net cash generated from operating activities**
Cash flows from investing activities				**Cash flows from investing activities:**
Cash receipts from disposal of investments	205,555,599	–	–	205,555,599	Cash receipts from disposal of investments
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	4,613,033	–	–	4,613,033	Proceeds from disposal of property, equipment and other long-term assets
Cash receipts of investment returns	1,693,449,197	–	–	1,693,449,197	Cash receipts from investment returns
Payment for purchase of investments	(2,962,545,234)	–	–	(2,962,545,234)	Purchase of investments
Net cash paid to acquire subsidiaries and other business units	(1,000,000)	–	–	(1,000,000)	Cash and cash equivalents from acquisition of subsidiaries
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets	(97,482,190)	–	–	(97,482,190)	Purchase of property, equipment and other long-term assets
Net cash generated from investing activities	(1,157,409,595)	–	–	(1,157,409,595)	**Net cash used in investing activities**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from financing activities					**Cash flows from financing activities:**
Cash received from issuance of bonds	12,427,913,000	(11,027,913,000)	–	1,400,000,000	Proceeds from issuance of corporate bonds
		11,027,913,000	–	11,027,913,000	Proceeds from issuance of commercial papers
Cash repayments of borrowings	(13,324,155,000)	9,560,000,000	–	(3,764,155,000)	Redemption of commercial papers
		(7,560,000,000)	–	(7,560,000,000)	Redemption of corporate bonds
		(2,000,000,000)	–	(2,000,000,000)	Redemption of subordinated bonds
Cash paid for dividends, profit distribution or interests	(870,255,318)	708,633,042	–	(161,622,276)	Dividends paid to shareholders of the Company
		(708,633,042)	–	(708,633,042)	Cash paid for interest
Cash outflows associated with other financing activities	(224,882,380)	–	–	(224,882,380)	Repayment of lease liabilities
Net cash generated from financing activities	(1,991,379,698)	–	–	(1,991,379,698)	**Net cash used in financing activities**
Effect of exchange rate changes on cash and cash equivalents	29,618,299				
Net change in cash and cash equivalents	(4,284,582,368)	(29,618,299)	2,316,989,104	(1,997,211,563)	Net decrease in cash and cash equivalents
				29,618,299	Effect of exchange rate changes
Add: cash and cash equivalents at the beginning of the year	18,874,243,226	–	(14,712,743,320)	4,161,499,906	Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year	14,589,660,858	–	(12,395,754,216)	2,193,906,642	**Cash and cash equivalents at the end of the year**
					Net cash generated from/(used in) operating activities including:
				1,342,084,249	Interest received
				(740,122,174)	Interest paid

Notes:

1. Adjustments represent reclassification to align with the presentation of the consolidated financial statements of the Dongxing Group with accounting policies and presentation of the consolidated financial statements of the Group. These reclassifications do not have any impact on the net profit nor the net assets of the Dongxing Group.

2. This adjustment is to reconcile the difference of presentation of cash held on behalf of brokage clients between PRC GAAP and IFRS Accounting Standards. According to IFRS Accounting Standards adopted by the Group, cash held on behalf of brokage clients were not presented as cash and cash equivalents.

A. EXTRACT OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CINDA SECURITIES FOR THE THREE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

For the purpose of this section only, unless the context requires otherwise, references to the "Company" or "Parent Company" are to Cinda Securities, references to the "Group" are to Cinda Group and references to "we", "us" and "our" shall be construed accordingly.

The following is an extract of the audited consolidated financial statements of Cinda Securities for the three years ended December 31, 2023, 2024 and 2025, each of which were prepared in accordance with the China Accounting Standards for Business Enterprise, as extracted from the annual report of Cinda Securities for the year ended December 31, 2023 and the announcements published by Cinda Securities in connection with the Proposed Mergers respectively. These financial statements were issued in Chinese and the English translated version is provided for information purposes only. In case of discrepancies between the two versions, the Chinese version shall prevail.

The CICC Directors wish to emphasise that the extracts reproduced below are not prepared for incorporation into this circular and CICC has not participated in their preparation. As such, the CICC Directors do not express any view as to their truth, accuracy or completeness, and the CICC Shareholders and investors should exercise caution and should not place undue reliance on such information.

Cinda Securities Co., Ltd.
Auditor's Report

Tian Zhi Ye Zi [2024] No. 14463

AUDITOR'S REPORT

Tian Zhi Ye Zi [2024] No. 14463

To all shareholders of Cinda Securities Co., Ltd.:

I. OPINION

We have audited the accompanying financial statements of Cinda Securities Co., Ltd. (hereinafter referred to as "**Cinda Securities**"), which comprise the consolidated balance sheet and balance sheet of the parent company as at December 31, 2023, the consolidated income statement and income statement of the parent company, the consolidated statement of cash flows and statement of cash flows of the parent company, the consolidated statement of changes in equity and statement of changes in equity of the parent company for the year ended December 31, 2023, and the relevant 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 Cinda Securities as at December 31, 2023 and the consolidated and parent company's operating results and cash flows for the year ended December 31, 2023 in accordance with the requirements of the Chinese Accounting Standards for Business Enterprises ("**CASs**").

II. BASIS FOR OPINION

We conducted our audit in accordance with the China Standards on Auditing ("**CSAs**"). Our responsibilities under those standards are further described in the "Certified Public Accountants' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Cinda Securities in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("**CICPA Code**"), and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

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.

Key audit matters	How our audit addressed the matters
1. Measurement of expected credit losses ("ECLs") on financial assets	
Cinda Securities measures the impairment of financial assets using the expected credit loss ("**ECL**") model. As at the balance sheet date, the financial instrument accounts subject to the ECL model mainly included: receivable from margin clients, financial assets held under resale agreements (reverse REPOs), and other debt investments at fair value through other comprehensive income. As the amounts of such financial assets are significant and the recognition of impairment provisions requires management of Cinda Securities (hereinafter referred to as "**management**") to make significant judgments and estimates, including the criteria for a significant increase in credit risk, the use of models and assumptions, and the determination of default rates and loss given default rates, we identified this matter as a key audit matter.	In response to the matter of impairment provisions for financial assets of Cinda Securities, we implemented the following principal audit procedures: 1. We understood the internal controls of Cinda Securities related to impairment provisions for receivable from margin clients, reverse REPOs, and other debt investments, and tested their operating effectiveness; 2. We understood the models adopted by Cinda Securities for the recognition of impairment provisions on receivable from margin clients, reverse REPOs, and other debt investments, reviewed the basis and reasonableness of the relevant assumptions, examined the underlying data used by management in the ECL model, and verified the accuracy of the model calculations; 3. For items with significant impairment provisions recognized, we examined and evaluated the basis and reasonableness of the ECL provisions; 4. We examined and evaluated whether the disclosures in the financial statements regarding ECLs on financial assets were in compliance with the requirements of accounting standards.

Key audit matters	How our audit addressed the matters
2. Determination of the consolidation scope of structured entities	
In the course of its business operations, Cinda Securities manages and invests in various types of structured entities, such as asset management schemes. In accordance with the accounting policies of Cinda Securities, structured entities over which control can be exercised are included within the scope of the consolidated financial statements, while those over which control cannot be exercised are excluded from consolidation. In determining whether a structured entity should be included within the consolidation scope, the management exercises judgment as to whether Cinda Securities controls the structured entity based on the relevant contractual terms and the definition of "control" under the CASs. Given that such judgments involve a degree of complexity and subjectivity and have pervasive implications for the financial statements, we identified this matter as a key audit matter in the audit of the consolidated financial statements.	In response to the matter of determining the consolidation scope of structured entities of Cinda Securities, we implemented the following principal audit procedures: 1. We tested the operating effectiveness of the internal controls established by Cinda Securities in determining whether structured entities should be included within the scope of the consolidated financial statements; 2. We selected and reviewed contracts relating to the structured entities, and evaluated the reasonableness of the judgments made by management from the perspectives of the power held by Cinda Securities over the structured entities, the variable returns to which Cinda Securities is entitled from the structured entities, and the ability to use such power to affect the amount of those returns; 3. We evaluated whether the disclosures in the financial statements regarding structured entities were in compliance with the requirements of accounting standards.

IV. OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the 2023 annual report of Cinda Securities, but does not include 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.

Based on the work we have performed, if 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 MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with the requirements of the CASs to achieve fair presentation, and for the design, implementation and maintenance of such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Cinda Securities' 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of Cinda Securities (hereinafter referred to as "**those charged with governance**") are responsible for overseeing the financial reporting process of Cinda Securities.

VI. CERTIFIED PUBLIC ACCOUNTANTS' 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 CSAs 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 conducted 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 controls.

(2) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of 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 Cinda Securities' ability to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us 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 Cinda Securities 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 fairly present the underlying transactions and events.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Cinda Securities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit and 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 controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the 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, the 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, in extremely rare circumstances, we determine that a matter should not be communicated in our report when the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Baker Tilly China Certified Public Accountants

Certified Public Accountants of China:

Certified Public Accountants of China:

Beijing, China

March 26, 2024

Balance Sheet
As at December 31, 2023

Prepared by: Cinda Securities Co., Ltd. *In RMB*

	Consolidated		Parent company		Note no.	
Assets	**Closing balance**	**Opening balance**	**Closing balance**	**Opening balance**	**Consolidated**	**Parent company**
Assets:						
Cash and bank balances	16,745,457,705.69	19,238,129,775.70	10,368,409,285.68	12,227,242,373.50	VI.(I)	
Including: Client deposits	13,556,647,335.51	15,854,251,733.16	8,688,798,903.70	10,606,883,901.49		
Deposits with clearing houses	2,729,164,341.33	2,625,484,618.08	2,442,503,693.30	2,515,402,525.31	VI.(II)	
Including: Deposits held on behalf of clients	2,029,736,771.05	2,257,519,647.99	1,746,470,217.84	2,054,791,375.99		
Placements with banks and other financial institutions						
Receivable from margin clients	11,067,285,032.60	9,514,518,937.26	10,959,265,278.05	9,399,212,235.63	VI.(III)	
Derivative financial assets	312,180.00	5,405,004.35		4,853,641.26	VI.(IV)	
Refundable deposits	2,622,023,791.43	2,334,956,859.34	548,546,183.71	561,705,436.81	VI.(V)	
Accounts receivable	406,030,897.84	390,499,088.77	152,602,948.18	90,869,275.99	VI.(VI)	
Contract assets						
Reverse REPOs	188,267,420.24	172,953,395.06	69,561,838.56	130,190,491.88	VI.(VII)	
Assets held for sale						
Financial investments:						
Financial assets held for trading	29,161,860,002.86	28,121,939,619.93	27,630,724,347.40	26,832,931,314.67	VI.(VIII)	
Debt investments						
Other debt investments	13,075,048,496.44	1,599,344,317.82	12,869,521,059.03	1,496,992,048.68	VI.(IX)	
Investments in other equity instruments	336,139,328.18	65,234,034.21	336,139,328.18	65,234,034.21	VI.(X)	
Long-term equity investments	448,893,756.58	430,831,722.67	1,963,333,968.98	1,962,918,077.76	VI.(XI)	XVI.(I)
Investment properties						
Fixed assets	104,646,364.64	108,168,256.57	72,118,138.79	70,001,197.66	VI.(XII)	
Construction in progress						
Right-of-use assets	451,898,421.56	185,711,396.31	381,609,391.73	99,862,671.27	VI.(XIII)	
Intangible assets	138,289,408.98	129,825,866.75	107,392,257.29	107,779,788.57	VI.(XIV)	
Goodwill	1,005,972.76	1,005,972.76	1,005,972.76	1,005,972.76	VI.(XV)	
Deferred tax assets	196,497,149.85	364,251,276.22	168,306,808.72	315,475,294.74	VI.(XVI)	
Other assets	250,951,774.42	462,149,012.38	143,805,733.48	344,011,098.55	VI.(XVII)	
Total assets	77,923,772,045.40	65,750,409,154.18	68,214,846,233.84	56,225,690,479.25		

Legal Representative: Chief Financial Officer: Head of Accounting Department:

	Consolidated		Parent company		Note no.	
Liabilities and Equity	**Closing balance**	**Opening balance**	**Closing balance**	**Opening balance**	**Consolidated**	**Parent company**
Liabilities:						
Short-term borrowings	351,054,155.09	41,823,664.49			VI.(XX)	
Short-term debt securities issued	4,669,264,050.82	730,850,919.36	4,669,264,050.82	730,850,919.36	VI.(XXI)	
Placements from financial institutions	13,828,947,258.16	7,588,585,244.26	13,828,947,258.16	7,588,585,244.26	VI.(XXII)	
Financial liabilities held for trading	6,848,399.69	216,751,261.75	6,848,399.69	193,277,044.25	VI.(XXIII)	
Derivative financial liabilities	15,286,490.87		6,761,365.93			
Financial assets sold under repurchase agreements ("**REPOs**")	11,802,606,809.76	11,842,746,902.21	11,621,575,182.50	11,704,130,238.34	VI.(XXIV)	
Accounts payable to brokerage clients	17,264,793,099.59	19,624,968,732.98	10,289,568,930.99	12,515,342,902.51	VI.(XXV)	
Amounts payable to underwriting clients						
Employee benefits payable	567,628,322.80	1,048,139,722.40	355,937,219.08	681,130,533.55	VI.(XXVI)	XVI.(II)
Taxes payable	67,445,422.27	153,419,504.17	12,999,940.68	33,479,161.05	VI.(XXVII)	
Accounts payable	105,919,832.32	157,829,501.70	299.40	294.48	VI.(XXVIII)	
Contract liabilities	9,113,207.53	2,279,874.21	9,113,207.53	2,279,874.21	VI.(XXIX)	
Liabilities held for sale						
Provisions	2,477,319.21	6,726,245.10	2,477,319.21	6,726,245.10	VI.(XXX)	
Long-term borrowings		296,345,912.92			VI.(XXXI)	
Long-term debt securities issued	9,645,949,144.57	9,181,506,921.57	9,645,949,144.57	9,172,502,637.60	VI.(XXXII)	
Including: Preference shares						
Perpetual bonds						
Lease liabilities	442,850,573.03	191,289,328.08	366,507,632.89	100,135,292.13	VI.(XXXIII)	
Deferred tax liabilities	263,960.56	164,122.92			VI.(XVI)	
Other liabilities	803,504,342.15	485,530,902.27	144,791,702.75	208,205,073.63	VI.(XXXIV)	
Total liabilities	59,583,952,388.42	51,568,963,760.39	50,960,741,654.20	42,936,645,460.47		

	Consolidated		Parent company		Note no.	
Liabilities and Equity	**Closing balance**	**Opening balance**	**Closing balance**	**Opening balance**	**Consolidated**	**Parent company**
Equity:						
Share capital	3,243,000,000.00	2,918,700,000.00	3,243,000,000.00	2,918,700,000.00	VI.(XXXV)	
Other equity instruments						
Including: Preference shares						
Perpetual bonds						
Capital reserve	4,016,100,938.11	1,759,443,902.12	4,197,815,255.22	1,941,158,219.23	VI.(XXXVI)	
Less: treasury shares						
Other comprehensive income	132,420,373.47	2,072,693.69	106,837,438.40	(13,035,925.15)	VI.(XXXVII)	
Surplus reserve	1,089,788,131.69	953,197,525.25	1,082,670,547.82	946,079,941.38	VI.(XXXVIII)	
General reserves	2,466,736,773.22	2,134,087,781.22	2,175,357,725.63	1,900,446,485.83	VI.(XXXIX)	
Retained profits	6,810,946,084.86	5,914,975,879.60	6,448,423,612.57	5,595,696,297.49	VI.(XL)	
Total equity attributable to shareholders of the parent company	17,758,992,301.35	13,682,477,781.28				
Non-controlling interests	580,827,355.63	498,967,612.51				
Total equity	18,339,819,656.98	14,181,445,393.79	17,254,104,579.64	13,289,045,018.78		
Total liabilities and shareholders' equity	77,923,772,045.40	65,750,409,154.18	68,214,846,233.84	56,225,690,479.25		

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Income Statement
For the year ended December 31, 2023

Prepared by: Cinda Securities Co., Ltd. *In RMB*

Item		Consolidated		Parent company		Note no.	
		Current period	Prior period	Current period	Prior period	Consolidated	Parent company
I.	**Operating revenue**	3,483,493,982.45	3,437,762,591.78	2,553,611,691.27	2,295,521,177.60		
	Net fee and commission income	1,916,141,942.44	2,535,001,024.52	1,084,254,640.78	1,279,776,441.42	VI.(XLI)	XVI.(III)
	Including: Net income from brokerage business	779,105,777.93	923,008,936.26	694,252,305.30	825,852,140.00		
	Net income from investment banking business	154,283,385.18	186,095,834.31	146,392,146.85	181,316,810.49		
	Net income from asset management business	232,328,916.19	260,015,006.11	214,444,958.56	249,583,450.55		
	Net interest income	423,720,120.58	285,427,577.92	310,334,361.22	151,820,420.74	VI.(XLII)	XVI.(IV)
	Including: Interest income	1,468,755,193.97	1,152,229,423.87	1,203,269,959.24	939,584,398.87		
	Interest expense	1,045,035,073.39	866,801,845.95	892,935,598.02	787,763,978.13		
	Investment income (losses denoted by "-")	964,751,206.10	1,005,723,055.42	942,228,974.03	977,371,872.47	VI.(XLIII)	XVI.(V)
	Including: Gains from investment in associates and joint ventures	17,301,045.36	5,688,079.07	415,891.22	347,113.54		
	Gains on derecognition of financial assets measured at amortized cost (losses denoted by "-")						
	Net gains on hedging of net exposures (losses denoted by "-")						
	Other income	21,488,443.94	20,093,870.47	11,565,248.42	12,521,220.93	VI.(XLIV)	
	Gains arising from changes in fair value (losses denoted by "-")	150,026,285.65	(414,437,245.02)	199,955,585.45	(134,799,665.60)	VI.(XLV)	XVI.(VI)
	Foreign exchange gains (losses denoted by "-")	(1,438,079.09)	(6,012,823.77)	1,107,063.48	5,301,178.43		
	Other operating revenue	8,080,501.45	11,902,916.70	3,446,320.41	3,505,009.01	VI.(XLVI)	
	Gains on disposal of assets (losses denoted by "-")	723,561.38	64,215.54	719,497.48	24,700.20	VI.(XLVII)	

Item		Consolidated		Parent company		Note no.	
		Current period	Prior period	Current period	Prior period	Consolidated	Parent company
II.	**Operating expenses**	1,748,875,190.49	1,909,173,167.38	1,095,293,137.30	887,275,603.01		
	Taxes and surcharges	20,487,838.97	23,284,430.27	16,119,997.75	16,275,047.90	VI.(XLVIII)	
	Operating and administrative expenses	1,768,212,951.33	1,949,571,642.04	1,105,505,043.09	937,433,852.82	VI.(XLIX)	XVI.(VII)
	Provision for impairment losses under expected credit loss model	(39,846,787.37)	(63,682,904.93)	(26,353,091.10)	(66,433,297.71)	VI.(L)	
	Provision for impairment losses on other assets						
	Other operating costs	21,187.56		21,187.56		VI.(XLVI)	
III.	**Operating profit (losses denoted by "-")**	1,734,618,791.96	1,528,589,424.40	1,458,318,553.97	1,408,245,574.59		
	Add: non-operating revenue	7,293,708.54	516,803.37	7,150,515.05	516,801.89	VI.(LI)	
	Less: non-operating expenses	7,319,206.81	11,796,394.85	6,023,350.43	11,173,119.45	VI.(LII)	
IV.	**Profit before income tax (losses denoted by "-")**	1,734,593,293.69	1,517,309,832.92	1,459,445,718.59	1,397,589,257.03		
	Less: income tax expense	191,998,398.09	199,034,357.84	93,539,654.19	94,363,259.11	VI.(LIII)	
V.	**Profit for the year (losses denoted by "-")**	1,542,594,895.60	1,318,275,475.08	1,365,906,064.40	1,303,225,997.92		
	Including: profit realized by the acquiree prior to the business combination						
	(I) Classified by operation continuity:	1,542,594,895.60	1,318,275,475.08				
	Profit from continuing operations (net losses denoted by "-")	1,542,594,895.60	1,318,275,475.08	1,365,906,064.40	1,303,225,997.92		
	Profit from discontinued operations (net losses denoted by "-")						
	(II) Classified by attribution:	1,542,594,895.60	1,318,275,475.08				
	Attributable to owners of the parent company	1,466,886,707.38	1,227,342,108.11				
	Attributable to non-controlling interests	75,708,188.22	90,933,366.97				
VI.	**Other comprehensive income for the year, net of tax**	177,514,331.60	24,650,815.19	160,888,460.47	(16,555,179.52)		
	Other comprehensive income attributable to shareholders of the parent company, net of tax	171,362,776.70	9,404,640.33				
	(I) Other comprehensive income not reclassified subsequently to profit or loss	10,783,367.60	2,130,490.96	10,783,367.60	2,130,490.96		

Item	Consolidated		Parent company		Note no.	
	Current period	Prior period	Current period	Prior period	Consolidated	Parent company
1. Remeasurement of defined benefit plans						
2. Other comprehensive income under the equity method not reclassified to profit or loss						
3. Fair value changes of investments in other equity instruments	10,783,367.60	2,130,490.96	10,783,367.60	2,130,490.96		
4. Fair value changes attributable to own credit risk						
(II) Other comprehensive income to be reclassified subsequently to profit or loss	160,579,409.10	7,274,149.37	150,105,092.87	(18,685,670.48)		
1. Other comprehensive income that may be reclassified to profit or loss under equity method	(1,372,373.98)					
2. Fair value changes of other debt instruments investments	149,973,262.69	1,206,467.61	133,741,915.44	4,700,104.04		
3. Amount of financial assets reclassified into other comprehensive income						
4. Provision for credit loss of other debt instruments investments	6,907,626.01	(21,834,480.61)	16,363,177.43	(23,385,774.52)		
5. Cash flow hedge reserve						
6. Exchange differences on translation of foreign operations	5,070,894.38	27,902,162.37				
7. Others						
Other comprehensive income attributable to non-controlling interests, net of tax	6,151,554.90	15,246,174.86				

Item		Consolidated		Parent company		Note no.	
		Current period	Prior period	Current period	Prior period	Consolidated	Parent company
VII.	**Total comprehensive income**	1,720,109,227.20	1,342,926,290.27	1,526,794,524.87	1,286,670,818.40		
	Total comprehensive income attributable to shareholders of the parent company	1,638,249,484.08	1,236,746,748.44				
	Total comprehensive income attributable to non-controlling interests	81,859,743.12	106,179,541.83				
VIII.	**Earnings per share**					VI.(LVIII)	
	(I) Basic earnings per share	0.46	0.42				
	(II) Diluted earnings per share	0.46	0.42				

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Statement of Cash Flows
For the year ended December 31, 2023

Prepared by: Cinda Securities Co., Ltd. *In RMB*

Item		Consolidated		Parent company		Note no.	
		Current period	Prior period	Current period	Prior period	Consolidated	Parent company
I.	**Cash flows from operating activities:**						
	Interest, fee and commission received	5,953,898,480.26	5,459,881,370.18	4,034,387,878.74	3,800,903,191.16		
	Net increase in due to banks and other financial institutions	6,229,000,000.00	680,000,000.00	6,229,000,000.00	680,000,000.00		
	Net increase in repurchase agreements		3,847,111,298.80	32,237,063.32	3,818,389,422.41		
	Net decrease in receivable from margin clients		1,845,863,719.61		1,823,494,748.91		
	Net cash received from customer brokerage deposits		2,274,545,897.87		184,252,319.47		
	Cash received relating to other operating activities	294,715,381.96	186,848,784.44	243,377,286.87	307,772,101.91	VI.(LV)	
	Subtotal of cash inflows from operating activities	12,477,613,862.22	14,294,251,070.90	10,539,002,228.93	10,614,811,783.86		
	Net increase in trading financial assets purchased	1,798,168,468.65	2,246,976,505.63	1,517,831,111.19	2,407,431,762.49		
	Net increase in receivable from margin clients	1,470,731,955.96		1,477,476,857.93			
	Net cash paid for customer brokerage deposits	2,355,117,532.91		2,225,386,731.61			
	Cash paid for interest, fees and commissions	1,234,184,228.90	871,586,425.42	757,065,693.41	729,881,058.52		
	Net decrease in repurchase agreements	1,901,065.35					
	Cash paid to and on behalf of employees	1,588,077,470.88	1,434,736,199.24	1,009,419,706.88	965,568,706.01		
	Cash paid for taxes	623,608,665.88	402,445,382.07	144,421,639.79	205,544,652.29		
	Cash paid relating to other operating activities	987,465,600.13	1,688,271,812.70	404,527,007.55	997,242,310.34	VI.(LV)	
	Subtotal of cash outflows from operating activities	10,059,254,998.66	6,644,016,325.06	7,536,128,748.36	5,305,668,489.65		
	Net cash flows from operating activities	2,418,358,863.56	7,650,234,745.84	3,002,873,480.57	5,309,143,294.21		

Item		Consolidated		Parent company		Note no.	
		Current period	Prior period	Current period	Prior period	Consolidated	Parent company
II.	**Cash flows from investing activities:**						
	Cash received from investment	7,818,148,207.51	1,845,001,373.45	7,714,400,126.95	1,755,315,861.75		
	Cash received from investment income	64,252,621.64	(2,063,080.43)	159,816,073.77	291,283,214.44		
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,352,969.70	2,667,384.39	985,148.70	1,838,638.01		
	Subtotal of cash inflows from investing activities	7,883,753,798.85	1,845,605,677.41	7,875,201,349.42	2,048,437,714.20		
	Cash paid for investments	19,343,773,250.69	1,453,557,987.09	19,158,372,687.95	1,436,393,379.59		
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	88,905,973.16	104,477,004.24	56,853,085.45	64,352,823.92		
	Subtotal of cash outflows from investing activities	19,432,679,223.85	1,558,034,991.33	19,215,225,773.40	1,500,746,203.51		
	Net cash flows from investing activities	(11,548,925,425.00)	287,570,686.08	(11,340,024,423.98)	547,691,510.69		
III.	**Cash flows from financing activities:**						
	Cash inflows from financing activities	2,580,957,035.99		2,580,957,035.99			
	Including: Cash received from non-controlling financing activities to subsidiaries						
	Cash received from consolidated structured entities	330,735,354.51	124,648,528.05				
	Cash received from borrowings	353,070,898.00	45,370,020.49				
	Cash received from bond issuances	17,224,930,000.00	3,632,011,583.97	17,224,930,000.00	3,631,940,000.00		
	Cash received relating to other financing activities	–	–	–	–		
	Subtotal of cash inflows from financing activities	20,489,693,288.50	3,802,030,132.51	19,805,887,035.99	3,631,940,000.00		

Item		Consolidated		Parent company		Note no.	
		Current period	Prior period	Current period	Prior period	Consolidated	Parent company
	Cash repaid for borrowings	13,177,629,621.45	8,881,528,362.08	12,800,990,000.00	8,754,260,000.00		
	Cash paid for dividends, profit distributions or interest	567,730,207.58	474,514,359.92	521,427,330.11	458,336,851.00		
	Including: Dividends and profit distributions paid by subsidiaries to minority shareholders						
	Cash paid relating to other financing activities	136,886,051.88	84,661,622.91	93,481,446.81	62,949,713.62	VI.(LV)	
	Subtotal of cash outflows from financing activities	13,882,245,880.91	9,440,704,344.91	13,415,898,776.92	9,275,546,564.62		
	Net cash flows from financing activities	6,607,447,407.59	(5,638,674,212.40)	6,389,988,259.07	(5,643,606,564.62)		
IV.	**Effect of exchange rate movements on cash and cash equivalents**	28,318,971.56	(17,547,731.72)	1,107,063.48	5,214,981.42		
V.	**Net change in cash and cash equivalents**	(2,494,800,182.29)	2,281,583,487.80	(1,946,055,620.86)	218,443,221.70	VI.(LVI)	XVI.(VIII)
	Add: Opening balance of cash and cash equivalents	21,509,674,004.17	19,228,090,516.37	14,734,529,593.89	14,516,086,372.19		
VI.	**Closing balance of cash and cash equivalents**	19,014,873,821.88	21,509,674,004.17	12,788,473,973.03	14,734,529,593.89	VI.(LVI)	

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023

Prepared by: Cinda Securities Co., Ltd. *In RMB*

Item	Amount in 2023												
	Equity attributable to shareholders of the parent company												
		Other equity instruments											
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits	Non-controlling interests	Total equity
I. As at December 31, 2022	2,918,700,000.00				1,759,443,902.12		2,072,693.69		953,197,525.25	2,134,087,781.22	5,914,975,879.00	498,967,612.51	14,181,445,393.79
Add: Changes in accounting policies													
Correction of prior period errors													
Others													
II. As at January 1, 2023	2,918,700,000.00				1,759,443,902.12		2,072,693.69		953,197,525.25	2,134,087,781.22	5,914,975,879.00	498,967,612.51	14,181,445,393.79
III. Amount of changes for the year (decreases denoted by "-")	324,300,000.00				2,256,657,035.99		130,347,679.78		136,590,606.44	332,648,992.00	895,970,205.86	81,859,743.12	4,158,374,263.19
(I) Total comprehensive income							171,362,776.70				1,466,886,707.38	81,859,743.12	1,720,109,227.20
(II) Capital contributions and reductions by shareholders	324,300,000.00				2,256,657,035.99								2,580,957,035.99
1. Ordinary shares contributed by shareholders	324,300,000.00				2,256,657,035.99								2,580,957,035.99
2. Capital contributed by holders of other equity instruments													
3. Share-based payments recognized in equity													
4. Others													
(III) Profit distribution									136,590,606.44	332,648,992.00	(611,931,598.44)		(142,692,000.00)
1. Appropriation to surplus reserve									136,590,606.44		(136,590,606.44)		
2. Appropriation to general reserve										332,648,992.00	(332,648,992.00)		
3. Distributions to shareholders											(142,692,000.00)		(142,692,000.00)
4. Others													

Amount in 2023

Item	Equity attributable to shareholders of the parent company										Non-controlling interests	Total equity
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits		
(IV) Transfers within equity							(41,015,096.92)				41,015,096.92		
1. Transfer from capital reserve to share capital													
2. Transfer from surplus reserve to share capital													
3. Surplus reserve used to offset losses													
4. General reserves used to offset losses													
5. Transfer of remeasurement of defined benefit plans to retained earnings													
6. Transfer of other comprehensive income to retained earnings							(41,015,096.92)				41,015,096.92		
7. Others													
(V) Appropriation and utilization of special reserve													
1. Appropriated during the year													
2. Utilized during the year													
(VI) Others													
IV. Closing balance for the year	3,243,000,000.00				4,016,100,938.11		132,420,373.47		1,089,788,131.69	2,466,736,773.22	6,810,946,084.86	580,827,355.63	18,339,819,656.98

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Amount in 2022

Item	Equity attributable to shareholders of the parent company										Non-controlling interests	Total equity
	Other equity instruments				Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits		
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve							
I. As at December 31, 2022	2,918,700,000.00				1,759,443,902.12		(7,331,946.64)	822,874,925.46	1,808,875,708.53	5,143,168,443.37	396,881,920.36	12,842,612,953.20
Add: Changes in accounting policies												
Correction of prior period errors												
Others												
II. As at January 1, 2023	2,918,700,000.00				1,759,443,902.12		(7,331,946.64)	822,874,925.46	1,808,875,708.53	5,143,168,443.37	396,881,920.36	12,842,612,953.20
III. Amount of changes for the year (decreases denoted by "-")							9,404,640.33	130,322,599.79	325,212,072.69	771,807,435.63	102,085,692.15	1,338,832,440.59
(I) Total comprehensive income							9,404,640.33			1,227,342,108.11	106,179,541.83	1,342,926,290.27
(II) Capital contributions and reductions by shareholders												
1. Ordinary shares contributed by shareholders												
2. Capital contributed by holders of other equity instruments												
3. Share-based payments recognized in equity												
4. Others												
(III) Profit distribution								130,322,599.79	325,212,072.69	(155,534,672.48)	(4,093,849.68)	(4,093,849.68)
1. Appropriation to surplus reserve								130,322,599.79		(130,322,599.79)		
2. Appropriation to general reserve									325,212,072.69	(325,212,072.69)		
3. Distributions to shareholders											(4,093,849.68)	(4,093,849.68)
4. Others												
(IV) Transfers within equity												
1. Transfer from capital reserve to share capital												
2. Transfer from surplus reserve to share capital												
3. Surplus reserve used to offset losses												
4. General reserves used to offset losses												
5. Transfer of remeasurement of defined benefit plans to retained earnings												
6. Transfer of other comprehensive income to retained earnings												

Amount in 2022

Item	Equity attributable to shareholders of the parent company											Non-controlling interests	Total equity
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits		
7. Others													
(V) Appropriation and utilization of special reserve													
1. Appropriated during the year													
2. Utilized during the year													
(VI) Others													
IV. Closing balance for the year	2,918,700,000.00				1,759,443,902.12		2,072,693.69		953,197,525.25	2,134,087,781.22	5,914,975,879.00	498,967,612.51	14,181,445,393.79

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Consolidated Statement of Changes in Equity of the Parent Company
As at December 31, 2023

Prepared by: Cinda Securities Co., Ltd. *In RMB*

Item	Amount in 2023											
		Other equity instruments										
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits	Total equity
I. As at December 31, 2022	2,918,700,000.00				1,941,158,219.23		(13,035,925.15)		946,079,941.38	1,900,446,485.83	5,595,696,297.49	13,289,045,018.78
Add: Changes in accounting policies												
Correction of prior period errors												
Others												
II. As at January 1, 2023	2,918,700,000.00				1,941,158,219.23		(13,035,925.15)		946,079,941.38	1,900,446,485.83	5,595,696,297.49	13,289,045,018.78
III. Amount of changes for the year (decreases denoted by "–")	324,300,000.00				2,256,657,035.99		119,873,363.55		136,590,606.44	274,911,239.80	852,727,315.08	3,965,059,560.86
(I) Total comprehensive income							160,888,460.47				1,365,906,064.40	1,526,794,524.87
(II) Capital contributions and reductions by shareholders	324,300,000.00				2,256,657,035.99							2,580,957,035.99
1. Ordinary shares contributed by shareholders	324,300,000.00				2,256,657,035.99							2,580,957,035.99
2. Capital contributed by holders of other equity instruments												
3. Share-based payments recognized in equity												
4. Others												
(III) Profit distribution									136,590,606.44	274,911,239.80	(554,193,846.24)	(142,692,000.00)
1. Appropriation to surplus reserve									136,590,606.44		(136,590,606.44)	
2. Appropriation to general reserve										274,911,239.80	(274,911,239.80)	
3. Distributions to shareholders											(142,692,000.00)	(142,692,000.00)
4. Others												

Amount in 2023

Item	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits	Total equity
(IV) Transfers within equity							(41,015,096.92)				41,015,096.92	
1. Transfer from capital reserve to share capital												
2. Transfer from surplus reserve to share capital												
3. Surplus reserve used to offset losses												
4. General reserves used to offset losses												
5. Transfer of remeasurement of defined benefit plans to retained earnings												
6. Transfer of other comprehensive income to retained earnings							(41,015,096.92)				41,015,096.92	
7. Others												
(V) Appropriation and utilization of special reserve												
1. Appropriated during the year												
2. Utilized during the year												
(VI) Others												
IV. Closing balance for the year	3,243,000,000.00				4,197,815,255.22		106,837,438.40		1,082,670,547.82	2,175,357,725.63	6,448,423,612.57	17,254,104,579.64

Legal Representative: Chief Financial Officer: Head of Accounting Department:

Amount in 2022

Item	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits	Total equity
I. As at December 31, 2022	2,918,700,000.00				1,941,158,219.23		3,519,254.37		815,757,341.59	1,638,258,286.84	4,684,981,098.35	12,002,374,200.38
Add: Changes in accounting policies												
Correction of prior period errors												
Others												
II. As at January 1, 2023	2,918,700,000.00				1,941,158,219.23		3,519,254.37		815,757,341.59	1,638,258,286.84	4,684,981,098.35	12,002,374,200.38
III. Amount of changes for the year (decreases denoted by "-")							(16,555,179.52)		130,322,599.79	262,188,198.99	910,715,199.14	1,286,670,818.40
(I) Total comprehensive income							(16,555,179.52)				1,303,225,997.92	1,286,670,818.40
(II) Capital contributions and reductions by shareholders												
1. Ordinary shares contributed by shareholders												
2. Capital contributed by holders of other equity instruments												
3. Share-based payments recognized in equity												
4. Others												
(III) Profit distribution									130,322,599.79	262,188,198.99	(392,510,798.78)	
1. Appropriation to surplus reserve									130,322,599.79		(130,322,599.79)	
2. Appropriation to general reserve										262,188,198.99	(262,188,198.99)	
3. Distributions to shareholders												
4. Others												

Amount in 2022

Item	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained profits	Total equity
		Preference shares	Perpetual bonds	Others								
(IV) Transfers within equity												
1. Transfer from capital reserve to share capital												
2. Transfer from surplus reserve to share capital												
3. Surplus reserve used to offset losses												
4. General reserves used to offset losses												
5. Transfer of remeasurement of defined benefit plans to retained earnings												
6. Transfer of other comprehensive income to retained earnings												
7. Others												
(V) Appropriation and utilization of special reserve												
1. Appropriated during the year												
2. Utilized during the year												
(VI) Others												
IV. Closing balance for the year	2,918,700,000.00				1,941,158,219.23		(13,035,925.15)		946,079,941.38	1,900,446,485.83	5,595,696,297.49	13,289,045,018.78

Legal Representative: Chief Financial Officer: Head of Accounting Department:

CINDA SECURITIES CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(All amounts in RMB unless otherwise stated)

I. GENERAL INFORMATION OF THE COMPANY

(I) Company profile

Chinese name: 信達證券股份有限公司

Date of incorporation: September 4, 2007

Registered capital: RMB3,243,000,000

Legal representative: Zhu Ruimin

Domicile: No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing

Unified social credit code: 91110000710934967A

(II) Industry classification and scope of business

Securities brokerage; securities investment consulting; financial advisory services related to securities trading and securities investment activities; securities underwriting and sponsorship; proprietary securities trading; securities asset management; margin financing and securities lending; distribution of financial products; securities investment fund distribution; and introducing brokerage services provided by securities companies to futures companies. (Market entities may independently select business activities and carry out operations in accordance with the law; activities subject to regulatory approval shall be conducted in accordance with the scope of approval granted by the relevant authorities; activities prohibited or restricted by national and municipal industrial policies shall not be engaged in.)

(III) Corporate history

Cinda Securities Co., Ltd. (hereinafter referred to as the "**Company**", "**our Company**" or "**Cinda Securities**") was incorporated as a non-listed joint stock company and subsequently listed, established jointly by China Cinda Asset Management Co., Ltd. (hereinafter referred to as "**China Cinda**"), Zhonghai Trust Co., Ltd. (hereinafter referred to as "**Zhonghai Trust**"), and China National Materials Group Corporation Ltd. (hereinafter referred to as "**Sinoma**"), on the basis of acquiring the securities business of the former Hantang Securities Co., Ltd. (漢唐證券有限責任公司) and Liaoning Province Securities Co., Ltd. (遼寧省證券公司). On September 3, 2007, the China Securities Regulatory Commission ("**CSRC**") issued the Reply on Approving the Commencement of Business of Cinda Securities Co., Ltd. (Zheng Jian Ji Gou Zi [2007] No. 211) (《關於同意信達證券股份有限公司開業的批復》(證監機構字[2007]211號)), approving the commencement of business of Cinda

Securities. On September 4, 2007, the Company obtained the Business Licence for Enterprise as a Legal Person (Registration No.: 1000001004114(4-1)) issued by the State Administration for Industry and Commerce, with a registered capital of RMB1,511,000,000.

On December 13, 2010, the Company convened its Third Extraordinary General Meeting of Shareholders for 2010, at which the Proposal on the Capital Increase and Share Expansion of Cinda Securities Co., Ltd. was considered and approved, authorising an increase in the Company's total share capital from 1,511,000,000 shares to 2,568,700,000 shares. The capital increase was subscribed by China Cinda and Zhonghai Trust in the amounts of 1,051,400,000 shares and 6,300,000 shares, respectively. On February 9, 2011, the CSRC issued the Reply on Approving the Change of Registered Capital of Cinda Securities Co., Ltd. (Zheng Jian Xu Ke [2011] No. 201) (《關於核准信達證券股份有限公司變更註冊資本的批復》(證監許可[2011]201號)), approving the change of registered capital of Cinda Securities. On March 3, 2011, the Company obtained the Business Licence for Enterprise as a Legal Person issued by the State Administration for Industry and Commerce, with a registered capital of RMB2,568,700,000.

On February 28, 2020, the Company convened its First Extraordinary General Meeting of Shareholders for 2020, at which the Proposal on the Implementation Plan for Capital Increase and Share Expansion of Cinda Securities Co., Ltd. was considered and approved. Five new shareholders were admitted, namely Zhongtai Venture Capital (Shanghai) Co., Ltd. (hereinafter referred to as "**Zhongtai Venture Capital**"), Zhongtian Jintou Co., Ltd. (hereinafter referred to as "**Zhongtian Jintou**"), Wuhan Haotian Optoelectronics Co., Ltd. (hereinafter referred to as "**Haotian Optoelectronics**"), Shenzhen Qianhai Park Operations Co., Ltd. (hereinafter referred to as "**Qianhai Operations**"), and Yongxin International Investment (Group) Co., Ltd. (hereinafter referred to as "**Yongxin International**"), collectively subscribing for 350,000,000 new shares. On March 30, 2020, the Company obtained the Business Licence issued by the Beijing Municipal Market Supervision Administration, with a registered capital of RMB2,918,700,000. On April 2, 2020, the Company filed the capital increase and share expansion with the Beijing Securities Regulatory Bureau.

On December 12, 2022, the CSRC issued the Reply on Approving the Initial Public Offering of Cinda Securities Co., Ltd. (Zheng Jian Xu Ke [2022] No. 3121) (《關於核准信達證券股份有限公司首次公開發行股票的批復》(證監許可[2022]3121號)), approving the public issuance of no more than 324,300,000 new shares. On January 16, 2023, the Company publicly issued 324,300,000 Renminbi-denominated ordinary shares (A shares), which were listed and traded on the Main Board of the Shanghai Stock Exchange on February 1, 2023. Upon completion of the offering, the Company's total share capital increased from 2,918,700,000 shares to 3,243,000,000 shares. On March 27, 2023, the Company completed the business registration change procedures, with the registered capital revised to RMB3,243,000,000.

(IV) Authorization of the financial report

The financial report of the Company was authorized for issue by the Board of Directors on March 26, 2024.

(V) Operating period

The Company's operating period is indefinite.

The scope of consolidation of the Company's consolidated financial statements is determined on the basis of control, and encompasses the financial statements of the Company and all of its subsidiaries (hereinafter collectively referred to as the "**Group**"). Subsidiaries refer to entities or vehicles controlled by the Company.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(I) Basis of preparation

The financial statements have been prepared on the going concern basis, reflecting transactions and events as they actually occur, in accordance with the latest CASs and their application guidance promulgated by the Ministry of Finance, and on the basis of the significant accounting policies and accounting estimates described below.

(II) Going concern

The Group has assessed its ability to continue as a going concern for the twelve months from the end of the reporting period and has identified no matters that would cast doubt on the Group's ability to continue as a going concern. It is therefore appropriate for the Group to prepare the financial statements on the going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(I) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Group on the basis described above are in compliance with the latest ASBEs and their application guidance, interpretations and other relevant requirements promulgated by the Ministry of Finance (collectively referred to as the "**CASs**"), and present fairly and completely the financial position, operating results, cash flows and other relevant information of the Company.

In addition, the preparation of these financial statements has been made with reference to the presentation and disclosure requirements set out in the Rules Governing the Preparation of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2023 Revision) issued by the China Securities Regulatory Commission.

(II) Accounting period and operating cycle

The Group's fiscal year runs from January 1 to December 31 of each calendar year. The accounting period covered by these financial statements is from January to December 2023.

(III) Functional currency

The Group uses Renminbi as its functional currency.

(IV) Measurement attributes applied to financial statement items during the current period

The measurement attributes adopted by the Group include historical cost, replacement cost, net realizable value, present value and fair value.

(V) Determination method and selection basis of materiality standards

Item	Materiality standards
Significant non-wholly-owned subsidiaries	Net assets accounting for 1% or more of consolidated net assets.
Significant joint ventures and associates	The carrying amount of the long-term equity investment in the joint venture or associate accounting for 1% or more of consolidated net assets and exceeding RMB1,000,000,000.
Significant cash flows from investing activities	Individual cash flow items exceeding RMB1,000,000,000.

(VI) Accounting treatment for business combinations under and not under common control

1. Accounting treatment for business combinations under common control

Where the Group achieves a business combination under common control through a single transaction or through multiple transactions in stages, the assets and liabilities acquired in the combination are measured at their carrying amounts as presented in the consolidated financial statements of the ultimate controlling party at the combination date. Any difference between the carrying amount of the net assets acquired and the carrying amount of the consideration paid (or the aggregate par value of shares issued) is adjusted against capital reserve; where capital reserve is insufficient to absorb the difference, the excess is adjusted against retained earnings.

2. Accounting treatment for business combinations not under common control

At the acquisition date, the Group recognizes as goodwill any excess of the cost of combination over the Group's share of the fair value of the acquiree's identifiable net assets acquired in the combination. Where the cost of combination is less than the Group's share of the fair value of the acquiree's identifiable net assets, the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities as well as the measurement of the cost

of combination are first reviewed; if, following such review, the cost of combination remains less than the Group's share of the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period.

Where a business combination not under common control is achieved through multiple transactions in stages, the following sequence of accounting treatment shall apply:

(1) Adjustment of the initial investment cost of the long-term equity investment. For equity interests held prior to the acquisition date that were accounted for using the equity method, the interests are remeasured at their fair values at the acquisition date, with the difference between the fair value and the carrying amount recognized in investment income for the current period. Any other comprehensive income or other changes in owners' equity recognized under the equity method in respect of equity interests in the acquiree held prior to the acquisition date are reclassified as income for the period in which the acquisition date falls, with the exception of other comprehensive income arising from the acquiree's remeasurement of the net liability or net asset of a defined benefit plan and changes in the fair value of investments in other equity instruments held.

(2) Recognition of goodwill (or the amount to be recognized in profit or loss for the current period). The adjusted initial investment cost of the long-term equity investment as determined in the first step is compared with the Group's share of the fair value of the subsidiary's identifiable net assets at the acquisition date; where the former exceeds the latter, the difference is recognized as goodwill; where the former is less than the latter, the difference is recognized in profit or loss for the current period.

Disposal of equity interests through multiple transactions in stages resulting in the loss of control over a subsidiary

(1) Decide whether the multiple transactions that contributed loss of control should be accounted for as a package deal

Where the terms, conditions and economic effects of the transactions for disposing of equity investments in a subsidiary meet one or more of the following circumstances, it is generally indicative that the multiple transactions should be accounted for as a package deal:

1) The transactions are entered into simultaneously or with due regard to their mutual effects;

2) The transactions as a whole are necessary to achieve a complete commercial outcome;

3) The occurrence of one transaction is contingent upon the occurrence of at least one other transaction;

4) A transaction, viewed in isolation, is not economically justifiable, but is economically justifiable when considered together with the other transactions.

(2) The accounting treatments for various transaction in relation to disposal of equity in a subsidiary step by step until it loses the control right shall be treated as a package deal

For various transaction in relation to disposal of equity investment in a subsidiary until it loses the control right are treated as a package deal, all transactions should be treated as one transaction of disposal of subsidiary and lose control over it. However, prior to loss of control, all differences between disposal proceeds and the investee's proportionate share of identifiable net assets within each single transaction should be recognized as other comprehensive income in the consolidated financial statements, and transferred to current profit or loss when control is lost.

Residual equity in the consolidated financial statements should be re-measured at fair value at the date when control is lost. Consideration received at disposal of subsidiary, added by the fair value of residual equity, net of original proportionate share of net assets of the subsidiary which is continuously calculated since the date of acquisition, shall be recorded as investment income during the accounting period when control is lost. All other comprehensive income related to the original investment should be accounted into current profit or loss when control is lost.

(3) The accounting treatments for various transaction in relation to disposal of equity in a subsidiary step by step until it loses the control right shall not be treated as a package deal

For transactions that do not result in loss of control, the difference between consideration received and proportionate share of subsidiary's net asset shall be recognized as capital reserve (capital premium or share premium) in the consolidated financial statements, when capital reserve is insufficient to offset, retained earnings shall be adjusted instead.

For transactions that result in loss of control, residual equity shall be re-measured at fair value in the consolidated financial statements. Consideration received at disposal of subsidiary, added by the fair value of residual equity, net of original proportionate share of net assets of the subsidiary which is continuously calculated since the date of acquisition, shall be recorded as investment income during the accounting period when control is lost. All other comprehensive income related to the original investment should be accounted into current profit or loss when control is lost.

(VII) Criteria for assessing control and method of preparing consolidated financial statements

The scope of consolidation of the consolidated financial statements shall be determined on the basis of control.

Control refers to the Group's power over an investee, its exposure or rights to variable returns from its involvement with the investee, and its ability to use its power over the investee to affect the amount of those returns. Relevant activities refer to activities that significantly affect the returns of the investee. The relevant activities of an investee shall be assessed based on the specific circumstances and typically include the sale and purchase of goods or services, the management of financial assets, the acquisition and disposal of assets, research and development activities, and financing activities.

The Group exercises judgment as to whether it controls an investee by taking into account all relevant facts and circumstances on a comprehensive basis. Where changes in relevant facts and circumstances result in changes to the elements relating to the definition of control, the Group reassesses its conclusion accordingly.

The consolidated financial statements are prepared by the Group on the basis of the financial statements of the parent company and its subsidiaries, together with other relevant information, in accordance with Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements.

(VIII) Criteria for determining cash and cash equivalents in the statement of cash flows

Cash in the statement of cash flows refers to cash on hand and deposits that are readily available for payment. Cash equivalents refer to short-term, highly liquid investments held by the enterprise that are readily convertible to known amounts of cash (generally with a maturity of within three months from the date of purchase), and that are subject to an insignificant risk of changes in value.

(IX) Foreign currency transactions and translation of foreign currency financial statements

1. Translation of foreign currency transactions

Foreign currency transactions are translated into Renminbi at the spot exchange rate prevailing at the date of the transaction upon initial recognition. At the balance sheet date, foreign currency monetary items are translated at the spot exchange rate prevailing at the balance sheet date, and the resulting exchange differences are recognized in profit or loss for the current period, except for those arising from the principal and interest of foreign currency borrowings specifically borrowed for the acquisition or construction of qualifying assets eligible for capitalization. Foreign currency non-monetary items measured at historical cost continue to be translated at the spot exchange rate prevailing at the date of the transaction, with no change to their Renminbi amounts. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate prevailing at the date on which the fair value is determined, with the resulting differences recognized in profit or loss for the current period or in other comprehensive income.

2. Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date. Items of owners' equity, other than retained profits, are translated at the spot exchange rates prevailing at the respective dates of the transactions. Income and expense items in the income statement are translated at the average exchange rate for the period in which the transactions occur. Exchange differences arising from the translation of foreign currency financial statements in accordance with the foregoing method are presented under other comprehensive income within owners' equity in the balance sheet.

(X) Financial instruments

1. Recognition and derecognition of financial instruments

The Group recognizes a financial asset or financial liability when it becomes a party to the contractual provisions of a financial instrument.

Financial assets purchased or sold in a regular way are recognized and derecognized on a trade date basis. A regular way purchase or sale of financial assets refers to the receipt or delivery of financial assets within the timeframe established by law or convention, pursuant to the terms of the contract. The trade date is the date on which the Group commits to purchase or sell the financial asset.

A financial asset (or a part of a financial asset, or a part of a group of similar financial assets) is derecognized, i.e., removed from the Group's accounts and balance sheet, when one of the following conditions is met:

(1) The rights to receive cash flows from the financial asset have expired; or

(2) The rights to receive cash flows from the financial asset have been transferred, or the Group has assumed an obligation to pay the collected cash flows in full to a third party without material delay under a "pass-through arrangement"; and either (a) substantially all the risks and rewards of ownership of the financial asset have been transferred, or (b) although substantially all the risks and rewards of ownership have been neither transferred nor retained, control over the financial asset has been relinquished.

2. Classification and measurement of financial assets

Upon initial recognition, the Group classifies its financial assets, based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, into the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. The subsequent measurement of a financial asset depends on its classification.

The Group classifies its financial assets based on the business model for managing such assets and the contractual cash flow characteristics thereof.

(1) Financial assets measured at amortized cost

A financial asset is classified as measured at amortized cost when both of the following conditions are met: the business model for managing the financial asset is to hold it in order to collect contractual cash flows; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are subsequently measured at amortized cost using the effective interest method, and any gains or losses arising from amortization or impairment are recognized in profit or loss for the current period.

(2) Debt instrument investments measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income when both of the following conditions are met: the business model for managing the financial asset is achieved both by collecting contractual cash flows and by selling the financial asset; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are subsequently measured at fair value. Any discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for impairment losses and exchange differences on foreign currency monetary financial assets, which are recognized in profit or loss for the current period, changes in the fair value of such financial assets are recognized in other comprehensive income until the financial asset is derecognized, at which point the cumulative gains or losses are reclassified to profit or loss for the current period. Interest income relating to such financial assets is recognized in profit or loss for the current period.

(3) Equity instrument investments measured at fair value through other comprehensive income

The Group has irrevocably elected to designate certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income, with only the related dividend income recognized in profit or loss for the current period. Fair value changes are recognized in other comprehensive income and, upon derecognition of the financial asset, the cumulative gains or losses are transferred to retained earnings.

(4) Financial assets measured at fair value through profit or loss

Financial assets other than those measured at amortized cost and those measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss. Upon initial recognition, a financial asset may be designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. Such financial assets are subsequently measured at fair value, with all changes in fair value recognized in profit or loss for the current period.

Reclassification of financial assets is permitted only when, and only when, the Group changes the business model for managing its financial assets, in which case all affected financial assets are reclassified accordingly.

For financial assets measured at fair value through profit or loss, related transaction costs are recognized directly in profit or loss for the current period. For financial assets in all other categories, related transaction costs are included in their initial recognition amounts.

3. Classification and measurement of financial liabilities

The Group's financial liabilities are, at initial recognition, classified into the following categories: financial liabilities measured at amortized cost and financial liabilities at fair value through profit and loss.

Financial liabilities may, at initial measurement, be designated as financial liabilities at fair value through profit or loss if they meet any of the following conditions: (1) Such designation would eliminate or significantly reduce accounting mismatches; (2) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented corporate risk management or investment strategy, and information is reported on that basis to key management personnel within the Group; (3) the financial liabilities include embedded derivatives which need to be split separately.

The Group determines the classification of its financial liabilities at initial recognition. For financial liabilities at fair value through profit or loss, the related transaction costs are directly included in the current profit and loss, and other financial liabilities related transaction costs are included in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

(1) Financial liabilities measured at amortized cost

Such financial liabilities are subsequently measured using the effective interest method on the basis of amortized cost.

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

Financial liabilities at fair value through profit or loss include trading financial liabilities (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss.

4. Offsetting of financial instruments

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

5. Impairment of financial assets

The Group recognizes provision for impairments on the basis of expected credit losses for financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, and financial guarantee contracts, among others. A credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, i.e., the present value of all cash shortfalls.

The Group estimates the expected credit losses on financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income (debt instruments) on an individual or collective basis, taking into account all reasonable and supportable information, including forward-looking information.

(1) General model for expected credit losses

Where the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the provision for impairment at an amount equal to the lifetime expected credit losses on the financial instrument. Where the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the provision for impairment at an amount equal to the 12-month expected credit losses on the financial instrument. The resulting increase or reversal in the provision for impairment is recognized in profit or loss for the current period as an impairment loss or gain. The Group's specific assessment of credit risk is set out in Note "IX. Risks Associated with Financial Instruments".

In general, when a financial instrument is more than 30 days past due, the Group considers the credit risk on that financial instrument to have increased significantly since initial recognition, unless there is conclusive evidence that the credit risk has not increased significantly since initial recognition.

Specifically, the Group categorizes the process by which financial instruments that were not credit-impaired upon purchase or origination subsequently become credit-impaired into three stages, with different accounting treatment applied to financial instruments at different stages:

Stage 1: Credit risk has not increased significantly since initial recognition

For financial instruments in this stage, the Group measures the provision for impairment at an amount equal to the 12-month expected credit losses, and calculates interest income based on the gross carrying amount (i.e., before deducting the provision for impairment) and the effective interest rate (where the instrument is a financial asset, the same applies hereinafter).

Stage 2: Credit risk has increased significantly since initial recognition but credit impairment has not yet occurred

For financial instruments in this stage, the Group measures the provision for impairment at an amount equal to the lifetime expected credit losses, and calculates interest income based on the gross carrying amount and the effective interest rate.

Stage 3: Credit impairment has occurred since initial recognition

For financial instruments in this stage, the Group measures the provision for impairment at an amount equal to the lifetime expected credit losses. However, the calculation of interest income differs from that applied to financial assets in the preceding two stages. For financial assets that are credit-impaired, the Group calculates interest income based on the amortized cost (i.e., the gross carrying amount less the provision for impairment, also referred to as the net carrying amount) and the effective interest rate.

For financial assets that were credit-impaired upon purchase or origination, the Group recognizes only the cumulative changes in lifetime expected credit losses since initial recognition as a provision for impairment, and calculates interest income based on the amortized cost and the credit-adjusted effective interest rate.

(2) Accounts receivable and lease receivables

For accounts receivable arising from transactions within the scope of Accounting Standards for Business Enterprises No. 14 – Revenue that do not contain a significant financing component (including cases where the financing component in contracts of one year or less is disregarded in accordance with that standard), the Group applies the simplified model for expected credit losses and measures the provision for impairment at all times at an amount equal to the lifetime expected credit losses. The Group calculates the expected credit losses on such financial assets based on historical credit loss experience, adjusted for assessments of borrower-specific factors as at the balance sheet date as well as current conditions and forecasts of future economic conditions.

6. Transfers of financial assets

The Group derecognizes a financial asset only if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group should not derecognize a financial asset if it retains substantially all the risks and rewards of ownership of the financial asset.

The Group neither transfers nor retains substantially all the risks and rewards of ownership, shows as the following circumstances: if the Group has forgone control over the financial assets, derecognize the financial assets and verify the assets and liabilities; if the Group retains its control of the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset and recognize an associated liability is recognized.

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

(XI) Financial assets purchased under resale agreements and REPOs

Financial assets purchased under resale agreements represent funds disbursed by the Group through the purchase of financial assets with an agreement to resell them at a fixed price. REPOs represent funds received by the Group through the sale of financial assets with an agreement to repurchase them at a fixed price.

Financial assets purchased under resale agreements and REPOs are recorded at the amounts actually paid or received at the time the transactions are entered into and are reflected in the balance sheet. The underlying assets purchased under resale agreements are not recognized in the balance sheet but are recorded off-balance sheet. The underlying assets sold under repurchase agreements are not derecognized from the balance sheet.

The spread between the purchase and sale prices of reverse repurchase and repurchase transactions is amortized over the relevant transaction period using the effective interest method and recognized as interest income and interest expense, respectively.

(XII) Margin financing and securities lending business

Margin financing and securities lending business refer to the business activities in which the Group lends funds to clients for the purchase of securities, or lends securities to clients for sale, with clients depositing corresponding collateral. The Group's margin financing and securities lending activities are classified into two categories: margin financing and securities lending.

Receivable from margin clients represents funds lent to clients pursuant to contractual arrangements for the purchase of securities within a specified range, and is presented as receivable from margin clients in the financial statements. Interest income is recognized on the outstanding principal balance using the effective interest method.

Securities lent to clients represent securities within a specified range lent to clients pursuant to contractual arrangements. The Group does not derecognize the securities lent and continues to account for them in accordance with their original financial asset classification. Interest income on securities lent is recognized using the effective interest method based on the fair value of the securities at the time of lending, applied to the outstanding balance.

(XIII) Securities lending and refinancing business

Securities lending and refinancing business refers to the business activities in which China Securities Finance Corporation Limited lends its proprietary or legally raised funds or securities to the Group for use in the Group's margin financing and securities lending operations. The Group's securities lending and refinancing business activities comprise refinancing of funds and refinancing of securities.

For funds borrowed, the Group recognizes a liability to the lender and recognizes the corresponding interest expense. Securities borrowed are not recognized by the Group and are recorded off-balance sheet.

(XIV) Long-term equity investments

1. Determination of investment cost

(1) For the business combination under the same control, the initial investment cost shall be recognized at the share of the book value of owners' equity attributable to the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination, if the consideration from the combining party is settled in cash, by way of transfer of non-cash assets, assumption of liabilities or issuance of equity securities. The difference between the initial investment cost of the long-term equity investment and the book value of the consideration paid for the combination or the aggregate nominal values of the shares issued is adjusted against the capital reserve (capital premium or share capital premium). If the capital reserve is insufficient to offset the difference, any excess is adjusted against the retained earnings.

For the business combination under the same control in stages, the initial investment cost of the investment shall be recognized based on the proportionate share of the owners' equity in the book of the combined party at the date of combination. The difference between the initial investment cost and the sum of the book value of the original long-term equity investment and the book value of the further consideration paid for the shares at the date of combination is adjusted

against the capital reserve (capital premium or share capital premium). If the capital reserve is insufficient to offset the difference, any excess is adjusted against the retained earnings.

(2) For the business combination not under the same control, the initial investment cost shall be recognized at the acquisition-date fair value of combination considerations paid.

(3) Other than the business combination: the initial investment cost obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; when consideration is paid by investors, the initial cost of investment shall be determined by the value stipulated in the investment contract or agreement, except for the value stipulated in the contract or agreement is not fair.

2. Subsequent measurements and recognition of profit or loss

The long-term equity investments where the Group can exercise control over the investee are stated in accordance with cost method in the Group's individual financial statements; For a long-term equity investment where the Group has joint control or significant influence over the investee, the investment is stated in accordance with equity method.

Under the cost method, a long-term equity investment is measured at its initial investment cost. Except receiving the actual consideration paid for the investment or the declared but not yet distributed cash dividends or profits which is included in the consideration, the cash dividends or profits declared by the investee are recognized as investment gains for the period, and impairment is tested for long-term investments in accordance with the relevant asset impairment policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the share of the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial investment cost is less than the share of the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

Under the equity method, after a long-term equity investment is acquired, the Group recognizes its share of the net profits or losses made by the investee as investment income or losses, and adjusts the carrying amount of the investment accordingly. The share of the investee's net profit or loss is recognized on the basis of the fair value of various identifiable assets in the investee at the time of acquisition and in accordance with the accounting policies and accounting period of the Group, based on the share attributable to the investor as calculated according to shareholdings, after elimination of the profit or loss for internal transactions with associates and joint ventures (except for those transactions relating to impairment loss of assets which shall be recognized in full) and after adjustment to the net profits of the investee. The carrying amount of the long-term equity investment is reduced

based on the Group's share of any profit or cash dividends declared by the investee. The Group's share of net losses of the investee is recognized to the extent the carrying amount of the long-term equity investment together with other long-term interests in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume additional losses. The Group adjusts the carrying amount of the long-term equity investment for any changes in owner's equity of the investee (other than net profits or losses) and includes the corresponding adjustments in the owner's equity.

3. Determination of control or significant influence over the investee

Control refers to when an investor has power over the investee; and has exposure, or rights, to variable returns from its involvements with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Significant influence refers to investors have power to take part in the determination of finance and operating decision of the investee, but can not control or joint-control the making of these policy with others.

4. Disposal of long-term equity investment

(1) Partial disposal of long-term equity investment in subsidiaries without loss of control

When the long-term equity investment in subsidiaries is been partially disposed without loss of control, the difference between disposal proceeds and carrying amount of the proportion being disposed is recognized as investment gains for the period.

(2) Lose control over subsidiaries due to partial disposal of equity investment or other reasons

When losing control over subsidiaries due to partial disposal of equity investment or other reasons, the carrying value of the long-term equity investment on the stock right, the difference between disposal proceeds and carrying amount of the part being disposed should be recognized as investment gains (loss). The residual part should be treated as long-term equity investment or other relevant financial assets according to their carrying amount. If the remaining equity after disposal can exercise joint control or have a significant influence over subsidiaries, it shall be accounted for in accordance with the relevant provisions of the transfer of the cost method to the equity method.

5. Impairment tests methods and provision for impairment methods

For investments in subsidiaries, associates and joint ventures, when there is objective evidence that impairment has occurred on each balance sheet date, provisions for impairment should be provided according to the difference between carrying amount and recoverable amount.

(XV) Accounts receivable

For accounts receivable arising from transactions within the scope of Accounting Standards for Business Enterprises No. 14 – Revenue that do not contain a significant financing component (including cases where the financing component in contracts of one year or less is disregarded in accordance with that standard), the Group applies the simplified model for expected credit losses and measures the provision for impairment at all times at an amount equal to the lifetime expected credit losses. The resulting increase or reversal in the provision for impairment is recognized in profit or loss for the current period as an impairment loss or gain.

For accounts receivable that contain a significant financing component, the Group has elected to apply the simplified model for expected credit losses and measures the provision for impairment at all times at an amount equal to the lifetime expected credit losses.

The Group estimates the expected credit losses on accounts receivable on an individual or collective basis, taking into account all reasonable and supportable information, including forward-looking information.

1. Criteria for determining accounts receivable subject to individual assessment of provision for bad debts

The Group identifies accounts receivable for which there is objective evidence of potential impairment as those subject to individual assessment of provision for bad debts. Conclusive evidence includes: bankruptcy of the debtor, insolvency of the debtor, severe cash flow deficiency of the debtor, suspension of operations caused by a significant natural disaster affecting the debtor rendering it unable to repay its debts within a short period of time, or other evidence sufficient to indicate that a loss on the accounts receivable is probable. For receivables where there is conclusive evidence that collection is unlikely or where recovery is improbable, a full provision for bad debts is recognized.

2. Categories of collective assessment based on credit risk characteristics and the basis for their determination

The Group identifies accounts receivable that are not subject to individual assessment as those for which expected credit losses are assessed on a collective basis by reference to shared credit risk characteristics. Such receivables are assessed collectively together with those individually assessed receivables that have not been found to be impaired following individual testing.

In measuring the expected credit losses on accounts receivable assessed collectively by credit risk characteristics, the Group makes reference to historical credit loss experience, adjusted for assessments of borrower-specific factors as at the balance sheet date as well as current conditions and forecasts of future economic conditions.

(XVI) Other receivables

The Group applies the general model for expected credit losses to other receivables (as described in Note III(X) Financial Instruments).

(XVII) Fixed assets

1. Recognition conditions, measurement and depreciation of fixed assets

Fixed assets are tangible assets held for use in the production of goods, provision of services, for rental or for administrative purposes, with a useful life exceeding one accounting year.

Fixed assets are initially recorded at actual cost upon acquisition, and depreciation is provided on a straight-line basis commencing from the month following the month in which the asset is ready for its intended use.

2. Depreciation methods for each category of fixed assets

Type	Useful life (years)	Estimated rate of net residual value (%)	Annual depreciation rate (%)
Buildings	45	0-5	2.11-2.22
Machinery and equipment	10	5	9.50
Communication and electronic equipment	4-5	3-5	19.00-24.25
Electrical appliances for office	5	3-5	19.00-19.40
Security and defense equipment	5	5	19.00
Transportation equipment	6-8	3-5	11.88-16.17

3. Impairment testing and recognition of provision for impairments for fixed assets

At the balance sheet date, where there is an indication that a fixed asset may be impaired, an provision for impairment is recognized for the difference between the carrying amount and the recoverable amount.

(XVIII) Borrowing costs

Borrowing costs refer to interest and other costs incurred by the Group in connection with borrowings, including interest on borrowings, amortization of discounts or premiums, ancillary costs, and exchange differences arising on foreign currency borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized and included in the cost of the relevant asset. All other borrowing costs are recognized in profit or loss for the current period.

(XIX) Intangible assets

1. The Group's intangible assets comprise trading seat fees, futures membership qualifications, land use rights, software and others, and are initially measured at cost.

2. Intangible assets with finite useful lives are amortized systematically over their useful lives in a manner that reflects the pattern in which the related economic benefits are expected to be realized. Where the expected pattern of realization cannot be reliably determined, the straight-line method is applied. Intangible assets for which the period over which economic benefits will be generated for the Group cannot be foreseen are treated as having indefinite useful lives. The specific amortization periods are as follows:

Category	**Amortization period (years)**
Trading seat fees	Indefinite useful life
Futures membership qualifications	Indefinite useful life
Land use rights	35
Software and others	2-10

3. For intangible assets with finite useful lives, where there is an indication of impairment at the balance sheet date, an provision for impairment is recognized for the difference between the carrying amount and the recoverable amount. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, regardless of whether there is any indication of impairment.

(XX) Long-term prepaid expenses

1. Definition and measurement of long-term prepaid expenses

Long-term prepaid expenses are costs that have been incurred but are to be borne by the current and future periods, with an amortization period exceeding one year. Long-term prepaid expenses are measured at actual cost.

2. Amortization method

Long-term prepaid expenses are amortized on a straight-line basis over the period of benefit. Expenditures on improvements to leased fixed assets are amortized on a straight-line basis over the shorter of the lease term and the remaining useful life of the leased asset. Where a long-term deferred expense item will no longer benefit future accounting periods, the unamortized balance of that item is recognized in full in profit or loss for the current period.

(XXI) Asset impairment

The Group determines impairment of assets other than deferred income taxes and financial assets as follows:

At the balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. Where such indication exists, the Group estimates the recoverable amount of the asset and performs an impairment test. Goodwill arising from business combinations and intangible assets with indefinite useful lives are tested for impairment at least at each year-end, regardless of whether there is any indication of impairment. Intangible assets not yet available for use are also tested for impairment annually.

The recoverable amount is determined as the higher of the fair value of the asset less costs of disposal and the present value of the estimated future cash flows of the asset. The Group estimates the recoverable amount on an individual asset basis. Where it is not practicable to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The identification of cash-generating units is based on whether the principal cash inflows generated by the cash-generating unit are largely independent of the cash inflows from other assets or cash-generating units.

Where the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount is reduced to the recoverable amount, with the reduction recognized in profit or loss for the current period, and a corresponding provision for impairment is recognized.

For the purpose of goodwill impairment testing, the carrying amount of goodwill arising from a business combination is allocated from the acquisition date to the relevant cash-generating units using a reasonable method, or, where such allocation is not practicable, to the relevant groups of cash-generating units. The relevant cash-generating units or groups of cash-generating units are those that are expected to benefit from the synergies of the business combination and shall not be larger than the reporting segments determined by the Group.

When testing for impairment of the relevant cash-generating units or groups of cash-generating units that include goodwill, where there is an indication of impairment in the cash-generating units or groups of cash-generating units associated with the goodwill, the Group first tests for impairment the cash-generating units or groups of cash-generating units excluding goodwill, calculates their recoverable amounts, and recognizes the corresponding impairment losses. The Group then tests for impairment the cash-generating units or groups of cash-generating units including goodwill by comparing their carrying amounts with their recoverable amounts. Where the recoverable amount is less than the carrying amount, the impairment loss is first applied to reduce the carrying amount of the goodwill allocated to the cash-generating units or groups of cash-generating units, and then applied to reduce the carrying amounts of the other assets within the cash-generating units or groups of cash-generating units on a pro rata basis based on their respective carrying amounts.

Once recognized, the above asset impairment losses are not reversed in subsequent accounting periods.

(XXII) Accounts payable to brokerage clients

When clients deposit their own funds into trading accounts opened with the Company, client trading settlement funds are increased accordingly. When clients withdraw their own funds, client trading settlement funds are decreased accordingly. When the Company extends funds to clients under margin financing arrangements, client trading settlement funds are increased; when clients repay margin financing principal and interest, client trading settlement funds are decreased accordingly.

Proceeds received by the Group on behalf of clients in connection with securities trading are deposited in full into designated bank accounts of the Company and recognized as a liability, pending settlement with the relevant clients.

Where the Group acts as agent on behalf of clients in securities trading through stock exchanges, upon settlement with clients, if the total value of securities purchased exceeds the total value of securities sold, client trading settlement funds are reduced by the difference between the transaction prices of securities purchased and sold on the settlement date, plus stamp duty withheld and remitted on behalf of clients and commissions and other handling fees receivable from clients. If the total value of securities purchased is less than the total value of securities sold, client trading settlement funds are increased by the difference between the transaction prices of securities purchased and sold on the settlement date, less stamp duty withheld and remitted on behalf of clients and commissions and other handling fees receivable from clients.

(XXIII) Provisions

1. Provisions are recognized when the Group has a present obligation as a result of contingencies such as provision of external guarantee, litigation, product quality warranty, and loss making contract, and it is very likely that an outflow of economic benefits will be resulted from settlement of the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Provisions are initially stated at the best estimate of the expenditure expected to be required for settling the present obligation. Carrying amounts of all provisions for liabilities are reviewed at balance sheet date.

(XXIV) Revenue

1. Recognition of revenue

The Group recognizes revenue when it has satisfied the performance obligations under a contract, i.e., when the customer obtains control of the relevant goods. Obtaining control of the relevant goods means being able to direct the use of, and obtain substantially all of the economic benefits from, those goods.

2. In accordance with the relevant provisions of the revenue standard, the Group determines whether the nature of the relevant performance obligation constitutes a "performance obligation satisfied over a period of time" or a "performance obligation satisfied at a point in time", and recognizes revenue in accordance with the following principles respectively.

(1) A performance obligation is satisfied over a period of time if any one of the following conditions is met:

① The customer simultaneously receives and consumes the economic benefits provided by the Group's performance as the Group performs.

② The customer is able to control the asset being created or enhanced by the Group's performance.

③ The asset created by the Group's performance has no alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date throughout the contract period.

For performance obligations satisfied over a period of time, the Group recognizes revenue over that period in accordance with the progress of performance, except where the progress of performance cannot be reasonably determined. Taking into account the nature of the goods, the Group applies either an output method or an input method to determine the appropriate measure of progress.

(2) For performance obligations that are not satisfied over a period of time and are therefore satisfied at a point in time, the Group recognizes revenue at the point in time when the customer obtains control of the relevant goods.

In assessing whether a customer has obtained control of the relevant goods, the Group considers the following indicators:

① The Group has a present right to payment for the goods, i.e., the customer has a present obligation to pay for the goods.

② The Group has transferred legal title to the goods to the customer, i.e., the customer holds legal title to the goods.

③ The Group has transferred physical possession of the goods to the customer, i.e., the customer has physical possession of the goods.

④ The Group has transferred the significant risks and rewards of ownership of the goods to the customer, i.e., the customer has assumed the significant risks and rewards of ownership.

⑤ The customer has accepted the goods.

⑥ Other indicators that the customer has obtained control of the goods.

The Group's specific revenue recognition policies are as follows:

(1) Fee and commission income

Fee and commission income is measured at the fair value of the contract or agreement price received or receivable in the course of rendering services in ordinary business activities.

Fee and commission income is recognized on an accrual basis when it is probable that the economic benefits associated with the transaction will flow to the Group, the related income can be reliably measured, and the specific recognition criteria applicable to each of the following business activities are satisfied:

Commission income from securities brokerage and futures brokerage is recognized as income on the trade date.

Income from securities underwriting, sponsorship services, financial advisory services and investment consulting services is recognized progressively based on the Group's performance of its obligations or in full upon completion of all services, having regard to the nature of the services and the terms of the contract.

Asset management income and fund management income include periodic management fees calculated based on assets under management and performance fees. The Group recognizes such income progressively as performance obligations are satisfied, on the basis that it is highly probable that the cumulative amount of revenue recognized will not be subject to significant reversal.

(2) Interest income

Interest income is recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments over the expected life of a financial asset. The effective interest rate is determined upon initial recognition of the financial asset and is not subsequently revised.

In calculating the effective interest rate, all fees paid or received, transaction costs, and discounts or premiums that form an integral part of the effective interest rate are taken into account. Transaction costs are incremental costs directly attributable to the acquisition, issuance or disposal of a financial asset.

(3) Investment income

Dividends, distributions or cash dividends received by the Group during the period in which financial assets measured at fair value through profit or loss or through other comprehensive income are held are recognized as income for the current period. Where a transfer of a financial asset satisfies the conditions for derecognition, the difference between the following two amounts is recognized in investment income:

The carrying amount of the portion derecognized; and

The sum of the consideration attributable to the portion derecognized and the corresponding portion of the cumulative fair value changes previously recognized directly in equity.

For long-term equity investments accounted for using the cost method, income is recognized based on the Company's share of cash dividends or profits declared by the investee. For long-term equity investments accounted for using the equity method, investment income is recognized based on the Group's proportionate share of the net profit or adjusted net profit realized by the investee.

(4) Other income

Other income is recognized when control of the relevant goods or services is transferred to the customer.

(XXV) Contract assets

1. Recognition criteria and method for contract assets

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the Group's performance of its obligations and the customer's payment. Consideration to which the Group is entitled as a result of having transferred goods to or rendered services for customers, other than amounts presented as accounts receivable, is presented as contract assets.

2. Determination of expected credit losses on contract assets and related accounting treatment

For contract assets that do not contain a significant financing component, the Group applies the simplified model for expected credit losses and measures the provision for impairment at all times at an amount equal to the lifetime expected credit losses. The resulting increase or reversal in the provision for impairment is recognized in profit or loss for the current period as an impairment loss or gain.

For contract assets that contain a significant financing component, the Group has elected to apply the simplified model for expected credit losses and measures the provision for impairment at all times at an amount equal to the lifetime expected credit losses. The resulting increase or reversal in the provision for impairment is recognized in profit or loss for the current period as an impairment loss or gain.

(XXVI) Securities underwriting business

The Group's securities underwriting methods include firm commitment underwriting, standby underwriting and distribution. Revenue is recognized upon completion of the relevant services provided in connection with the underwriting engagement. Under the standby underwriting method, any securities remaining unsold upon the expiry of the offering period are transferred to trading financial assets or other applicable categories at the agreed offering price.

(XXVII) Asset management business

The Group's discretionary client asset management business comprises collective asset management, directed asset management and special asset management.

The Group maintains separate accounts and independent records for each asset management plan under its management, and reconciles its valuations with those of the custodian on a periodic basis.

For collective asset management business, the Group determines on the basis of control whether the assets associated with the discretionary client asset management services and the obligations to return such assets to the clients upon maturity are to be consolidated onto the Group's balance sheet.

For directed asset management and special asset management business, the Group acts solely in its capacity as asset manager, investing, managing and disposing of the entrusted assets within the agreed period and scope on behalf of the clients, and receiving management fees. As the Group does not bear the risks associated with directed and special asset management services, the assets relating to such services and the obligations to return those assets to clients upon maturity are not consolidated onto the Group's balance sheet.

(XXVIII) Futures business

1. Management and accounting of pledged collateral

Upon application by clients and approval by the relevant exchange, clients may deposit rights certificates with the exchange as margin in accordance with the rules and requirements of each exchange. However, trading losses, fees, taxes and other amounts must be settled in cash. The rules and procedures governing the pledging of rights certificates as margin are subject to the regulations of each exchange. Where a client incurs a loss and is unable to make

a timely margin call, the Group enforces a compulsory close-out in accordance with the terms of the agreement and disposes of the pledged collateral. Proceeds from the disposal of collateral are applied to cover the losses, with any surplus returned to the client.

2. Accounting for physical settlement

Upon delivery under a futures contract, physical settlement is conducted in accordance with the rules and procedures established by each futures exchange, with settlement carried out at the relevant delivery settlement price. Fees incurred by clients during the delivery process, as well as various charges arising from goods in storage following delivery that are paid by the Group on behalf of clients, are charged to clients' margin accounts.

(XXIX) Contract liabilities

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the Group's performance of its obligations and the customer's payment. Obligations to transfer goods to or render services for customers for which the Group has received or is entitled to receive consideration from customers are presented as contract liabilities.

(XXX) Employee benefits

Employee benefits refer to all forms of consideration or compensation, other than share-based payments, provided by the Group in exchange for services rendered by employees or in connection with the termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by the Group to employees' spouses, children, dependents, surviving family members of deceased employees and other beneficiaries also constitute employee benefits.

1. Short-term employee benefits

The Group recognizes the actual short-term employee benefits incurred as a liability during the accounting period in which employees render the related services, with a corresponding charge to profit or loss for the current period or to the cost of the relevant assets. Non-monetary benefits are measured at fair value.

2. Termination benefits

Where the Group terminates the employment of employees before the expiry of their employment contracts, or offers compensation to encourage employees to voluntarily accept redundancy, the Group recognizes the liability arising from the compensation for termination of employment at the earlier of: the date on which the Group can no longer withdraw the plan of termination or the redundancy offer; and the date on which the Group recognizes costs and expenses related to a restructuring involving the payment of termination benefits. The liability is recognized with a corresponding charge to profit or loss for the current period.

3. Defined contribution plans

The Group's employees participate in the basic social pension insurance schemes organized and administered by the local labor and social security authorities. The Group makes monthly contributions to the local social pension insurance agencies at the contribution bases and rates prescribed by the local authorities. Upon retirement, the local labor and social security authorities are responsible for paying the basic social pension to retired employees. During the accounting period in which employees render services, the Group recognizes the amounts payable under the applicable social insurance regulations as a liability, with a corresponding charge to profit or loss for the current period or to the cost of the relevant assets. In addition, the Group's employees participate in an enterprise annuity scheme, and the related expenditures are recognized in the cost of the relevant assets or in profit or loss for the current period as incurred.

(XXXI) Government grants

1. Government grants comprise grants related to assets and grants related to income.

2. Government grants in the form of monetary assets are measured at the amount received or receivable. Government grants in the form of non-monetary assets are measured at fair value. Where fair value cannot be reliably determined, such grants are measured at a nominal amount.

3. The Group applies the gross presentation method to government grants:

   (1) Government grants related to assets are either offset against the carrying amount of the relevant assets, or recognized as deferred income and credited to profit or loss on a rational and systematic basis over the useful life of the relevant assets (except for grants measured at a nominal amount, which are recognized directly in profit or loss for the current period). Where the relevant asset is sold, transferred, retired or damaged before the end of its useful life, the remaining unamortized balance of the related deferred income is transferred to profit or loss in the period of the asset's disposal.

   (2) Government grants related to income that are intended to compensate for costs, expenses or losses to be incurred in future periods are recognized as deferred income and credited to profit or loss or offset against the related costs in the period in which the relevant costs, expenses or losses are recognized. Government grants related to income that are intended to compensate for costs, expenses or losses already incurred are recognized directly in profit or loss for the current period or offset against the related costs.

4. Where a government grant contains both a component related to assets and a component related to income, each component is accounted for separately. Where the two components cannot be distinguished, the grant as a whole is classified as a grant related to income.

5. Government grants related to the Group's ordinary activities are recognized in other income or offset against the related costs and expenses based on the substance of the underlying transactions. Government grants unrelated to the Group's ordinary activities are recognized in non-operating income or expenses.

(XXXII) **Deferred income tax assets and deferred income tax liabilities**

1. Deferred income tax assets and deferred income tax liabilities are recognized based on the differences between the carrying amounts of assets and liabilities and their respective tax bases (or, for items not recognized as assets or liabilities, the differences between their tax bases as determined under tax laws and their carrying amounts), calculated at the tax rates applicable to the periods in which the assets are expected to be recovered or the liabilities are expected to be settled.

2. Deferred income tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences, deductible losses carried forward to subsequent years, and tax credits can be utilized. At the balance sheet date, where there is conclusive evidence that sufficient taxable profit will probably be available in future periods, previously unrecognized deferred income tax assets are recognized accordingly.

3. At the balance sheet date, the carrying amount of deferred income tax assets is reviewed. Where it is no longer probable that sufficient taxable profit will be available in future periods to allow the benefit of the deferred income tax assets to be utilized, the carrying amount of the deferred income tax assets is reduced. Such reduction is reversed when it becomes probable that sufficient taxable profit will be available.

4. The Group's current income tax and deferred income tax are recognized in profit or loss for the current period as income tax expense or income, except for income taxes arising from the following circumstances: (1) business combinations; and (2) transactions or events recognized directly in owners' equity.

(XXXIII) **Leases**

A lease is a contract in which the lessor conveys to the lessee the right to use an asset for a period of time in exchange for consideration.

For contracts entered into or modified after the date of initial application, the Group assesses at the commencement or modification date of the contract whether the contract is, or contains, a lease.

Unless the terms and conditions of a contract change, the Group does not reassess whether a contract is, or contains, a lease.

1. The Group as lessee

(1) Separation of leases

Where a contract contains one or more lease components and non-lease components, the Group separates each lease component from the non-lease components and allocates the consideration in the contract to each lease component and non-lease component on a relative standalone price basis.

As a practical expedient, where the Group can reasonably expect that accounting for a portfolio of leases with similar characteristics would not differ materially from accounting for each individual lease within the portfolio, the Group accounts for such leases as a portfolio.

(2) Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognizes a right-of-use asset at the commencement date of the lease. The commencement date is the date on which the lessor makes the underlying asset available for use by the Group.

Right-of-use assets are initially measured at cost, comprising: the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the Group; and an estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms of the lease.

The Group depreciates right-of-use assets with reference to the depreciation provisions of Accounting Standards for Business Enterprises No. 4 – Fixed Assets. Where the Group can reasonably determine that ownership of the underlying asset will be obtained at the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. Where it cannot be reasonably determined that ownership of the underlying asset will be obtained at the end of the lease term, the right-of-use asset is depreciated over the shorter of the lease term and the remaining useful life of the underlying asset.

The Group determines whether a right-of-use asset has become impaired and accounts for any identified impairment loss in accordance with Accounting Standards for Business Enterprises No. 8 – Asset Impairment.

(3) Lease liabilities

Except for short-term leases and leases of low-value assets, the Group initially measures the lease liability at the present value of the lease payments outstanding at the commencement date. In discounting the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the Group uses its incremental borrowing rate as the discount rate.

Lease payments refer to payments made by the Group to the lessor relating to the right to use the underlying asset during the lease term, comprising: fixed payments and in-substance fixed payments, less any lease incentives payable; variable lease payments that depend on an index or rate; the exercise price of a purchase option if the Group is reasonably certain to exercise that option; payments for penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate the lease; and payments expected to be made under residual value guarantees provided by the Group.

Subsequent to the commencement date, the Group calculates the interest expense on the lease liability for each period of the lease term at a constant periodic rate and recognizes it in profit or loss for the current period or in the cost of the relevant assets.

Subsequent to the commencement date, the Group remeasures the lease liability and adjusts the corresponding right-of-use asset accordingly upon the occurrence of any of the following events. Where the carrying amount of the right-of-use asset has been reduced to zero but the lease liability requires further reduction, the difference is recognized in profit or loss for the current period:

① In the event of a change in the lease term or a change in the valuation of a purchase option, the Group remeasures the lease liability at the present value of the lease payments after the change and at a revised discount rate;

② Where there is a change in the amounts expected to be payable under a residual value guarantee, or a change in the index or rate used to determine lease payments, the Group remeasures the lease liability at the present value of the revised lease payments discounted at the original discount rate. Where the change in lease payments results from a change in a floating interest rate, a revised discount rate is used.

(4) Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. A short-term lease is a lease that, at the commencement date, has a lease term of twelve months or less and does not contain a purchase option. A lease of a low-value asset is a lease for which the underlying asset is of low value when new. Lease payments for short-term leases and leases of low-value assets are recognized in profit or loss on a straight-line basis over each period of the lease term.

(5) Lease modifications

Where a lease modification both increases the scope of the lease by adding the right to use one or more additional underlying assets and the increase in consideration is commensurate with the standalone price of the increase in scope adjusted to reflect the circumstances of the contract, the Group accounts for the lease modification as a separate lease.

If a lease modification is not accounted for as a separate lease, the Group, at the effective date of the modification, reallocates the consideration in the modified contract, re-determines the lease term, and remeasures the lease liability at the present value of the revised lease payments discounted at a revised discount rate.

If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the carrying amount of the right-of-use asset accordingly and recognizes in profit or loss the gain or loss relating to the partial or full termination of the lease. For all other lease modifications that result in the remeasurement of the lease liability, the Group adjusts the carrying amount of the right-of-use asset accordingly.

2. The Group as lessor

(1) Separation of leases

Where a contract contains both lease and non-lease components, the Group allocates the consideration in the contract based on the relative standalone prices of the lease and non-lease components, in accordance with the provisions on allocation of transaction prices under CASs No. 14 – Revenue.

(2) Classification of leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset is classified as a finance lease. All other leases are classified as operating leases.

The Group recognizes lease receipts from operating leases as rental income on a straight-line basis over each period of the lease term. Initial direct costs incurred by the Group in connection with operating leases are capitalized and allocated over the lease term on the same basis as the recognition of rental income, with amounts recognized in profit or loss for the current period on a periodic basis. Variable lease payments relating to operating leases that are not included in lease receipts are recognized in profit or loss for the current period when they are actually incurred.

Variable lease payments relating to operating leases that are not included in lease receipts are recognized in profit or loss for the current period when they are actually incurred.

(3) Subleases

The Group, as a sublease lessor, accounts for the original lease and the sublease contract as two separate contracts. The Group classifies subleases based on the right-of-use assets arising from the original lease, rather than the underlying assets of the original lease.

(4) Lease modifications

Where an operating lease is modified, the Group accounts for the modification as a new lease from the effective date of the modification, with any prepaid or accrued lease payments relating to the original lease treated as lease payments for the new lease.

(XXXIV) **Related parties**

A related party relationship exists where one party controls, jointly controls or exercises significant influence over another party, or where two or more parties are subject to common control or joint control by the same party. Related parties may be individuals or entities. Entities that are merely subject to common state control without any other related party relationship do not constitute related parties of the Company. The Company's related parties include, but are not limited to:

(1) The parent company of the Company;

(2) Subsidiaries of the Company;

(3) Other entities under common control of the same parent company as the Company;

(4) Investors that exercise joint control or significant influence over the Company;

(5) Entities or individuals that are subject to common control or joint control by the same party as the Company;

(6) Joint ventures of the Company, including subsidiaries of those joint ventures;

(7) Associates of the Company, including subsidiaries of those associates;

(8) Principal individual investors of the Company and their close family members;

(9) Key management personnel of the Company and their close family members;

(10) Key management personnel of the Company's parent company;

(11) Close family members of the key management personnel of the Company's parent company; and

(12) Other entities controlled, jointly controlled or significantly influenced by the Company's principal individual investors, key management personnel or their close family members.

In addition to the related parties identified above in accordance with the requirements of the Accounting Standards for Business Enterprises, the following legal persons (or other organizations) or individuals also constitute related parties of the Company pursuant to the Administrative Measures for Information Disclosure by Listed Companies promulgated by the CSRC, including but not limited to:

(13) Legal persons (or other organizations) holding 5% or more of the Company's shares and their persons acting in concert;

(14) Individuals directly or indirectly holding 5% or more of the Company's shares and their close family members, as well as directors, supervisors and senior management of the listed company and their close family members;

(15) Legal persons (or other organizations) that fell within any of circumstances (1), (3) and (13) above within the past 12 months or within 12 months following the coming into effect of the relevant agreement or arrangement;

(16) Individuals that fell within any of circumstances (9), (10) and (14) above within the past 12 months or within 12 months following the coming into effect of the relevant agreement or arrangement; and

(17) Legal persons (or other organizations), other than the Company, its controlling subsidiaries and other entities under its control, that are directly or indirectly controlled by, or in which a director (excluding those serving as independent directors of both parties) or senior management personnel is appointed by, any of the individuals referred to in (9), (10), (14) and (16) above.

(XXXV) Appropriation of risk reserves

In accordance with the Securities Law of the People's Republic of China, the Company appropriates 10% of its after-tax profits, after offsetting prior years' losses, to a trading risk reserve. The trading risk reserve is used to cover losses arising from securities trading.

In accordance with the Financial Rules for Financial Enterprises (Order No. 42 of the Ministry of Finance of the People's Republic of China), the Company and its subsidiary Cinda Futures Co., Ltd. (hereinafter referred to as "**Cinda Futures**") each appropriate 10% of their respective after-tax profits, after offsetting prior years' losses, to a general reserve.

In accordance with the Operational Guidelines for the Application of the Guiding Opinions on Regulating the Asset Management Business of Financial Institutions to the Large Pooled Asset Management Business of Securities Companies (CSRC Announcement [2018] No. 39), the Company appropriates 10% of the asset management fee income received from large pooled products in the current year to a general reserve.

In accordance with the Interim Provisions on Financial Administration of Commodity Futures Trading (Cai Shang [1997] No. 44), Cinda Futures appropriates 5% of its net brokerage commission income after deducting commissions payable to futures exchanges to a futures risk reserve. Once the cumulative balance of the futures risk reserve reaches ten times the registered capital, no further appropriation is required.

In accordance with the Interim Measures for the Supervision and Administration of Risk Reserves for Publicly Offered Securities Investment Funds (CSRC Order No. 94), Cinda Fund Management Co., Ltd. (hereinafter referred to as "**Cinda Fund**"), a subsidiary of the Company, appropriates 10% of fund management fee income from after-tax profits to a general reserve. Once the balance reaches 1% of the net asset value of the funds under management, no further appropriation is required.

(XXXVI) **Segment reporting**

The Group identifies its operating segments based on its internal organizational structure, management requirements and internal reporting system, and determines its reporting segments on the basis of the operating segments. An operating segment is a component of the Group that simultaneously meets all of the following criteria:

(1) The component is capable of earning revenues and incurring expenses in the course of its ordinary activities;

(2) The Group's management is able to regularly evaluate the operating results of the component in order to make decisions about resource allocation and performance assessment; and

(3) The Group is able to obtain relevant accounting information regarding the financial position, operating results and cash flows of the component.

(XXXVII) **Discontinued operations**

A discontinued operation is a component of the Group that can be clearly distinguished and meets any one of the following criteria, and has either been disposed of or classified as held for sale:

(1) The component represents a separate major line of business or a separate major geographical area of operations;

(2) The component is part of a coordinated plan to dispose of a separate major line of business or a separate major geographical area of operations; or

(3) The component is a subsidiary acquired exclusively with a view to resale.

(XXXVIII) **Significant accounting judgments and estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their related disclosures, as well as the disclosure of contingent liabilities at the balance sheet date. The uncertainty inherent in these assumptions and estimates may give rise to outcomes that could require material adjustments to the carrying amounts of the affected assets or liabilities in future periods.

Judgments

In applying the Group's accounting policies, the management has made the following judgments that have a significant effect on the amounts recognized in the financial statements:

Business model

The classification of financial assets upon initial recognition depends on the business model under which the Group manages its financial assets. In assessing the business model, the Group considers, among other factors, the manner in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how those risks are managed, and the basis on which the relevant business managers are compensated. In evaluating whether the objective of the business model is to collect contractual cash flows, the Group is required to analyze and exercise judgment regarding the reasons for, timing, frequency and value of sales of financial assets prior to their maturity.

Contractual cash flow characteristics

The classification of financial assets upon initial recognition also depends on the contractual cash flow characteristics of the financial assets. In determining whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding, the Group is required, when assessing modifications to the time value of money, to evaluate whether there are significant differences compared with the benchmark cash flows. For financial assets containing prepayment features, the Group is also required to assess whether the fair value of such prepayment features is insignificant.

Transfers of financial assets

The management is required to make significant judgments regarding the risks and rewards involved in the transfer of financial assets. Different conclusions will affect the accounting treatment adopted and the Group's financial position and operating results.

Consolidation of structured entities

Management is required to make significant judgments as to whether control exists and whether structured entities should be consolidated. The outcome of such judgments affects the accounting treatment adopted and the Group's financial position and operating results.

In assessing control, the Group considers: (1) the power held by the investor over the investee; (2) the variable returns to which the investor is exposed or entitled through its involvement with the investee's relevant activities; and (3) the investor's ability to use its power over the investee to affect the amount of those returns.

In evaluating the power held over a structured entity, the Group generally considers the following four aspects:

(1) The decisions made at the time of establishing the investee and the extent of the Group's involvement;

(2) The relevant contractual arrangements;

(3) Relevant activities that are only carried out upon the occurrence of specific circumstances or events; and

(4) Commitments made by the Group to the investee.

In determining whether it controls a structured entity, the Group also considers whether its decision-making activities are conducted in the capacity of a principal or an agent. The factors considered typically include the scope of the Group's decision-making authority over the structured entity, substantive rights held by other parties, the Group's level of remuneration, and the Group's exposure to variable returns arising from other interests held in the structured entity.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may give rise to material adjustments to the carrying amounts of assets and liabilities in future accounting periods.

Fair value of financial instruments determined using valuation techniques

For financial instruments for which active market quotes are not available, the Group uses valuation models to determine their fair values. Such models include discounted cash flow analysis, market comparison approaches and option pricing models. In practice, discounted cash flow models use observable data to the greatest extent possible; however, management is still required to make estimates in respect of factors such as the credit risk of the counterparties, market interest rate volatility and correlations. Changes in the assumptions underlying these factors may affect the fair value measurement of the relevant financial instruments.

Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are measured, in accordance with applicable tax laws, at the tax rates expected to apply in the periods in which the asset is recovered or the liability is settled. The Group recognizes deferred income tax assets in respect of all unused deductible losses to the extent that it is probable that sufficient taxable profit will be available against which such losses can be utilized. This requires management to exercise considerable judgment in estimating the timing and amounts of future taxable income and the applicable tax rates, together with tax planning strategies, in determining the amounts of deferred income tax assets and liabilities to be recognized.

Impairment of financial instruments

The Group applies the expected credit loss model to assess the impairment of financial instruments. The application of this model requires significant judgments and estimates, taking into account all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the Group extrapolates the expected changes in the credit risk of debtors based on historical repayment data in conjunction with factors such as economic policies, macroeconomic indicators and industry-specific risks.

Provisions

Present obligations arising from pending litigation or contractual terms, the settlement of which is probable to result in an outflow of economic benefits, are recognized as provisions when the amount of the obligation can be reliably measured. Provisions are initially measured at the best estimate of the expenditure required to settle the relevant present obligation, taking into comprehensive consideration the risks, uncertainties and time value of money associated with the contingencies. At the balance sheet date, the carrying amount of provisions is reviewed and adjusted as appropriate to reflect the current best estimate. Where the actual outflow of economic benefits arising from litigation differs from the best estimate, such difference will affect the amounts of non-operating expenses and provisions recognized in the relevant period.

IV. TAXATION

(I) Main types of taxes and corresponding rates

Types of taxes	Basis of taxation	Tax rates
Value-added tax ("**VAT**")	Sales of goods or provision of taxable services	6%/3%
Urban maintenance and construction tax	Amount of turnover taxes payable	1%/5%/7%
Education surcharge	Amount of turnover taxes payable	3%
Local education surcharge	Amount of turnover taxes payable	2%
Corporate income tax	Taxable income	16.5%/25%

Pursuant to the Notice on Relevant VAT Issues on Asset Management Products (Cai Shui [2017] No. 56, hereinafter referred to as "**Circular 56**") jointly issued by the Ministry of Finance and the State Taxation Administration, with effect from January 1, 2018, VAT-taxable activities arising from the operation of asset management products by asset management product managers are temporarily subject to the simplified tax calculation method, with VAT levied at a collection rate of 3%. Managers are required to consolidate and declare VAT payable on asset management product operations within the prescribed tax filing periods.

The applicable enterprise income tax rate for the Company and its principal domestic subsidiaries is 25%. China Cinda (HK) Holdings Company Limited, incorporated in Hong Kong, China, and its Hong Kong subsidiaries are subject to an enterprise income tax rate of 16.5%.

V. EXPLANATIONS OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND CORRECTION OF PRIOR PERIOD ERRORS

(I) Changes in accounting policies

On December 13, 2022, the Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31). With effect from January 1, 2023, the Company has adopted the provisions set out in Item 1 thereof, namely "I. Accounting Treatment for Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction to Which the Initial Recognition Exemption Does Not Apply". The above change in accounting policy has no material impact on the Company's financial statements for the current period.

(II) Changes in accounting estimates

None.

(III) Correction of prior period errors

None.

VI. NOTES TO MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

Note: The terms "End of period" refers to December 31, 2023; "Beginning of period" refers to January 1, 2023; "Current period" refers to the year ended December 31, 2023; "Prior period" refers to the year ended December 31, 2022. All amounts are in RMB unless otherwise stated.

(I) Cash and bank balances

1. By categories

Item	Closing balance	Opening balance
Cash on hand	60,988.41	54,813.57
Bank deposits	16,713,804,927.62	19,196,312,020.68
Including: Client deposits	13,556,647,335.51	15,854,251,733.16
Company deposits	3,157,157,592.11	3,342,060,287.52
Other monetary funds	7,647,212.88	7,375,253.95
Subtotal	16,721,513,128.91	19,203,742,088.20
Add: accrued interest	23,944,576.78	34,387,687.50
Total	16,745,457,705.69	19,238,129,775.70

2. By currencies

	Closing balance			Opening balance		
Item	Amount in the original currency	Exchange rate	RMB equivalent	Amount in the original currency	Exchange rate	RMB equivalent
Cash on hand						
Including: RMB			43,395.28			35,960.26
HKD	19,414.18	0.9062	17,593.13	21,105.24	0.8933	18,853.31
Total cash on hand			60,988.41			54,813.57
Bank deposits						
Client deposits						
Including: RMB			13,510,453,744.76			15,812,195,069.42
USD	4,083,138.96	7.0827	28,919,648.31	3,641,228.93	6.9646	25,359,703.00
HKD	19,061,953.70	0.9062	17,273,942.44	18,691,325.13	0.8933	16,696,960.74
Total client deposits			13,556,647,335.51			15,854,251,733.16
Company deposits						
Including: RMB			2,632,190,938.36			2,788,024,700.81
USD	11,035,172.53	7.0827	78,158,816.46	12,564,708.99	6.9646	87,508,172.20
HKD	491,965,580.94	0.9062	445,819,209.45	519,828,547.21	0.8933	464,362,841.22
EUR	2,268.69	7.8592	17,830.08	2,280.27	7.4229	16,926.24
JPY	3,636,421.31	0.0502	182,548.35	3,125,501.91	0.0524	163,776.30
AUD	162,579.29	4.8484	788,249.41	420,864.43	4.7138	1,983,870.75
Total company deposits			3,157,157,592.11			3,342,060,287.52
Total bank deposits			16,713,804,927.62			19,196,312,020.68

Item	Closing balance			Opening balance		
	Amount in the original currency	Exchange rate	RMB equivalent	Amount in the original currency	Exchange rate	RMB equivalent
Other monetary funds						
Including: RMB			476,657.82			307,193.92
HKD	7,912,773.18	0.9062	7,170,555.06	7,912,302.73	0.8933	7,068,060.03
Total other monetary funds			7,647,212.88			7,375,253.95
Subtotal			16,721,513,128.91			19,203,742,088.20
Add: accrued interest			23,944,576.78			34,387,687.50
Total			16,745,457,705.69			19,238,129,775.70

3. Margin financing and securities lending business

Item	Closing balance			Opening balance		
	Amount in the original currency	Exchange rate	RMB equivalent	Amount in the original currency	Exchange rate	RMB equivalent
Proprietary credit funds						
Including: RMB			99,520,805.55			103,848,936.56
Subtotal			99,520,805.55			103,848,936.56
Client credit funds						
Including: RMB			1,115,484,964.43			1,057,864,150.16
Subtotal			1,115,484,964.43			1,057,864,150.16
Total			1,215,005,769.98			1,161,713,086.72

Notes:

(1) Client credit fund deposits represent funds deposited by clients with banks or other financial institutions in connection with the Group's margin financing and securities lending business, as well as collateral funds deposited by clients for margin financing and securities lending purposes.

(2) As at December 31, 2023, restricted monetary funds held by the Group amounted to RMB431,080,008.88 (December 31, 2022: RMB319,386,895.93). Please refer to Note VI. (LVII) Assets with Restricted Ownership or Right of Use, for further details.

(II) Deposits with clearing houses

1. By categories

Item	Closing balance	Opening balance
Deposits with clients	2,025,013,131.57	2,251,059,196.73
Deposits with corporate	699,427,570.28	367,964,970.09
Subtotal	2,724,440,701.85	2,619,024,166.82
Add: accrued interest	4,723,639.48	6,460,451.26
Total	2,729,164,341.33	2,625,484,618.08

2. By currencies

	Closing balance			Opening balance		
Item	Amount in the original currency	Exchange rate	RMB equivalent	Amount in the original currency	Exchange rate	RMB equivalent
Ordinary deposits with clients						
Including: RMB			1,712,530,261.70			1,867,668,524.57
USD	8,333,494.44	7.0827	59,023,641.07	11,043,513.77	6.9646	76,913,656.00
HKD	21,413,002.02	0.9062	19,404,462.43	27,851,850.93	0.8933	24,880,058.44
Subtotal			1,790,958,365.20			1,969,462,239.01
Credit deposits with clients						
Including: RMB			234,054,766.37			281,596,957.72
Subtotal			234,054,766.37			281,596,957.72
Total deposits with clients			2,025,013,131.57			2,251,059,196.73
Deposits with corporate						
Including: RMB			699,427,570.28			367,964,970.09
Subtotal			699,427,570.28			367,964,970.09
Total deposits with corporate			699,427,570.28			367,964,970.09
Add: accrued interest			4,723,639.48			6,460,451.26
Total			2,729,164,341.33			2,625,484,618.08

(III) Receivable from margin clients

1. By categories

Item	Closing balance	Opening balance
Domestic		
Including: Individuals	10,413,989,516.90	8,754,993,261.29
Institutions	570,555,920.18	663,543,605.95
Domestic subtotal	10,984,545,437.08	9,418,536,867.24
Overseas (margin financing)		
Including: Individuals	120,513,127.77	127,084,193.19
Overseas subtotal	120,513,127.77	127,084,193.19
Total gross carrying amount	11,105,058,564.85	9,545,621,060.43
Less: provision for impairment	37,773,532.25	31,102,123.17
Net receivable from margin clients	11,067,285,032.60	9,514,518,937.26

2. Analysis of receivable from margin clients by remaining maturity

	Closing balance			
Aging	Gross carrying amount		Provision for impairment	
	Amount	Proportion (%)	Amount	Provision rate (%)
Overdue	11,716,276.87	0.11	11,716,276.87	100.00
Within 3 months	3,435,951,282.73	30.94	9,484,406.67	0.28
3 to 6 months	7,145,966,905.71	64.34	15,405,835.33	0.22
Over 6 months	511,424,099.54	4.61	1,167,013.38	0.23
Total	11,105,058,564.85		37,773,532.25	

	Opening balance			
Aging	Gross carrying amount		Provision for impairment	
	Amount	Proportion (%)	Amount	Provision rate (%)
Overdue	12,164,685.05	0.13	12,164,685.05	100.00
Within 3 months	2,934,152,709.77	30.74	6,363,716.29	0.22
3 to 6 months	5,982,464,438.12	62.67	11,394,929.98	0.19
Over 6 months	616,839,227.49	6.46	1,178,791.85	0.19
Total	9,545,621,060.43		31,102,123.17	

3. Fair value of collateral provided by clients to the Company in connection with margin financing and securities lending business

Types of collateral	Closing balance	Opening balance
Cash	1,240,596,714.46	1,227,429,203.84
Bonds	394,193,051.45	130,468,350.44
Funds	27,579,152,321.32	26,107,785,706.13
Stocks	545,989,977.87	402,606,295.80
Total	29,759,932,065.10	27,868,289,556.21

Notes:

(1) As of December 31, 2023, overdue receivable from margin clients of the Group amounted to RMB11,716,276.87 (December 31, 2022: RMB12,164,685.05).

(2) No funds have been extended under margin financing to shareholders holding 5% or more (inclusive) of the voting shares of the Company.

(3) As of December 31, 2023, the Group had no margin financing and securities lending business providing collateral for sale and repurchase transactions.

(IV) Derivative financial assets/liabilities

	Closing balance					
	Derivative financial instruments designated as hedging instruments			Derivative financial instruments not designated as hedging instruments		
		Fair value			Fair value	
Item	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate derivatives				31,307,915,000.00		
– Interest rate swaps				30,210,000,000.00		
– Treasury bond futures				1,097,915,000.00		
Equity derivatives				1,081,096,845.00	312,180.00	15,286,490.87
– Stock index futures				306,519,980.00		
– Other OTC instruments				774,576,865.00	312,180.00	15,286,490.87
Total				32,389,011,845.00	312,180.00	15,286,490.87

	Opening balance					
	Derivative financial instruments designated as hedging instruments			Derivative financial instruments not designated as hedging instruments		
		Fair value			Fair value	
Item	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate derivatives				40,477,050,000.00		
– Interest rate swaps				38,930,000,000.00		
– Treasury bond futures				1,547,050,000.00		
Equity derivatives				720,794,073.00	5,405,004.35	
– Return swaps				100,000,001.00	1,915,015.48	
– Stock index futures				173,325,360.00		
– Other OTC instruments				447,468,712.00	3,489,988.87	
Total				41,197,844,073.00	5,405,004.35	

(1) Under the same-day settlement system with no outstanding liabilities, deposits with clearing houses already include the mark-to-market gains and losses on all treasury bond futures, stock index futures and interest rate swap contracts held by the Group as of December 31, 2023. Accordingly, treasury bond futures, stock index futures and interest rate swaps under derivative financial instruments are presented on a net basis after offsetting, resulting in a nil balance in Renminbi.

(2) As at December 31, 2023, among the interest rate derivatives held by the Group, the fair value of outstanding interest rate swap contracts not designated as hedging instruments represented an unrealized gain of RMB8,557,451.39 (December 31, 2022: unrealized gain of RMB27,616,820.74). The fair value of outstanding treasury bond futures contracts not designated as hedging instruments represented an unrealized loss of RMB3,312,100.00 (December 31, 2022: unrealized loss of RMB6,982,850.00).

(3) As at December 31, 2023, among the equity derivatives held by the Group, the fair value of outstanding stock index futures contracts not designated as hedging instruments represented an unrealized gain of RMB1,600,439.58 (December 31, 2022: unrealized loss of RMB2,324,640.00).

(V) Refundable deposits

1. By categories

Item	Closing balance	Opening balance
Trading margin deposits	2,167,502,546.88	1,836,921,821.15
Performance bond deposits	439,301,275.07	485,635,824.37
Credit margin deposits	13,803,429.48	11,006,293.82
Trading seat deposits	1,416,540.00	1,392,920.00
Total	2,622,023,791.43	2,334,956,859.34

2. By currencies

Item	Closing balance			Opening balance		
	Foreign currency amount	Exchange rate	RMB amount	Foreign currency amount	Exchange rate	RMB amount
Trading margin deposits						
Including: RMB			2,160,183,920.87			1,826,646,699.75
USD	70,000.00	7.0827	495,789.00	70,000.00	6.9646	487,522.00
HKD	7,529,063.13	0.9062	6,822,837.01	10,956,676.82	0.8933	9,787,599.40
Subtotal			2,167,502,546.88			1,836,921,821.15
Performance bond deposits						
Including: RMB			439,301,275.07			485,635,824.37
Subtotal			439,301,275.07			485,635,824.37
Credit margin deposits						
Including: RMB			13,803,429.48			11,006,293.82
Subtotal			13,803,429.48			11,006,293.82
Trading seat deposits						
Including: USD	200,000.00	7.0827	1,416,540.00	200,000.00	6.9646	1,392,920.00
Subtotal			1,416,540.00			1,392,920.00
Total			2,622,023,791.43			2,334,956,859.34

(VI) Accounts receivable

1. By nature

Nature of receivable	Closing balance	Opening balance
Asset management fees receivable	234,176,422.88	193,488,594.06
Clearing receivables	151,101,212.38	168,760,621.11
Fees and commissions receivable	23,892,945.83	38,789,246.92
Subtotal	409,170,581.09	401,038,462.09
Less: provision for bad debts (simplified model)	3,139,683.25	10,539,373.32
Total	406,030,897.84	390,499,088.77

2. By aging

	Closing balance			
Aging	Gross carrying amount	Proportion (%)	Provision for bad debts	Provision rate (%)
Within 1 year (inclusive)	380,905,326.18	93.09	34,839.67	0.01
1 to 2 years (inclusive)	21,933,126.39	5.36		
2 to 3 years (inclusive)	1,853,696.45	0.45		
Over 3 years	4,478,432.07	1.10	3,104,843.58	69.33
Total	409,170,581.09		3,139,683.25	

	Opening balance			
Aging	Gross carrying amount	Proportion (%)	Provision for bad debts	Provision rate (%)
Within 1 year (inclusive)	360,626,982.92	89.93	40,779.74	0.01
1 to 2 years (inclusive)	25,144,999.89	6.27		
2 to 3 years (inclusive)	7,308,360.97	1.82	3,393,750.00	46.44
Over 3 years	7,958,118.31	1.98	7,104,843.58	89.28
Total	401,038,462.09		10,539,373.32	

3. Classified disclosure by the method of provision for bad debts

	Closing balance				
	Gross carrying amount		Provision for bad debts		
Category	Amount	Proportion (%)	Amount	Provision rate (%)	Carrying amount
Provision for bad debts by portfolio	409,170,581.09	100.00	3,139,683.25	0.77	406,030,897.84
Total	409,170,581.09		3,139,683.25		406,030,897.84

	Opening balance				
	Gross carrying amount		Provision for bad debts		
Category	Amount	Proportion (%)	Amount	Provision rate (%)	Carrying amount
Provision for bad debts by individual	9,656,250.00	2.41	7,393,750.00	76.57	2,262,500.00
Provision for bad debts by portfolio	391,382,212.09	97.59	3,145,623.32	0.80	388,236,588.77
Total	401,038,462.09		10,539,373.32		390,499,088.77

4. Top five receivable balances by debtor as of the end of the period

Name of entities	Closing balance	Proportion of total closing accounts receivable balance (%)	Nature of receivable
Xin Zheng Zi Guan Ding [2011] No. 018 (信證資管定[2011]018號)	44,662,864.90	10.92	Asset management fees receivable
Cinda Xingrong No. 4 Collective Asset Management Plan (信達興融4號集合資產管理計劃)	42,939,393.43	10.49	Asset management fees receivable
Cinda Securities Jintian No. 1 Tiered Collective Asset Management Plan (信達證券錦添1號分級集合資產管理計劃)	38,124,848.84	9.32	Asset management fees receivable
Philips Commodities (HK) Limited	17,382,658.31	4.25	Client clearing receivables
International High Grade Fund B, L.P.	10,293,918.27	2.52	Fees and commissions receivable
Total	153,403,683.75	37.50	

Note: Among the above receivables, other than amounts receivable from China Cinda, there are no receivables from shareholders holding 5% or more (inclusive) of the voting shares of the Company.

5. Provision for bad debts

Category	Opening balance	Provision	Changes during the period: Recovered or reversed	Changes during the period: Transfer or write-off	Changes during the period: Other changes	Closing balance
Asset management fees receivable	6,539,373.32		3,399,690.07			3,139,683.25
Fees and commissions receivable	4,000,000.00			4,000,000.00		
Total	10,539,373.32		3,399,690.07	4,000,000.00		3,139,683.25

(VII) Reverse REPOs

1. By business category

Item	Closing balance	Opening balance
Bond pledged repurchase	188,106,510.56	42,760,513.43
Stock pledged repurchase	279,250,555.34	
Agreed repurchase of securities	288,500.00	
Subtotal	188,106,510.56	322,299,568.77
Add: accrued interest	160,909.68	1,355,356.49
Less: provision for impairment	150,701,530.20	
Total	188,267,420.24	172,953,395.06

2. By type of financial asset

Item	Closing balance	Opening balance
Bonds	188,106,510.56	42,760,513.43
Stocks		279,539,055.34
Subtotal	188,106,510.56	322,299,568.77
Add: accrued interest	160,909.68	1,355,356.49
Less: provision for impairment		150,701,530.20
Total	188,267,420.24	172,953,395.06

3. Remaining maturity of stock pledged repurchase, bond pledged repurchase and agreed repurchase of securities

The breakdown of remaining maturities of the Group's stock pledged repurchase transactions is as follows:

Term	Closing balance	Opening balance
Overdue		280,584,350.18
Subtotal		280,584,350.18
Less: provision for impairment		150,701,270.24
Carrying amount		129,883,079.94

The breakdown of remaining maturities of the Group's bond pledged repurchase transactions is as follows:

Term	Closing balance	Opening balance
Within 3 months	188,267,420.24	
Over 3 months to within 1 year		42,762,903.18
Subtotal	188,267,420.24	42,762,903.18
Less: provision for impairment		
Carrying amount	188,267,420.24	42,762,903.18

The breakdown of the Group's agreed repurchase of securities by remaining maturity is as follows:

Term	Closing balance	Opening balance
Within 1 months		
Over 3 months to within 1 year		307,671.90
Subtotal		307,671.90
Less: provision for impairment		259.96
Carrying amount		307,411.94

4. Fair value of collateral for reverse REPOs

Collateral category	Closing fair value	Opening fair value
Collateral		221,342,112.00
Including: Collateral available for sale or re-pledging		567,000.00

Notes:

(1) For bond reverse repurchase transactions executed through exchanges, as these transactions are automatically matched by the exchange with collateral adequacy guaranteed, information regarding the counterparty's pledged collateral is not obtainable. Accordingly, the fair value of collateral received set out above excludes collateral obtained through exchange-traded bond reverse repurchase transactions. As at December 31, 2023, the outstanding balance of exchange-traded bond reverse repurchase transactions amounted to RMB188,267,420.24.

(2) As at December 31, 2023, none of the Group's outstanding reverse REPOs were purchased from counterparties that are shareholders holding 5% or more (inclusive) of the voting shares of the Company.

(VIII) Trading financial assets

	Closing balance					
	Financial assets classified as measured at fair value through profit or loss		Financial assets designated as measured at fair value through profit or loss		Total	
Item	Carrying amount	Initial cost	Carrying amount	Initial cost	Carrying amount	Initial cost
Bonds	19,815,546,893.37	19,769,888,007.01			19,815,546,893.37	19,769,888,007.01
Mutual funds	2,403,000,063.98	2,502,407,651.25			2,403,000,063.98	2,502,407,651.25
Asset management plans and private funds	2,027,841,301.05	2,047,756,235.95			2,027,841,301.05	2,047,756,235.95
Asset-backed securities	3,225,850,096.71	3,129,458,755.55			3,225,850,096.71	3,129,458,755.55
Trust schemes	338,530,921.90	341,692,464.69			338,530,921.90	341,692,464.69
Bank wealth management products	1,210,348,490.41	1,210,031,258.91			1,210,348,490.41	1,210,031,258.91
Stocks	128,373,160.10	255,592,045.43			128,373,160.10	255,592,045.43
Equity interests in non-listed companies	12,369,075.34	21,996,189.94			12,369,075.34	21,996,189.94
Total	29,161,860,002.86	29,278,822,608.73			29,161,860,002.86	29,278,822,608.73

	Opening balance					
	Financial assets classified as measured at fair value through profit or loss		Financial assets designated as measured at fair value through profit or loss		Total	
Item	Carrying amount	Initial cost	Carrying amount	Initial cost	Carrying amount	Initial cost
Bonds	20,982,716,922.33	21,207,149,929.41			20,982,716,922.33	21,207,149,929.41
Mutual funds	2,673,586,959.12	2,683,422,536.51			2,673,586,959.12	2,683,422,536.51
Asset management plans and private funds	2,566,538,152.69	2,591,273,445.23			2,566,538,152.69	2,591,273,445.23
Asset-backed securities	1,178,086,393.02	1,083,848,380.05			1,178,086,393.02	1,083,848,380.05
Trust schemes	583,020,504.06	582,897,927.97			583,020,504.06	582,897,927.97
Bank wealth management products	10,035,628.31	10,000,000.00			10,035,628.31	10,000,000.00
Stocks	110,149,264.44	240,214,582.89			110,149,264.44	240,214,582.89
Equity interests in non-listed companies	17,805,795.96	21,996,171.16			17,805,795.96	21,996,171.16
Total	28,121,939,619.93	28,420,802,973.22			28,121,939,619.93	28,420,802,973.22

Notes:

(1) As at December 31, 2023, the balance of the Group's trading financial assets includes securities lent to clients. Please refer to Note VI. (XVIII) for further details.

(2) As at December 31, 2023, the categories and carrying amounts of assets with restricted ownership or right of use included in the balance of the Group's trading financial assets are set out in Note VI. (LVII) Assets with Restricted Ownership or Right of Use.

(IX) Other debt investments

1. Details of other debt investments

		Closing balance			
Item	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated provision for impairment
Corporate bonds	8,313,013,943.16	206,399,098.52	114,873,998.99	8,634,287,040.67	42,159,211.26
Local government bonds	4,230,000,000.00	189,440,983.92	21,320,471.85	4,440,761,455.77	6,438,477.45
Total	12,543,013,943.16	395,840,082.44	136,194,470.84	13,075,048,496.44	48,597,688.71

Item	Opening balance				
	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated provision for impairment
Corporate bonds	1,618,071,755.39	48,948,982.22	(67,676,419.79)	1,599,344,317.82	41,596,949.23
Total	1,618,071,755.39	48,948,982.22	(67,676,419.79)	1,599,344,317.82	41,596,949.23

Note: As of December 31, 2023, the categories and carrying amounts of assets with restricted ownership or right of use included in the balance of the Group's other debt investments are set out in Note VI. (LVII) Assets with Restricted Ownership or Right of Use.

2. Provision for impairment

Provision for impairment	Stage 1	Stage 2	Stage 3	
	Next 12-month ECLs	Lifetime ECLs (no credit impairment)	Lifetime ECLs (credit impairment incurred)	Total
Opening balance	4,431,128.71		37,165,820.52	41,596,949.23
Transfers during the period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Reverse to Stage 2				
– Reverse to Stage 1				
Provision for the period	7,506,119.38	36,809,271.15		44,315,390.53
Reversal for the period	340,786.90		37,165,820.52	37,506,607.42
Transfer for the period				
Write-off for the period				
Other changes	191,956.37			191,956.37
Closing balance	11,788,417.56	36,809,271.15		48,597,688.71

(X) Investments in other equity instruments

1. Details of investments in other equity instruments

	Closing balance			Opening balance		
Item	Initial cost	Fair value	Dividend income recognized in current period	Initial cost	Fair value	Dividend income recognized in prior period
Stocks	373,607,645.99	336,139,328.18	28,581,653.00	62,393,379.59	65,234,034.21	
Total	373,607,645.99	336,139,328.18	28,581,653.00	62,393,379.59	65,234,034.21	

2. Investments in other equity instruments derecognized during the period

Item	Cost at derecognition for the period	Fair value at derecognition for the period	Dividend income for the period	Cumulative gains or losses at derecognition transferred from other comprehensive income to retained earnings during the period	Reason for disposal
Non-trading equity instruments	467,209,765.12	521,896,561.02		54,686,795.90	Strategic restructuring
Total	467,209,765.12	521,896,561.02		54,686,795.90	

(XI) Long-term equity investments

1. By categories

Item	Closing balance	Opening balance
Associates	448,893,756.58	430,831,722.67
Total	448,893,756.58	430,831,722.67

2. Details of long-term equity investments

Name of investee	Opening balance	Changes for the period	
		Increase in investment	Decrease in investment
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	35,481,536.26		
Guangzhou Cinda Yueshang Private Equity Fund Management Co., Ltd. (廣州信達粵商私募基金管理有限公司)	10,578,755.94		
Sino Rock Investment Company Limited	248,112,546.06		
Cinda Plunkett International Absolute Return Fund	67,424,555.56		
Cinda Plunkett International Holdings Limited	68,852,852.61		
Cinda International Investment Holdings	381,476.24		
Total	430,831,722.67		

Name of investee	Changes for the period			
	Investment income recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	415,891.22			
Guangzhou Cinda Yueshang Private Equity Fund Management Co., Ltd. (廣州信達粵商私募基金管理有限公司)	(5,060,787.17)			
Sino Rock Investment Company Limited	18,652,604.40	(2,975,431.82)		2,735,715.31
Cinda Plunkett International Absolute Return Fund	885,593.22			
Cinda Plunkett International Holdings Limited	2,407,743.69			
Cinda International Investment Holdings		797,064.04		
Total	17,301,045.36	(2,178,367.78)		2,735,715.31

	Changes for the period			
Name of investee	Provision for impairment during the period	Exchange differences	Closing balance	Closing balance of provision for asset impairment
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)			35,897,427.48	
Guangzhou Cinda Yueshang Private Equity Fund Management Co., Ltd. (廣州信達粵商私募基金管理有限公司)			5,517,968.77	
Sino Rock Investment Company Limited		3,670,609.32	264,724,612.65	
Cinda Plunkett International Absolute Return Fund		982,513.57	69,292,662.35	
Cinda Plunkett International Holdings Limited		1,011,882.38	72,272,478.68	
Cinda International Investment Holdings		10,066.37	1,188,606.65	
Total		5,675,071.64	448,893,756.58	

Notes:

(1) Basic information regarding the associates is set out in Note VIII. (II) Interests in joint arrangements or associates.

(2) As at December 31, 2023, there are no restrictions on the ability of the investees to transfer funds to the Group.

(XII) Fixed assets

Item	Buildings	Machinery and equipment	Communication and electronic equipment	Electrical appliances for office	Security and defense equipment	Transportation equipment	Total
I. Gross carrying amount							
1. Opening balance	51,361,929.09	2,456,750.31	267,916,952.86	56,956,252.30	1,915,318.90	13,444,945.57	394,052,149.03
2. Increase for the period			19,378,753.01	1,971,851.30	142,539.78	1,154,368.91	22,647,513.00
(1) Purchases			19,378,753.01	1,971,851.30	142,539.78	1,154,368.91	22,647,513.00
(2) Transfers from construction in progress							
3. Decrease for the period	2,061,640.47	92,947.00	8,792,491.87	3,994,136.08	18,429.00	2,555,709.34	17,515,353.76
(1) Disposal or retirement	2,061,640.47	92,947.00	8,792,491.87	3,994,136.08	18,429.00	2,555,709.34	17,515,353.76
4. Exchange differences on translation of foreign operations	72,474.71			481,900.13			554,374.84
5. Closing balance	49,372,763.33	2,363,803.31	278,503,214.00	55,415,867.65	2,039,429.68	12,043,605.14	399,738,683.11
II. Accumulated depreciation							
1. Opening balance	22,207,308.92	2,046,042.07	202,709,149.85	45,601,300.39	1,651,894.22	11,668,197.01	285,883,892.46
2. Increase for the period	1,152,674.02	78,790.86	20,142,977.26	3,908,055.97	72,138.82	406,303.65	25,760,940.58
(1) Provision	1,152,674.02	78,790.86	20,142,977.26	3,908,055.97	72,138.82	406,303.65	25,760,940.58
3. Decrease for the period	2,061,637.76	88,299.65	8,460,604.98	3,924,873.64	27,204.59	2,432,482.83	16,995,103.45
(1) Disposal or retirement	2,061,637.76	88,299.65	8,460,604.98	3,924,873.64	27,204.59	2,432,482.83	16,995,103.45
4. Exchange differences on translation of foreign operations	28,588.96			413,999.92			442,588.88
5. Closing balance	21,326,934.14	2,036,533.28	214,391,522.13	45,998,482.64	1,696,828.45	9,642,017.83	295,092,318.47
III. Impairment provision							
1. Opening balance							
2. Increase for the period							
(1) Provision							
3. Decrease for the period							
(1) Disposal or retirement							
4. Exchange differences on translation of foreign operations							
5. Closing balance							
IV. Carrying amount							
1. Closing carrying amount	28,045,829.19	327,270.03	64,111,691.87	9,417,385.01	342,601.23	2,401,587.31	104,646,364.64
2. Opening carrying amount	29,154,620.17	410,708.24	65,207,803.01	11,354,951.91	263,424.68	1,776,748.56	108,168,256.57

Notes:

(1) As at December 31, 2023, the Group has no buildings or structures for which title registration procedures have not yet been completed.

(2) As at December 31, 2023, the Group has no material fixed assets with restricted ownership, temporarily idle fixed assets, assets held under finance leases, or fixed assets classified as held for sale.

(XIII) Right-of-use assets

Item	Buildings	Machinery and equipment	Total
I. Gross carrying amount			
1. Opening balance	403,652,898.62	15,087,828.91	418,740,727.53
2. Increase for the period	364,005,513.61	16,517,802.88	380,523,316.49
3. Decrease for the period	62,821,279.87	15,017,886.62	77,839,166.49
4. Exchange differences on translation of foreign operations	1,004,725.59	1,004,725.59	
5. Closing balance	705,841,857.95	16,587,745.17	722,429,603.12
II. Accumulated depreciation			
1. Opening balance	222,892,912.68	10,136,418.54	233,029,331.22
2. Provision for the period	100,323,686.93	13,175,340.66	113,499,027.59
3. Decrease for the period	61,478,172.96	15,017,886.62	76,496,059.58
4. Exchange differences on translation of foreign operations	498,882.33		498,882.33
5. Closing balance	262,237,308.98	8,293,872.58	270,531,181.56
III. Impairment provision			
1. Opening balance			
2. Increase for the period			
3. Decrease for the period			
4. Exchange differences on translation of foreign operations			
IV. Carrying amount			
1. Closing carrying amount	443,604,548.97	8,293,872.59	451,898,421.56
2. Opening carrying amount	180,759,985.94	4,951,410.37	185,711,396.31

(XIV) Intangible assets

Item	Trading seat fees	Futures membership qualifications	Land use rights	Software and others	Total
I. Gross carrying amount					
1. Opening balance	22,417,298.28	1,400,000.00	559,293.00	354,790,368.04	379,166,959.32
2. Increase for the period				46,092,968.46	46,092,968.46
(1) Purchases				46,092,968.46	46,092,968.46
3. Decrease for the period				471,441.63	471,441.63
(1) Disposal or retirement				471,441.63	471,441.63
4. Exchange differences on translation of foreign operations	17,083.80			1,554.01	18,637.81
5. Closing balance	22,434,382.08	1,400,000.00	559,293.00	400,413,448.88	424,807,123.96
II. Accumulated amortization					
1. Opening balance			229,946.97	249,111,145.60	249,341,092.57
2. Increase for the period			15,832.87	37,632,231.17	37,648,064.04
(1) Provision			15,832.87	37,632,231.17	37,648,064.04
3. Decrease for the period				471,441.63	471,441.63
(1) Disposal or retirement				471,441.63	471,441.63
4. Exchange differences on translation of foreign operations					
5. Closing balance			245,779.84	286,271,935.14	286,517,714.98
III. Impairment provision					
1. Opening balance					
2. Increase for the period					
(1) Provision					
3. Decrease for the period					
(1) Disposal or retirement					
4. Exchange differences on translation of foreign operations					
5. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	22,434,382.08	1,400,000.00	313,513.16	114,141,513.74	138,289,408.98
2. Opening carrying amount	22,417,298.28	1,400,000.00	329,346.03	105,679,222.44	129,825,866.75

Note: As at December 31, 2023, the Group has no intangible assets pledged as collateral or security.

(XV) Goodwill

1. Gross carrying amount of goodwill

Matters resulting in goodwill	Opening balance	Increase for the year	Decrease for the year	Closing balance
Business combination with Cinda International Holdings Limited[(1)]	98,822,734.82			98,822,734.82
Acquisition of the branch business of China Jingu International Trust Co., Ltd. (中國金谷國際信託投資有限責任公司)[(2)]	80,052,310.92			80,052,310.92
Acquisition of Cinda Futures Co., Ltd.[(3)]	15,456,911.47			15,456,911.47
Total	194,331,957.21			194,331,957.21

2. Provision for impairment of goodwill

Matters resulting in goodwill	Opening balance	Increase for the year	Decrease for the year	Closing balance
Business combination with Cinda International Holdings Limited[(1)]	98,822,734.82			98,822,734.82
Acquisition of the branch business of China Jingu International Trust Co., Ltd. (中國金谷國際信託投資有限責任公司)[(2)]	79,046,338.16			79,046,338.16
Acquisition of Cinda Futures Co., Ltd.[(3)]	15,456,911.47			15,456,911.47
Total	193,325,984.45			193,325,984.45

3. Specific method for determining recoverable amount

Recoverable amount is determined based on the present value of estimated future cash flows

Item	Forecast period	Key parameters during forecast period	Basis for determining key parameters during forecast period
Acquisition of the branch business of China Jingu International Trust Co., Ltd. (中國金谷國際信託投資有限責任公司)	5 years	Growth rate: -15% to 5%; Discount rate: 9%	Key assumptions are based primarily on the historical earnings of the cash-generating unit and management's expectations for market development. The discount rate of 9% is determined using the Company's weighted average return on net assets as a reference; the growth rate range of -15% to 5% is determined with reference to the long-term average growth rate of the macroeconomy and the development cycle of the securities industry, among other factors

Notes:

(1) In 2019, the Company acquired a 63% equity interest in Cinda International Holdings Limited ("**Cinda International**") for cash consideration. Cinda International is an indirectly held subsidiary of China Cinda Asset Management Co., Ltd., the parent company of the Group. As both parties to the combination were under the control of China Cinda both before and after the combination, and such control is not temporary in nature, this business combination constitutes a combination under common control. The goodwill was obtained by the Company from the ultimate controlling party in connection with the business combination under common control, and a full provision for impairment was recognized against this goodwill in prior years.

(2) In December 2008, the Company acquired the securities business of the former China Jingu International Trust Co., Ltd. ("**Jingu Trust**"). Following the recognition of the identifiable assets and liabilities of the acquired business, the excess of the purchase consideration over the Group's share of the fair value of the identifiable net assets acquired was recognized as goodwill. The recoverable amount of the cash-generating unit is determined based on the present value of its estimated future cash flows. As the recoverable amount of the cash-generating unit is below its carrying amount, an provision for impairment of RMB79,046,338.16 has been recognized against the goodwill. As at December 31, 2023, the gross carrying amount and net carrying amount of the goodwill arising from this acquisition are RMB80,052,310.92 and RMB1,005,972.76, respectively.

(3) In November 2007, the Company acquired Cinda Futures. Following the recognition of the identifiable assets and liabilities of the acquired business, the excess of the purchase consideration over the Group's share of the fair value of the identifiable net assets acquired was recognized as goodwill. A full provision for impairment was recognized against this goodwill in prior years.

(XVI) Deferred income tax assets and deferred income tax liabilities

1. Recognized deferred income tax assets and liabilities before offsetting

Item	Closing balance		Opening balance	
	Deductible/ taxable temporary differences	Deferred income tax assets/liabilities	Deductible/ taxable temporary differences	Deferred income tax assets/liabilities
Deferred income tax assets:				
Fair value changes of trading financial assets	87,846,173.77	21,961,543.45	321,323,918.39	80,330,979.60
Fair value changes of other debt instruments investments			42,686,341.24	10,671,585.31
Fair value changes of investments in other equity instruments	37,468,317.81	9,367,079.45		
Fair value changes of derivative financial instruments	407,130.67	101,782.67		
Amortization of intangible assets	32,975,702.20	8,243,925.55	41,686,881.76	10,421,720.44
Provision for asset impairments	52,176,311.22	12,978,024.62	205,160,562.21	51,270,706.00
Accrued but unpaid employee benefits	397,858,452.40	99,464,613.10	736,474,233.22	184,118,558.32
Allowance for risk of broker	12,184,785.91	3,046,196.48	13,362,697.59	3,340,674.40
Deductible losses	260,135,799.27	65,033,949.82	30,783,103.58	7,695,775.90
Leases	440,514,880.82	110,128,720.22	154,494,274.96	38,623,568.74
Others	44,816,754.76	11,204,188.69	102,259,971.01	25,564,992.74
Total	1,366,384,308.83	341,530,024.05	1,648,231,983.96	412,038,561.45
Deferred income tax liabilities:				
Fair value changes of trading financial assets	14,029,322.79	3,507,330.70	18,816,424.17	4,787,461.82
Fair value changes of other debt instruments investments	135,636,212.68	33,909,053.17		
Fair value changes of investments in other equity instruments			2,840,654.62	710,163.66
Fair value changes of derivative financial instruments			22,260,207.04	5,565,051.76
Leases	427,608,028.83	106,902,007.21	143,641,148.93	35,910,287.23
Others	3,913,774.72	978,443.68	3,913,774.72	978,443.68
Total	581,187,339.02	145,296,834.76	191,472,209.48	47,951,408.15
Net amount	785,196,969.81	196,233,189.29	1,456,759,774.48	364,087,153.30

2. Deferred income tax assets and liabilities presented on a net basis after offsetting

Item	Closing balance		Opening balance	
	Offset amount	Balance after offsetting	Offset amount	Balance after offsetting
Deferred income tax assets	(145,032,874.20)	196,497,149.85	(47,787,285.23)	364,251,276.22
Deferred income tax liabilities	(145,032,874.20)	263,960.56	(47,787,285.23)	164,122.92

(XVII) Other assets

1. By categories

	Closing balance	Opening balance
Other receivables	176,886,631.82	387,372,619.27
Long-term prepaid expenses	17,780,007.34	20,170,855.64
Prepaid expenses	20,025,261.55	19,490,215.78
Others	51,272,183.03	51,497,218.61
Subtotal	265,964,083.74	478,530,909.30
Less: provision for bad debts	15,012,309.32	16,381,896.92
Total	250,951,774.42	462,149,012.38

2. Other receivables

(1) By breakdown

Item	Closing balance	Opening balance
Gross carrying amount of other receivables	176,886,631.82	387,372,619.27
Less: provision for bad debts	15,012,309.32	16,381,896.92
Net other receivables	161,874,322.50	370,990,722.35

(2) By aging

	Closing balance			
Aging	**Gross carrying amount**	**Proportion (%)**	**Provision for bad debts**	**Provision rate (%)**
Within 1 year (inclusive)	116,989,128.53	66.14	8,904.82	0.01
1 to 2 years (inclusive)	29,247,843.77	16.53	60,062.17	0.21
2 to 3 years (inclusive)	4,703,495.58	2.66	180,709.74	3.84
Over 3 years	25,946,163.94	14.67	14,762,632.59	56.90
Total	176,886,631.82		15,012,309.32	

	Opening balance			
Aging	**Gross carrying amount**	**Proportion (%)**	**Provision for bad debts**	**Provision rate (%)**
Within 1 year (inclusive)	352,920,530.71	91.11		
1 to 2 years (inclusive)	6,183,129.02	1.60	127,706.79	2.07
2 to 3 years (inclusive)	4,743,243.95	1.22	61,592.69	1.30
Over 3 years	23,525,715.59	6.07	16,192,597.44	68.83
Total	387,372,619.27		16,381,896.92	

Note: Other receivables include no amounts due from shareholders holding 5% or more (inclusive) of the voting shares of the Company.

(3) Provision for bad debts recognized under the general model for expected credit losses

Provision for bad debts	Stage 1 Next 12-month ECLs	Stage 2 Lifetime ECLs (no credit impairment)	Stage 3 Lifetime ECLs (credit impairment incurred)	Total
Opening balance	16,381,896.92			16,381,896.92
Transfers during the period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Reverse to Stage 2				
– Reverse to Stage 1				
Provision for the period	4,446,753.65			4,446,753.65
Reversal for the period				
Transfer for the period	5,816,341.25			5,816,341.25
Write-off for the period				
Other changes				
Closing balance	15,012,309.32			15,012,309.32

3. Long-term prepaid expenses

	Opening balance	Increase for the period	Amortization for the period	Other decrease	Closing balance
Leasehold improvements	16,222,170.50	7,673,008.32	10,437,199.47		13,457,979.35
Network infrastructure	2,162,324.08	548,024.90	988,893.91		1,721,455.07
Others	1,786,361.06	2,878,660.89	2,064,449.03		2,600,572.92
Total	20,170,855.64	11,099,694.11	13,490,542.41		17,780,007.34

(XVIII) Securities lent to clients and securities borrowed under securities lending and refinancing business

	Closing balance	Opening balance
Securities lent to clients		
– Trading financial assets	20,229,457.73	10,861,174.86
– Securities borrowed under securities lending and refinancing business		594,530.00
Total securities borrowed under securities lending and refinancing business		3,905,910.00

Note: As at December 31, 2023, the amount of securities borrowed by the Group from China Securities Finance Corporation Limited under securities lending and refinancing business arrangements was RMB0.00 (December 31, 2022: RMB3,905,910.00).

(XIX) Asset impairment and provision for impairments

Item	Opening balance	Increase for the period	Reversal for the period	Transfer for the period	Exchange rate changes	Closing balance
Provision for bad debts on accounts receivable	10,539,373.32		3,399,690.07	4,000,000.00		3,139,683.25
Provision for impairment on receivable from margin clients	31,102,123.17	12,340,758.31	5,491,657.01	351,518.77	173,826.55	37,773,532.25
Provision for bad debts on other receivables	16,381,896.92	4,446,753.65		5,816,341.25		15,012,309.32
Provision for impairment on reverse REPOs	150,701,530.20	179,837.98	54,731,573.34	96,149,794.84		
Provision for impairment on other debt investments	41,596,949.23	44,315,390.53	37,506,607.42		191,956.37	48,597,688.71
Subtotal of credit provision for impairments on financial instruments	250,321,872.84	61,282,740.47	101,129,527.84	106,317,654.86	365,782.92	104,523,213.53
Provision for impairment of goodwill	193,325,984.45					193,325,984.45
Total	443,647,857.29	61,282,740.47	101,129,527.84	106,317,654.86	365,782.92	297,849,197.98

The expected credit loss provisions on financial instruments are summarized as follows:

		Closing balance		
Financial instrument category	**Next 12-month ECLs**	**Lifetime ECLs (no credit impairment)**	**Lifetime ECLs (credit impairment incurred)**	**Total**
Provision for bad debts on accounts receivable		3,139,683.25		3,139,683.25
Provision for impairment on receivable from margin clients	20,074,550.29	5,982,705.09	11,716,276.87	37,773,532.25
Provision for bad debts on other receivables	15,012,309.32			15,012,309.32
Provision for impairment on other debt investments	11,788,417.56	36,809,271.15		48,597,688.71
Total	46,875,277.17	45,931,659.49	11,716,276.87	104,523,213.53

Financial instrument category	Opening balance Next 12-month ECLs	Lifetime ECLs (no credit impairment)	Lifetime ECLs (credit impairment incurred)	Total
Provision for bad debts on accounts receivable		10,539,373.32		10,539,373.32
Provision for impairment on receivable from margin clients	16,012,308.37	2,925,129.75	12,164,685.05	31,102,123.17
Provision for bad debts on other receivables	16,381,896.92			16,381,896.92
Provision for impairment on reverse REPOs	259.96		150,701,270.24	150,701,530.20
Provision for impairment on other debt investments	4,431,128.71		37,165,820.52	41,596,949.23
Total	36,825,593.96	13,464,503.07	200,031,775.81	250,321,872.84

(XX) Short-term borrowings

1. By the borrowing conditions

Item	Closing balance	Opening balance
Unsecured borrowings	350,178,632.50	41,805,036.00
Subtotal	350,178,632.50	41,805,036.00
Add: accrued interest	875,522.59	23,628.49
Total	351,054,155.09	41,828,664.49

2. Details of short-term borrowings

Type	Trade date	Maturity date	Interest rate	Closing balance	Opening balance
Unsecured borrowing	2023-12-29	2024-1-30	5.97%	93,340,660.00	
Unsecured borrowing	2023-11-30	2024-1-2	6.22%	71,088,281.87	
Unsecured borrowing	2023-12-29	2024-1-2	5.97%	45,569,411.46	
Unsecured borrowing	2023-12-30	2024-1-30	6.22%	42,592,340.00	
Unsecured borrowing	2023-12-11	2024-1-11	6.13%	41,839,596.59	
Unsecured borrowing	2023-12-27	2024-3-27	3.90%	28,120,057.80	
Unsecured borrowing	2023-12-19	2024-3-19	3.90%	24,862,265.37	
Unsecured borrowing	2023-12-6	2024-1-8	6.12%	3,641,542.00	
Unsecured borrowing	2022-12-29	2023-1-30	4.74%		41,828,664.49
Total				351,054,155.09	41,828,664.49

(XXI) Short-term debt securities issued

Item	Issue date	Maturity date	Coupon rate	Opening balance	Increase for the period	Decrease for the period	Closing balance
Yangfan income certificates series	April 2023 – December 2023	August 2023 – May 2024	2.35%-3.15%		6,214,551,245.92	1,906,452,081.90	4,308,099,164.02
Cinda Jinli series	July 2022 – December 2023	January 2023 – June 2024	2.08%-3.15%	720,693,659.76	1,053,107,440.51	1,412,636,213.47	361,164,886.80
New client wealth management series	July 2022	February 2023	3.50%	10,157,259.60	30,684.80	10,187,944.40	
Total				730,850,919.36	7,267,689,371.23	3,329,276,239.77	4,669,264,050.82

(XXII) Placements from financial institutions

Item	Closing balance	Opening balance
Placements from banks	11,209,000,000.00	5,980,000,000.00
Securities lending and refinancing business	2,600,000,000.00	1,600,000,000.00
Add: accrued interest	19,947,258.16	8,585,244.26
Total	13,828,947,258.16	7,588,585,244.26

Analysis of remaining maturities and interest rate ranges of securities lending and refinancing business:

Remaining maturity	Closing balance	Interest rate range	Opening balance	Interest rate range
Within 1 month	1,500,000,000.00	2.16%-3.50%	500,000,000.00	2.50%
Over 1 month to within 3 months	800,000,000.00	3.10%		
Over 3 months to within 1 year	300,000,000.00	2.93%	1,100,000,000.00	2.10%
Total	2,600,000,000.00		1,600,000,000.00	

(XXIII) Trading financial liabilities

	Closing balance					
	Financial liabilities classified as measured at fair value through profit or loss		Financial liabilities designated as measured at fair value through profit or loss		Total	
Item	Carrying amount	Initial cost	Carrying amount	Initial cost	Carrying amount	Initial cost
Income certificates			5,959,632.54	5,950,000.00	5,959,632.54	5,950,000.00
Bonds	888,767.15	888,767.15			888,767.15	888,767.15
Total	888,767.15	888,767.15	5,959,632.54	5,950,000.00	6,848,399.69	6,838,767.15

	Opening balance					
	Financial liabilities classified as measured at fair value through profit or loss		Financial liabilities designated as measured at fair value through profit or loss		Total	
Item	Carrying amount	Initial cost	Carrying amount	Initial cost	Carrying amount	Initial cost
Income certificates			192,865,920.97	192,068,712.00	192,865,920.97	192,068,712.00
Bonds	411,123.28	411,123.28			411,123.28	411,123.28
Stocks	23,474,217.50	25,720,123.81			23,474,217.50	25,720,123.81
Total	23,885,340.78	26,131,247.09	192,865,920.97	192,068,712.00	216,751,261.75	218,199,959.09

Note: Financial liabilities designated as measured at fair value through profit or loss represent equity index-linked income certificates issued by the Group, the returns on which to certificate holders are linked to the performance of equity indices. As at December 31, 2023, the carrying amount of the credit risk exposure on financial liabilities designated as measured at fair value through profit or loss was RMB5,959,632.54 (December 31, 2022: RMB192,865,920.97).

(XXIV) REPOs

1. By type of financial asset

Item	Closing balance	Opening balance
Bonds	10,849,633,033.01	11,797,681,705.18
Funds	940,395,800.00	32,291,456.55
Add: accrued interest	12,577,976.75	12,773,740.48
Total	11,802,606,809.76	11,842,746,902.21

2. By business category

Item	Closing balance	Opening balance
Pledged repurchase	10,849,633,033.01	11,797,681,705.18
Pledged quoted repurchase	940,395,800.00	32,291,456.55
Add: accrued interest	12,577,976.75	12,773,740.48
Total	11,802,606,809.76	11,842,746,902.21

3. Carrying amount of collateral

Item	Closing balance	Opening balance
Bonds	13,754,925,386.69	14,841,940,617.08
Funds	1,213,724,642.69	128,762,784.33
Total	14,968,650,029.38	14,970,703,401.41

4. Remaining maturities and interest rate ranges of pledged quoted repurchase transactions

Remaining maturity	Closing balance	Interest rate range (%)	Opening balance	Interest rate range (%)
Within 1 month	940,395,800.00	2.50-8.00	32,291,456.55	1.85-5.88
Total	940,395,800.00		32,291,456.55	

(1) The categories and carrying amounts of assets pledged by the Group in connection with sale and repurchase transactions are set out in Note VI. (LVII) Assets with Restricted Ownership or Right of Use, and Note XV. (II) Securities Borrowing and Lending.

(2) As at December 31, 2023 and December 31, 2022, none of the Group's outstanding REPOs involved shareholders holding 5% or more (inclusive) of the voting shares of the Company as counterparties.

(XXV) Accounts payable to brokerage clients

Item	Closing balance	Opening balance
Ordinary brokerage business		
Individuals	10,549,329,889.87	11,324,210,561.55
Institutions	5,474,794,337.29	7,073,238,588.29
Subtotal	16,024,124,227.16	18,397,449,149.84
Credit business		
Individuals	1,019,905,928.75	1,120,243,241.13
Institutions	220,762,943.68	107,276,342.01
Subtotal	1,240,668,872.43	1,227,519,583.14
Total	17,264,793,099.59	19,624,968,732.98

(XXVI) Employee benefits payable

1. By categories

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
Short-term employee benefits	980,041,384.19	943,862,450.09	1,434,306,114.57	489,597,719.71
Defined contribution plan liabilities under post-employment benefits	57,569,345.01	166,966,530.04	153,837,884.32	70,697,990.73
Termination benefits	10,528,993.20	3,319,114.49	6,515,495.33	7,332,612.36
Total	1,048,139,722.40	1,114,148,094.62	1,594,659,494.22	567,628,322.80

2. Short-term employee benefits

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	903,498,726.83	754,150,000.00	1,247,073,596.08	410,575,130.75
II. Employee welfare	649,743.03	44,110,159.49	38,542,133.02	6,217,769.50
III. Social insurance	2,072,317.40	64,535,578.79	65,150,938.62	1,456,957.57
Including:				
1. Medical insurance	1,913,540.81	62,753,549.15	63,363,861.23	1,303,228.73
2. Work injury insurance	140,293.02	1,206,957.24	1,201,448.97	145,801.29
3. Maternity insurance	18,483.57	575,072.40	585,628.42	7,927.55
IV. Housing funds	472,296.13	67,041,759.82	66,875,375.84	638,680.11
V. Labor union fees and staff education expenses	72,108,494.43	10,550,126.25	12,028,716.24	70,629,904.44
VI. Other short-term employee benefits	1,239,806.37	3,474,825.74	4,635,354.77	79,277.34
Total	980,041,384.19	943,862,450.09	1,434,306,114.57	489,597,719.71

3. Defined contribution plan liabilities under post-employment benefits

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
Basic pension insurance	4,187,512.73	85,296,427.06	84,441,086.70	5,042,853.09
Unemployment insurance	128,902.01	2,622,635.12	2,596,076.33	155,460.80
Enterprise annuity contributions	53,252,930.27	68,117,378.58	55,870,632.01	65,499,676.84
Others		10,930,089.28	10,930,089.28	
Total	57,569,345.01	166,966,530.04	153,837,884.32	70,697,990.73

4. Termination benefits

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
Termination benefits	10,528,993.20	3,319,114.49	6,515,495.33	7,332,612.36
Total	10,528,993.20	3,319,114.49	6,515,495.33	7,332,612.36

Note: The Group participates in pension insurance and unemployment insurance plans established by government authorities in accordance with applicable regulations. Under these plans, the Group makes contributions to the respective plans at the rates and bases prescribed by the government authorities in the locations where employees are enrolled. In addition, the Group participates in an enterprise annuity plan established by China Cinda, the parent company; the Company

contributes the employer portion of the enterprise annuity, and employees contribute the individual portion. Beyond the above contributions, the Group has no further payment obligations. The related expenditures are recognized in profit or loss for the current period or in the cost of the relevant assets as incurred.

(XXVII) **Taxes payable**

Item	Closing balance	Opening balance
Corporate income tax	29,173,165.47	112,834,620.03
Individual income tax	27,701,748.31	21,119,724.97
Value-added tax	8,474,487.44	16,819,816.02
Urban maintenance and construction tax	566,776.61	1,133,480.26
Education surcharge and local education surcharge	405,711.32	814,812.76
Dividend and interest tax withheld for clients	168,568.34	162,497.00
Others	954,964.78	534,553.13
Total	67,445,422.27	153,419,504.17

(XXVIII) **Accounts payable**

Nature of payable	Closing balance	Opening balance
Fund distribution fees payable	94,018,845.90	119,875,392.69
Service fees and asset acquisition costs payable	5,101,109.43	10,239,603.88
Clearing payables	5,086,741.09	27,330,915.80
Others	1,713,135.90	383,589.33
Total	105,919,832.32	157,829,501.70

(XXIX) **Contract liabilities**

Item	Closing balance	Opening balance
Investment banking contracts	9,113,207.53	
Asset management contracts		2,279,874.21
Total	9,113,207.53	2,279,874.21

(XXX) **Provisions**

Item	Closing balance	Opening balance
Pending litigation	2,477,319.21	6,726,245.10
Total	2,477,319.21	6,726,245.10

Note: Key assumptions and estimates relating to significant provisions: The provisions recognized by Cinda Securities for the year ended December 31, 2023 amounted to RMB2,477,300, relating to the misrepresentation tort liability dispute involving Gongda Gaoxin and the misrepresentation tort liability dispute involving Boriger Securities.

(XXXI) Long-term borrowings

Type of borrowing	Closing balance	Opening balance	Interest rate range
Unsecured borrowings		296,345,912.92	5.303%-6.038%
Total		296,345,912.92	

(XXXII) Long-term debt securities issued

Bond name	Bond type	Par value	Issuance amount	Interest commencement date	Maturity date	Coupon rate	Opening balance	Increase for the period	Decrease for the period	Closing balance
23 Cinda 02	Corporate bond	100	3,000,000,000.00	2023-12-1	2024-12-3	2.86%		3,004,254,764.44	-	3,004,254,764.44
23 Cinda 01	Corporate bond	100	2,000,000,000.00	2023-4-13	2026-4-13	3.23%		2,046,590,930.00	824,736.98	2,045,766,193.02
23 Cinda S2	Corporate bond	100	2,000,000,000.00	2023-6-9	2024-4-24	2.41%		2,027,073,612.10	38,549.65	2,027,035,062.45
21 Cinda 01	Corporate bond	100	1,500,000,000.00	2021-3-24	2024-3-24	3.70%	1,538,954,704.22	58,653,211.97	55,499,998.35	1,542,107,917.84
20 Cinda 02	Corporate bond	100	1,000,000,000.00	2020-3-27	2025-3-27	3.57%	1,026,398,131.55	36,110,983.93	35,723,908.66	1,026,785,206.82
20 Cinda 01	Corporate bond	100	2,000,000,000.00	2020-3-27	2023-3-27	3.08%	2,046,794,597.69	14,805,398.73	2,061,599,996.42	
20 Cinda G1	Corporate bond	100	2,500,000,000.00	2020-7-17	2023-7-17	3.80%	2,541,568,303.69	53,431,693.46	2,594,999,997.15	
22 Cinda S1	Corporate bond	100	2,000,000,000.00	2022-7-19	2023-4-24	2.20%	2,018,786,900.45	14,845,977.59	2,033,632,878.04	
23 Cinda S1	Short-term corporate bond	100	3,000,000,000.00	2023-3-3	2023-12-7	2.83%		3,065,284,551.46	3,065,284,551.46	
Cinda International corporate bond	Corporate bond	100HKD	10,000,000.00HKD	2013-9-5	2023-3-5	3.00%	9,004,283.97	147,971.69	9,152,255.66	
Total							9,181,506,921.57	10,321,199,095.37	9,856,756,872.37	9,645,949,144.57

(XXXIII) **Lease liabilities**

1. By item

Item	Closing balance	Opening balance
Lease payments	470,023,483.58	197,360,711.48
Less: unrecognized finance charges	27,172,910.55	6,071,383.40
Total	442,850,573.03	191,289,328.08

2. By categories

Item	Closing balance	Opening balance
Buildings	433,905,723.98	184,683,481.02
Machinery and equipment	8,944,849.05	6,372,372.51
Others		233,474.55
Total	442,850,573.03	191,289,328.08

(XXXIV) **Other liabilities**

1. By categories

Item	Closing balance	Opening balance
Interests held by third parties in structured entities	501,225,079.94	170,489,725.43
Other payables	212,072,114.44	225,063,765.90
Futures risk reserve	78,582,668.55	74,290,478.99
Securities investor protection fund	8,225,471.13	6,885,500.13
Deferred income	3,178,067.82	8,626,184.22
Futures investor protection fund	173,644.50	175,247.60
Others	47,295.77	
Total	803,504,342.15	485,530,902.27

2. Other payables

(1) By nature

Nature of payable	Closing balance	Opening balance
Deposits and security deposits	47,934,912.00	70,643,654.16
Tax withholdings and remittances	30,305,252.58	28,094,157.58
Payables for goods and services	29,561,608.46	12,870,445.15

Nature of payable	Closing balance	Opening balance
Broker risk reserve	12,293,192.85	13,481,060.76
Payable for acquisition of Cinda International	8,757,113.79	8,739,913.04
Securities clearing payables	6,092,847.00	6,844,014.12
Others	77,127,187.76	84,390,521.09
Total	212,072,114.44	225,063,765.90

(1) Interests held by third parties in structured entities represent the equity interests payable to investors arising from consolidated structured entities of the Group.

(2) The futures risk reserve is appropriated by Cinda Futures, a subsidiary of the Company, at 5% of its net brokerage commission income after deducting commissions payable to futures exchanges.

(3) In 2023, the Company appropriated the securities investor protection fund payable to China Securities Investor Protection Fund Corporation Limited at 0.75% of operating revenue (2022: 0.75%).

(4) In 2023, the futures investor protection fund was appropriated by Cinda Futures, a subsidiary of the Company, at six hundred-millionths of the volume of brokerage transactions (2022: six hundred-millionths).

(XXXV) **Share capital**

Item	Opening balance	Changes for the period: Issuance of new shares	Changes for the period: Total	Closing balance
I. Restricted shares	2,918,700,000.00			2,918,700,000.00
1. State-owned shares				
2. State-owned legal person shares	2,758,700,000.00			2,758,700,000.00
3. Other domestic shares	160,000,000.00			160,000,000.00
Including: Domestic legal person shares	160,000,000.00			160,000,000.00
II. Unrestricted tradable shares		324,300,000.00	324,300,000.00	324,300,000.00
1. RMB-denominated ordinary shares		324,300,000.00	324,300,000.00	324,300,000.00
Total shares	2,918,700,000.00	324,300,000.00	324,300,000.00	3,243,000,000.00

Note: On December 12, 2022, the CSRC issued the Reply on Approving the Initial Public Offering of Cinda Securities Co., Ltd. (Zheng Jian Xu Ke [2022] No. 3121), approving the public issuance of no more than 324,300,000 new shares. On January 16, 2023, the Company publicly issued 324,300,000 RMB-denominated ordinary shares (A shares), which were listed and traded on the Main Board of the Shanghai Stock Exchange on February 1, 2023. Upon completion of the offering, the Company's total share capital increased from 2,918,700,000 shares to 3,243,000,000 shares. On March 27, 2023, the Company completed the business registration change procedures, with the registered capital revised to RMB3,243,000,000. The total proceeds raised from the offering amounted to RMB2,675,475,000, and the net proceeds after deducting issuance costs amounted to RMB2,580,957,000, of which RMB324,300,000 was credited to share capital and RMB2,256,657,000 was credited to capital reserve. Ernst & Young Hua Ming LLP verified the receipt of the offering proceeds and issued the Capital Verification Report (Ernst & Young Hua Ming [2023] Yan Zi No. 61232044_A01) on January 20, 2023.

(XXXVI) Capital reserve

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital reserve	1,759,443,902.12	2,256,657,035.99		4,016,100,938.11
Total	1,759,443,902.12	2,256,657,035.99		4,016,100,938.11

Note: Changes in capital reserve during the current period are detailed in Note VI.(XXXV), Share Capital.

(XXXVII) Other comprehensive income

				Amount for the current period					
Item	Opening balance	Amount before income tax	Less: income tax expense	Less: amount transferred to profit or loss from other comprehensive income	Less: amount transferred to retained earnings from other comprehensive income	Total	Amount attributable to parent company after tax	Amount attributable to non-controlling interests after tax	Closing balance
I. Other comprehensive income not reclassified subsequently to profit or loss	2,130,490.96	14,377,823.47	3,594,455.87		41,015,096.92	(30,231,729.32)	(30,231,729.32)		(28,101,238.36)
Fair value changes of investments in other equity instruments	2,130,490.96	14,377,823.47	3,594,455.87		41,015,096.92	(30,231,729.32)	(30,231,729.32)		(28,101,238.36)
II. Other comprehensive income to be reclassified subsequently to profit or loss	(57,797.27)	282,534,495.40	50,035,030.96	65,768,500.44		166,730,964.00	160,579,409.10	6,151,554.90	160,521,611.83
Other comprehensive income under the equity method to be reclassified to profit or loss	13,067,717.42	(2,178,367.78)				(2,178,367.78)	(1,372,373.98)	(805,993.80)	11,695,343.44
Fair value changes of other debt instruments investments	(41,844,738.63)	269,855,054.75	44,580,638.48	65,768,500.44		159,505,915.83	149,973,262.69	9,532,653.14	108,128,524.06

Item	Opening balance	Amount for the current period							
		Amount before income tax	Less: income tax expense	Less: amount transferred to profit or loss from other comprehensive income	Less: amount transferred to retained earnings from other comprehensive income	Total	Amount attributable to parent company after tax	Amount attributable to non-controlling interests after tax	Closing balance
Provision for credit loss of other debt instruments investments	23,261,831.18	6,808,783.11	5,454,392.48			1,354,390.63	6,907,626.01	(5,553,235.38)	30,169,457.19
Exchange differences on translation of foreign operations	5,457,392.76	8,049,025.32				8,049,025.32	5,070,894.38	2,978,130.94	10,528,287.14
Total	2,072,693.69	296,912,318.87	53,629,486.83	65,768,500.44	41,015,096.92	136,499,234.68	130,347,679.78	6,151,554.90	132,420,373.47

(XXXVIII) Surplus reserve

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	953,197,525.25	136,590,606.44		1,089,788,131.69
Total	953,197,525.25	136,590,606.44		1,089,788,131.69

Note: In accordance with the Company Law of the People's Republic of China, the Company's articles of association and resolutions of the Board of Directors, the Company appropriates 10% of its annual net profit, after offsetting prior years' losses, to the statutory surplus reserve. Once the cumulative balance of the statutory surplus reserve reaches 50% or more of the registered capital, no further appropriation is required. The statutory surplus reserve may, upon approval, be used to offset losses or to increase registered capital. Where the statutory surplus reserve is used to increase registered capital, the remaining balance shall not be less than 25% of the registered capital prior to the transfer. The statutory surplus reserve appropriated during the current period amounted to RMB136,590,606.44.

(XXXIX) General reserve

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
General reserves	1,189,746,734.13	196,058,385.56		1,385,805,119.69
Trading risk reserve	944,341,047.09	136,590,606.44		1,080,931,653.53
Total	2,134,087,781.22	332,648,992.00		2,466,736,773.22

Notes:

Additions to the general reserve during the current period:

(1) In accordance with the Financial Rules for Financial Enterprises, Cinda Securities and Cinda Futures each appropriated 10% of their respective after-tax profits, after offsetting prior years' losses, to the general reserve. The total amount appropriated during the current period was RMB144,131,994.59.

(2) In accordance with the Operational Guidelines for the Application of the Guiding Opinions on Regulating the Asset Management Business of Financial Institutions to the Large Pooled Asset Management Business of Securities Companies (CSRC Announcement [2018] No. 39), Cinda Securities appropriated 10% of the asset management fee income received from large pooled products during the current period to the general reserve. The amount appropriated during the current period was RMB1,730,026.92.

(3) In accordance with the Interim Measures for the Supervision and Administration of Risk Reserves for Publicly Offered Securities Investment Funds, Cinda Fund Management Co., Ltd. appropriated 10% of fund management fee income from after-tax profits to the general reserve; once the balance reaches 1% of the net asset value of the funds under management, no further appropriation is required. The amount appropriated by Cinda Fund during the current period was RMB92,956,229.72, of which the portion attributable to the parent company amounted to RMB50,196,364.05.

Additions to the trading risk reserve during the current period:

(1) In accordance with the Securities Law of the People's Republic of China, Cinda Securities appropriated 10% of its after-tax profits to the trading risk reserve for the purpose of covering securities trading losses. The total amount appropriated during the current period was RMB136,590,606.44.

(XL) Retained profits

Item	Current period	Prior period
Retained profits at the end of the prior period before adjustments	5,914,975,879.00	5,143,168,443.37
Total adjustments to opening retained profits (increase +, decrease -)		
Retained profits at the beginning of the period after adjustments	5,914,975,879.00	5,143,168,443.37
Add: Net profit attributable to owners of the parent company for the period	1,466,886,707.38	1,227,342,108.11
Less: Appropriation to statutory surplus reserve	136,590,606.44	130,322,599.79
Appropriation to general reserve	196,058,385.56	194,889,472.90
Appropriation to trading risk reserve	136,590,606.44	130,322,599.79
Distributions to shareholders	142,692,000.00	
Transfer from other comprehensive income to retained profits	41,015,096.92	
Retained profits at the end of the period	6,810,946,084.86	5,914,975,879.00

Note: On June 27, 2023, as approved by the general meeting of shareholders, the Company declared a cash dividend of RMB0.44 per 10 shares (inclusive of tax) to all A-share shareholders, based on the total share capital of 3,243,000,000.00 shares following the Company's public offering of RMB-denominated ordinary shares (A shares), amounting to total cash dividends of RMB142,692,000.00 (inclusive of tax).

(XLI) Net fee and commission income

1. By item

Item	Current period	Prior period
Net income from securities brokerage business	692,009,670.68	835,074,575.40
– Securities brokerage income	910,043,107.83	1,103,081,703.12
– Agency securities trading	644,775,428.26	759,723,844.34
Trading unit seat rental	243,093,959.31	291,705,899.49
Distribution of financial products	22,173,720.26	51,651,959.29
– Securities brokerage expenses	218,033,437.15	268,007,127.72
– Agency securities trading	218,033,437.15	268,007,127.72
Net income from futures brokerage business	87,096,107.25	87,934,360.86
– Futures brokerage income	193,899,845.37	177,274,632.83
– Futures brokerage expenses	106,803,738.12	89,340,271.97
Net income from investment banking business	154,283,385.18	186,095,834.31
– Investment banking income	163,355,896.48	200,960,928.68
– Securities underwriting	112,150,788.74	125,983,598.80
Sponsorship services	943,396.23	2,943,396.23
Financial advisory services	50,261,711.51	72,033,933.65
– Investment banking expenses	9,072,511.30	14,865,094.37
– Securities underwriting	9,072,511.30	14,865,094.37
Net income from asset management business	232,328,916.19	260,015,006.11
– Asset management income	232,451,777.99	270,349,058.03
– Asset management expenses	122,861.80	10,334,051.92
Net income from fund management business	651,653,820.30	1,048,440,396.97
– Fund management income	934,185,129.25	1,048,440,396.97
– Fund management expenses	282,531,308.95	
Net income from investment consulting business	55,445,035.46	56,767,559.83
– Investment consulting income	55,731,293.80	57,054,700.32
– Investment consulting expenses	286,258.34	287,140.49
Other net fee and commission income	43,325,007.38	60,673,291.04
– Other fee and commission income	44,374,149.72	60,981,965.12

Item	Current period	Prior period
– Other fee and commission expenses	1,049,142.34	308,674.08
Total	1,916,141,942.44	2,535,001,024.52
Net fee and commission income	1,916,141,942.44	2,535,001,024.52
Including: Total fee and commission income	2,534,041,200.44	2,918,143,385.07
Total fee and commission expenses	617,899,258.00	383,142,360.55

2. Financial advisory services

Item	Current period	Prior period
Net income from M&A and restructuring financial advisory services – domestic listed companies	1,886,792.46	20,283,018.87
Net income from M&A and restructuring financial advisory services – others	493,207.55	14,727,665.70
Net income from other financial advisory services	47,881,711.50	37,023,249.08
Total	50,261,711.51	72,033,933.65

3. Asset management business

Item	Collective asset management	Directed asset management	Special asset management
Number of products at the end of period	87	52	29
Number of clients at the end of period	24,481	52	348
Including: Individuals	24,274	2	
Institutions	207	50	348
Assets under management at the beginning of period	5,744,589,888.04	36,716,801,196.29	36,612,147,100.00
Including: Proprietary funds invested	210,384,732.95	1,482,386,844.87	
Individuals	3,723,151,226.54	23,474,693.28	
Institutions	1,811,053,928.55	35,210,939,658.14	36,612,147,100.00
Assets under management at the end of period	8,016,820,576.30	27,139,725,671.78	36,243,872,500.00
Including: Proprietary funds invested	251,595,000.13	723,200,000.00	
Individuals	3,576,116,493.47	14,208,864.22	
Institutions	4,189,109,082.70	26,402,316,807.56	36,243,872,500.00
Initial cost of principal assets under management at the end of period	8,780,126,986.47	27,298,853,691.65	36,158,059,400.00
Including: Stocks	2,049,412,527.04	18,996,197,242.56	
Bonds	5,653,772,988.68	1,203,701,714.34	
Funds	99,347,496.64	81,804,748.95	
Asset-backed securities	160,247,551.98		
Others	817,346,422.13	7,017,149,985.80	36,158,059,400.00
Net income from asset management business for the period	98,704,187.34	123,054,564.07	4,374,935.11

(XLII) Net interest income

Item	Current period	Prior period
Interest income	1,468,755,193.97	1,152,229,423.87
Interest income on cash and bank balances and deposits with clearing houses	526,464,341.79	495,230,392.37
Interest income on interbank placements	757,547.86	
Interest income on receivable from margin clients	603,708,911.42	590,851,453.53
Interest income on reverse REPOs	10,861,969.09	13,399,417.01
Including: Interest income on agreed repurchase	2,609.55	34,639.45
Interest income on stock pledged repurchase	3,026,895.04	8,085,053.91
Interest income on debt investments	9,721,739.63	
Interest income on other debt investments	327,719,878.80	37,609,066.56
Others	92.87	4,659,806.91
Interest expense	1,045,035,073.39	866,801,845.95
Interest expense on short-term borrowings	17,031,977.59	
Interest expense on placements from financial institutions	222,003,801.30	150,636,748.99
Interest expense on REPOs	263,814,895.12	217,094,597.72
Including: Interest expense on quoted repurchase	11,969,464.18	46,414,863.86
Interest expense on accounts payable to brokerage client	129,534,456.62	101,971,976.41
Interest expense on long-term borrowings	5,310,755.91	16,073,041.14
Interest expense on long-term debt securities issued	366,724,093.40	369,714,996.49
Including: Interest expense on subordinated bonds		37,631,915.40
Interest expense on finance leases	9,505,781.17	8,586,228.62
Others	31,109,312.28	2,724,256.58
Net interest income	423,720,120.58	285,427,577.92

(XLIII) Investment income

1. By categories

Item	Current period	Prior period
Investment income from long-term equity investments accounted for under the equity method	17,301,045.36	5,688,079.07
Investment income from disposal of long-term equity investments		858,183.08
Investment income from financial instruments	956,470,501.98	1,006,254,055.28
Including: Income recognized during the holding period	1,630,619,094.83	1,224,613,973.21
Including: Trading financial assets	1,602,037,441.83	1,224,613,973.21
Investments in other equity instruments	28,581,653.00	
Income from disposal of financial instruments	(674,148,592.85)	(218,359,917.93)
Including: Trading financial assets	(682,059,244.45)	(169,895,393.24)
Other debt investments	44,602,231.68	(1,804,284.88)
Derivative financial instruments	(33,865,406.02)	(39,129,402.02)
Trading financial liabilities	(2,826,174.06)	(7,530,837.79)
Others	(9,020,341.24)	(7,077,262.01)
Total	964,751,206.10	1,005,723,055.42

2. Investment income from trading financial instruments by category

Trading financial instrument		Current period	Prior period
Financial assets classified as measured at fair value through profit or loss	Income recognized during the holding period	1,602,037,441.83	1,224,613,973.21
	Income from disposal	(682,059,244.45)	(169,895,393.24)
Financial assets designated as measured at fair value through profit or loss	Income recognized during the holding period		
	Income from disposal		
Financial liabilities classified as measured at fair value through profit or loss	Income recognized during the holding period		
	Income from disposal	(2,826,174.06)	(7,530,837.79)
Financial liabilities designated as measured at fair value through profit or loss	Income recognized during the holding period		
	Income from disposal		

(XLIV) Other income

Item	Current period	Prior period
Government grants related to ordinary activities	18,811,079.38	16,978,011.43
Refund of handling fees for withholding individual income tax	2,677,364.56	3,115,859.04
Total	21,488,443.94	20,093,870.47

(XLV) Gains arising from changes in fair value

Source of gains arising from changes in fair value	Current period	Prior period
Trading financial assets	182,676,324.58	(393,130,466.21)
Including: Financial assets designated as measured at fair value through profit or loss		
Trading financial liabilities	(1,458,329.88)	4,045,143.56
Including: Financial liabilities designated as measured at fair value through profit or loss	787,576.43	3,544,596.13
Derivative financial instruments	(31,191,709.05)	(25,351,922.37)
Others		
Total	150,026,285.65	(414,437,245.02)

(XLVI) **Other operating revenue/costs**

Item	Current period	Prior period
Other operating revenue	8,080,501.45	11,902,916.70
Including: Property rental income	3,446,320.41	3,536,877.62
Consulting income		
Others	4,634,181.04	8,366,039.08
Other operating costs	21,187.56	

(XLVII) **Gains on disposal of assets**

Item	Current period	Prior period
Net gains on disposal of fixed assets	(54,197.22)	(22,386.68)
Others	777,758.60	86,602.22
Total	723,561.38	64,215.54

(XLVIII) **Taxes and surcharges**

Item	Current period	Prior period
Urban maintenance and construction tax	10,941,915.69	12,664,369.96
Education surcharge and local education surcharge	7,824,740.50	9,292,087.40
Stamp duty	918,817.14	889,330.83
Property tax	646,628.14	298,698.20
Land use tax	98,423.88	98,873.88
Vehicle and vessel tax	25,627.84	41,070.00
Others	31,685.78	
Total	20,487,838.97	23,284,430.27

(XLIX) Operating and administrative expenses

Item	Current period	Prior period
Employee benefits	1,114,148,094.62	1,052,245,245.87
Depreciation and amortization	188,247,568.30	160,950,444.82
Electronic equipment operating costs	84,621,596.08	59,547,941.87
Rental and property management fees	80,666,494.95	78,514,594.23
Distribution and marketing expenses	45,197,066.72	45,051,732.58
Postage and telecommunications expenses	32,378,269.85	33,328,116.92
Travel expenses	29,494,560.98	11,522,183.36
Business entertainment expenses	29,097,868.69	21,607,533.39
Consulting fees	27,388,536.59	30,992,277.76
Exchange facility usage fees	24,067,700.00	23,654,370.64
Investor protection fund	18,245,657.08	16,405,580.32
Advertising and promotional expenses	17,218,297.82	11,274,619.76
Utility fee	7,046,380.31	5,561,992.74
Fund and asset management plan distribution fees	6,092,056.03	386,775,266.25
Others	64,302,803.31	12,139,741.53
Total	1,768,212,951.33	1,949,571,642.04

(L) Provision for impairment losses under expected credit loss model

Item	Current period	Prior period
Impairment losses on reverse REPOs	(54,551,735.36)	(36,915,035.01)
Impairment losses on accounts receivable	(3,399,690.07)	40,779.74
Impairment losses on receivable from margin clients	6,849,101.30	1,879,976.39
Impairment losses on other debt investments	6,808,783.11	(28,718,665.51)
Impairment losses on other receivables	4,446,753.65	30,039.46
Total	(39,846,787.37)	(63,682,904.93)

(LI) Non-operating revenue

Item	Current period	Prior period	Amount recognized in non-recurring profit or loss for the current period
Provisions no longer required	6,726,245.10		6,726,245.10
Gains on retirement and disposal of non-current assets	49,833.56	102,742.64	49,833.56
Penalty income		230,000.00	
Others	517,629.88	184,060.73	517,629.88
Total	7,293,708.54	516,803.37	7,293,708.54

(LII) Non-operating expenses

Item	Current period	Prior period	Amount recognized in non-recurring profit or loss for the current period
Donations	4,813,000.00	3,498,606.00	4,813,000.00
Compensation payments	348,248.66	7,196,838.40	348,248.66
Losses on retirement and disposal of non-current assets	171,308.06	791,832.33	171,308.06
Others	1,986,650.09	309,118.12	1,986,650.09
Total	7,319,206.81	11,796,394.85	7,319,206.81

(LIII) Income tax expense

1. By item

Item	Current period	Prior period
Current income tax	77,772,864.99	185,121,208.34
Deferred income tax	114,225,533.10	13,913,149.50
Total	191,998,398.09	199,034,357.84

2. Reconciliation of income tax expense to accounting profit

Item	Current period	Prior period
Profit before income tax	1,734,593,293.69	1,517,309,832.92
Income tax expense at statutory tax rate	433,648,323.42	379,327,458.24
Tax effect of non-deductible expenses	52,543,566.35	6,404,929.11
Tax effect of tax-exempt income	(296,971,875.71)	(192,996,857.95)
Effect of different tax rates applicable to subsidiaries in different jurisdictions	12,374.92	834,614.56
Tax effect of unrecognized deductible temporary differences	979,328.37	
Tax adjustments in respect of prior years	454,702.98	
Others	1,331,977.76	5,464,213.88
Total income tax expense	191,998,398.09	199,034,357.84

(LIV) Details of other comprehensive income items, related income tax effects and reclassification to profit or loss

Please refer to "Note VI. (XXXVII) Other Comprehensive Income".

(LV) Notes to items in the statement of cash flows

1. Cash received relating to other operating activities

Item	Current period	Prior period
Collections on accounts receivable	204,308,722.73	138,914,075.62
Increase in accounts payable and other payables	53,593,838.86	15,523,860.92
Other income	21,488,443.94	20,093,870.47
Other operating revenue and non-operating revenue	15,324,376.43	12,316,977.43
Total	294,715,381.96	186,848,784.44

2. Cash paid relating to other operating activities

Item	Current period	Prior period
Operating expenses paid in cash	460,186,730.95	733,692,136.50
Increase in deposits paid	287,066,932.09	132,101,796.69
Payments on intercompany balances	121,349,737.83	706,575,355.31
Increase in restricted funds	111,693,112.95	104,897,961.68
Other operating costs and non-operating expenses	7,169,086.31	11,004,562.52
Total	987,465,600.13	1,688,271,812.70

3. Cash paid relating to other financing activities

Item	Current period	Prior period
Repayment of lease liabilities	136,886,051.88	84,661,622.91
Total	136,886,051.88	84,661,622.91

(LVI) Supplementary information to the statement of cash flows

1. Reconciliation of net profit to cash flows from operating activities

Item	Current period	Prior period
Net profit	1,542,594,895.60	1,318,275,475.08
Add: Expected credit losses and other asset impairment losses	(39,846,787.37)	(63,682,904.93)
Depreciation of fixed assets	25,760,940.58	19,165,110.12
Amortization of intangible assets	37,648,064.04	34,262,620.72
Amortization of long-term prepaid expenses	11,099,694.11	12,060,962.43
Depreciation of right-of-use assets	113,499,027.59	95,461,751.55
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains denoted by "-")	(602,086.88)	624,874.15
Losses arising from changes in fair value (gains denoted by "-")	(150,026,285.65)	414,437,245.02
Interest expense	422,641,952.79	392,124,284.13
Investment losses (gains denoted by "-")	(81,464,588.79)	2,335,284.74

Item	Current period	Prior period
Foreign exchange losses (gains denoted by "-")	1,438,079.09	6,012,823.77
Deferred income tax expense	114,225,533.10	13,913,149.50
Decrease in operating receivables (increase denoted by "-")	(2,815,578,108.30)	260,688,574.97
Increase in operating payables (decrease denoted by "-")	3,236,968,533.65	5,144,555,494.59
Net cash flows from operating activities	2,418,358,863.56	7,650,234,745.84
II. Investing and financing activities not involving cash receipts and payments:		
III. Net increase in cash and cash equivalents:		
Closing carrying amount of cash	19,014,873,821.88	21,509,674,004.17
Less: opening carrying amount of cash	21,509,674,004.17	19,228,090,516.37
Add: closing carrying amount of cash equivalents		
Less: opening carrying amount of cash equivalents		
Net increase in cash and cash equivalents	(2,494,800,182.29)	2,281,583,487.80

2. Composition of cash and cash equivalents

Item		Closing balance	Opening balance
I. Cash			
Including:	Cash on hand	60,988.41	54,813.57
	Bank deposits available for payment on demand	16,282,724,918.74	18,876,934,413.78
	Other monetary funds available for payment on demand	7,647,212.88	7,371,568.98
Deposits with clearing houses		2,724,440,701.85	2,625,313,207.84
II. Cash equivalents			
Including:	Bond investments maturing within three months		
III. Closing balance of cash and cash equivalents		19,014,873,821.88	21,509,674,004.17
Including:	Cash and cash equivalents subject to restrictions on use by the parent company or subsidiaries within the Group		

(LVII) Assets with restricted ownership or right of use

Item	Closing carrying amount	Reason for restriction
Cash and bank balances	431,080,008.88	Segregated risk reserve accounts
Trading financial assets	9,457,208,163.80	See notes below
Other debt investments	4,954,435,411.59	Pledged for repurchase financing, securities borrowing and lending, and treasury bond pledge margin for futures business
Total	14,842,723,584.27	

Note: Details of restrictions on trading financial assets are as follows:

Item	Closing carrying amount	Reason for restriction
Bonds	4,890,850,285.56	Pledged for pledged repurchase transactions

Item	Closing carrying amount	Reason for restriction
	3,297,291,000.50	Pledged for securities borrowing and lending
Funds	1,213,724,642.69	Pledged for pledged repurchase transactions
	20,153,817.73	Securities lent under margin financing and securities lending
Stocks	35,112,777.32	Subject to lock-up period
	75,640.00	Securities lent under margin financing and securities lending
Total	9,457,208,163.80	

(LVIII) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue. The number of newly issued ordinary shares is determined from the date on which consideration is receivable (generally the date of share issuance), as specified in the terms of the relevant issuance agreement.

The numerator for diluted earnings per share is the net profit for the period attributable to ordinary shareholders of the Company, adjusted for the following: (1) interest on dilutive potential ordinary shares recognized as expense during the period; (2) income or expenses that would arise upon the conversion of dilutive potential ordinary shares; (3) the dilutive effect of potential ordinary shares of subsidiaries; and (4) the related income tax effects of the above adjustments.

The denominator for diluted earnings per share is the sum of: (1) the weighted average number of ordinary shares of the parent company already in issue as used in the basic earnings per share calculation; and (2) the weighted average number of ordinary shares that would be issued assuming the conversion of all dilutive potential ordinary shares.

In calculating the weighted average number of additional ordinary shares arising from the assumed conversion of dilutive potential ordinary shares into ordinary shares already in issue, dilutive potential ordinary shares issued in prior periods are assumed to have been converted at the beginning of the current period, while dilutive potential ordinary shares issued during the current period are assumed to have been converted on the date of issuance. As of December 31, 2023 and December 31, 2022, the Company had no dilutive potential ordinary shares; accordingly, diluted earnings per share is equal to basic earnings per share.

The specific calculations of basic and diluted earnings per share are as follows:

Item	Current period	Prior period
Earnings:		
Net profit attributable to ordinary shareholders of the Company	1,466,886,707.38	1,227,342,108.11
Including: Net profit attributable to continuing operations	1,466,886,707.38	1,227,342,108.11
Adjusted net profit attributable to ordinary shareholders of the Company	1,466,886,707.38	1,227,342,108.11
Shares:		
Weighted average number of ordinary shares in issue	3,215,975,000.00	2,918,700,000.00
Weighted average number of ordinary shares from conversion of dilutive potential ordinary shares	3,215,975,000.00	2,918,700,000.00
Basic earnings per share	0.46	0.42
Diluted earnings per share	0.46	0.42

(LIX) Leases

As Lessee

	Amount for the current period	
Item	The Group	The Company
Interest expense on lease liabilities	9,505,781.17	6,047,075.67
Short-term lease expenses recognized in profit or loss under the simplified approach	57,753,967.67	55,254,820.18
Low-value asset lease expenses recognized in profit or loss under the simplified approach	263,004.35	228,506.51
Total cash outflows relating to leases	194,903,023.90	148,964,773.50

	Amount for the prior period	
Item	The Group	The Company
Interest expense on lease liabilities	8,241,228.62	4,549,367.49
Short-term lease expenses recognized in profit or loss under the simplified approach	56,803,650.71	53,961,939.09
Low-value asset lease expenses recognized in profit or loss under the simplified approach	636,746.22	593,559.41
Total cash outflows relating to leases	157,366,002.36	121,349,050.34

VII. CHANGES IN THE SCOPE OF CONSOLIDATION

(I) Subsidiaries

There were no changes to the subsidiaries included in the scope of consolidation during the current period.

(II) Changes in the scope of consolidation due to other reasons

Changes in the structured entities consolidated during the current period are set out in Note VIII. (III) Interests in Consolidated Structured Entities.

VIII. INTERESTS IN OTHER ENTITIES

(I) Interests in subsidiaries

1. Composition of the Group

Full name of subsidiary	Legal representative	Place of registration	Nature of business	Ownership proportion (%) Current period	Ownership proportion (%) Prior period	Voting rights proportion (%)	Method of acquisition
Cinda Futures Co., Ltd.	Luo Yongdi	Zhejiang Province	Financial futures brokerage	100.00	100.00	100.00	Incorporation
Xinfeng Investment Management Co., Ltd.	Zhan Jiang	Beijing	Investment management consulting	100.00	100.00	100.00	Incorporation
Cinda Innovation Investment Co., Ltd.	Yu Qing	Beijing	Investment management	100.00	100.00	100.00	Incorporation
Cinda Fund Management Co., Ltd.	Zhu Yongqiang	Shenzhen	Fund raising and distribution	54.00	54.00	54.00	Business combination under common control
China Cinda (HK) Holdings Company Limited	N/A	Hong Kong	Securities brokerage and investment	100.00	100.00	100.00	Incorporation

Notes:

(1) Pursuant to the Reply of the CSRC dated December 21, 2007 on Approving the Change of Registered Capital and Equity of Zhejiang Jindi Futures Brokerage Co., Ltd. (Zheng Jian Qi Huo Zi [2007] No. 367), approval was granted for the Company to invest RMB100,000,000 representing 100% of the registered capital of Zhejiang Jindi Futures Brokerage Co., Ltd. Zhejiang Jindi Futures Brokerage Co., Ltd. was subsequently renamed Cinda Futures Co., Ltd. ("**Cinda Futures**"). The Company increased the registered capital of Cinda Futures by RMB50,000,000, RMB150,000,000 and RMB200,000,000 on June 27, 2008, June 20, 2011 and March 31, 2014, respectively, bringing the registered capital of Cinda Futures to RMB500,000,000 following such increases. The registered capital was verified by ZhongAudit Asia Pacific Certified Public Accountants (Special General Partnership), which issued capital verification report ZhongAudit Asia Pacific Yan Zi [2014] No. 010430. On December 27, 2021, Cinda Securities made a further capital contribution of RMB100,000,000

to Cinda Futures, bringing its registered capital to RMB600,000,000. The registered capital was verified by Baker Tilly China Certified Public Accountants, which issued capital verification report Tian Zhi Ye Zi [2021] No. 46973. Cinda Futures obtained a revised business licence for enterprise as a legal person with registration number 330000000014832 issued by the Zhejiang Provincial Administration for Industry and Commerce on July 10, 2014, and a renewed business licence with unified social credit code 913300001000226378 on November 12, 2015.

(2) Pursuant to the No-Objection Letter of the CSRC dated January 10, 2012 on Cinda Securities Co., Ltd.'s Application to Engage in Direct Investment Business (Jing Zheng Ji Gou Fa [2012] No. 4), the Company contributed RMB200,000,000 to establish its wholly-owned subsidiary Xinfeng Investment Management Co., Ltd. ("**Xinfeng Investment**"). Xinfeng Investment increased its registered capital by RMB200,000,000 in September 19, 2016, bringing its registered capital to RMB400,000,000. The registered capital was verified by ZhongAudit RimForest CPA (Special General Partnership), which issued capital verification report Zhonghuan Jing Yan Zi [2016] No. 0004. Xinfeng Investment obtained a renewed business licence with unified social credit code 91110000593827811L on December 5, 2016.

(3) The Company established its wholly-owned subsidiary Cinda Innovation Investment Co., Ltd. ("**Cinda Innovation**") in August 2013, with a registered capital of RMB100,000,000. The registered capital was verified by ZhongAudit Asia Pacific Certified Public Accountants, which issued capital verification report ZhongAudit Asia Pacific Yan Zi [2013] No. 010587. Cinda Innovation obtained a revised business licence with unified social credit code 911100000785884222 issued by the Beijing Administration for Industry and Commerce on April 20, 2016. The Company made further capital contributions of RMB200,000,000 and RMB10,000,000 on August 30, 2019 and November 19, 2021, respectively, bringing the paid-in capital of Cinda Innovation to RMB310,000,000.

(4) Pursuant to the change approval notice issued by the Shenzhen Market Supervision Administration, the Company acquired 54% of the equity interest in Cinda Fund held by China Cinda on May 22, 2015. Cinda Fund is a Sino-foreign joint venture fund management company established in Shenzhen, the People's Republic of China, by China Cinda and Colonial First State Group Ltd., with approval from the CSRC. Cinda Fund obtained a revised business licence for enterprise as a legal person with unified social credit code 91440300717866151P issued by the Shenzhen Market Supervision Administration on October 18, 2016.

(5) The Company established its wholly-owned subsidiary China Cinda (HK) Holdings Company Limited on September 5, 2022, with a registered capital of HKD644,260,400. The Company contributed its 63% equity interest in Cinda International Holdings Limited as consideration.

2. Significant restrictions on the use of assets of the Group and settlement of liabilities of the Group: None.

3. Significant non-wholly owned subsidiaries

Full name of subsidiary	Ownership proportion of non-controlling interests (%)	Voting rights proportion of non-controlling interests (%)	Profit or loss attributable to non-controlling interests during the period	Dividends declared to non-controlling interests during the period	Closing balance of non-controlling interests
Cinda Fund Management Co., Ltd.	46	46	79,989,927.23		265,599,921.54

4. Principal financial information of significant non-wholly owned subsidiaries

Item	Cinda Fund Management Co., Ltd. Closing balance or amount for the current period	Cinda Fund Management Co., Ltd. Opening balance or amount for the prior period
Total assets	897,332,990.43	920,834,320.09
Total liabilities	319,941,856.64	517,334,332.46
Operating revenue	936,691,951.34	1,067,613,377.79
Net profit (loss)	173,891,146.16	213,232,002.88
Total comprehensive income	173,891,146.16	213,232,002.88
Cash flows from operating activities	(50,287,558.77)	148,554,243.13

(II) Interests in joint arrangements or associates

1. Associates

Name of associate	Principal place of business	Place of registration	Nature of business	Ownership proportion (%) Direct	Ownership proportion (%) Indirect	Accounting method
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	Shenyang, Liaoning Province	Shenyang, Liaoning Province	Equity trading	41.50		Equity method
Guangzhou Cinda Yueshang Private Equity Fund Management Co., Ltd. (廣州信達粵商私募基金管理有限公司)	Guangzhou, Guangdong Province	Guangzhou, Guangdong Province	Investment consulting		40.00	Equity method
Sino Rock Investment Company Limited	Hong Kong	Hong Kong	Investment consulting and capital management		27.60	Equity method

Name of associate	Principal place of business	Place of registration	Nature of business	Ownership proportion (%) Direct	Indirect	Accounting method
Cinda Plunkett International Absolute Return Fund	Cayman Islands	Cayman Islands	Investment fund		14.87	Equity method
Cinda Plunkett International Holdings Limited	Cayman Islands	Cayman Islands	Fund management		40.00	Equity method
Cinda International Investment Holdings	British Virgin Islands	British Virgin Islands	Investment		47.00	Equity method

Notes:

(1) Cinda International Holdings Limited ("**Cinda International**"), a second-tier subsidiary of the Company, holds a 14.87% equity interest in Cinda Plunkett International Absolute Return Fund and, in its capacity as investment adviser, is able to exercise significant influence over its financial and operating policies. Accordingly, it is accounted for as an associate using the equity method.

(2) Management considers that the operating results and net assets of the associates, whether individually or in aggregate, are not material to the Group. The relevant information is set out in Note VI. (XI).

2. Summary financial information of joint ventures and associates

Item	Closing balance or amount for the current period	Opening balance or amount for the prior period
Joint ventures:		
Total carrying amount of investments		
Proportionate share of the following items		
– Net profit		
– Other comprehensive income		
– Total comprehensive income		
Associates:		
Total carrying amount of investments	448,893,756.58	430,831,722.67
Proportionate share of the following items		
– Net profit	14,565,330.05	(3,337,713.92)
– Other comprehensive income	3,496,703.86	12,721,710.22
– Total comprehensive income	18,062,033.91	9,383,996.31

(III) Interests in consolidated structured entities

In accordance with Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements, the Group consolidates structured entities in which it participates using its own funds and which satisfy the definition of "control" under the standard. Where the Group acts as manager or investor of a structured entity and holds power over the structured entity while other investors do not hold substantive rights, and the Group bears and is entitled to variable returns that are significant in both their proportion and variability, the Group considers that it holds substantial power over the structured entity and acts as principal, thereby constituting control over the structured entity.

Item	Closing balance	Opening balance
Number of consolidated products	33	31
Net assets of consolidated structured entities	3,471,604,975.31	2,601,790,817.14
The Company's interests in the above structured entities as reflected in debt investments and trading financial assets in the balance sheet	2,970,379,895.37	2,431,301,091.71

(IV) Interests in unconsolidated structured entities

Structured entities sponsored by the Group that are not included within the scope of consolidation comprise principally asset management plans, funds and investment partnerships sponsored by the Group. The purpose of these structured entities is primarily to manage investors' assets and earn management fees. Their funding is obtained through the issuance of investment products to investors or through capital contributions from partners pursuant to partnership agreements. The Group's interests in these unconsolidated structured entities consist principally of direct investments held or management fee income earned through managing these entities.

The Group holds interests in unconsolidated structured entities sponsored by related parties or independent third-party institutions in which the Group has invested. These structured entities are primarily established for the purpose of managing investors' assets and earning management fees, with funding obtained through the issuance of investment products to investors.

The carrying amounts of the relevant assets and liabilities and the maximum loss exposure in respect of the Group's interests, held through direct investments in structured entities sponsored by the Group and through unconsolidated structured entities sponsored by related parties in which the Group has invested or independent third-party institutions, as presented in the Group's balance sheet as at December 31, 2023, are set out below:

	Closing balance	
Item	Carrying amount	Maximum loss exposure
Trading financial assets	9,205,570,874.05	9,205,570,874.05

The carrying amounts of the relevant assets and liabilities and the maximum loss exposure in respect of the Group's interests, held through direct investments in structured entities sponsored by the Group and through unconsolidated structured entities sponsored by related parties in which the Group has invested or independent third-party institutions, as presented in the Group's balance sheet as at December 31, 2022, are set out below:

	Opening balance	
Item	**Carrying amount**	**Maximum loss exposure**
Trading financial assets	7,011,267,637.20	7,011,267,637.20

During the year ended December 31, 2023, net fee and commission income earned by the Group from structured entities sponsored by the Group that are not included within the scope of consolidation amounted to RMB1,166,636,907.24.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

(I) Risk management policies and organizational structure

1. Risk management objectives and policies

The Group's objective in risk management is to strike an appropriate balance between risk and return, minimizing the adverse impact of risks on the Group's operating results and maximizing shareholder value. To achieve this objective, the Group's fundamental risk management strategy is to identify and analyze the various risks to which the Group is exposed, establish appropriate risk tolerances, manage risks effectively, and measure and monitor risks in a timely and reliable manner, so as to maintain risk exposure within defined parameters.

The principal risks arising from the Group's ordinary business activities are market risk, credit risk and liquidity risk. The Group has established relevant risk management policies and procedures to identify and analyze these risks, and has set appropriate risk indicators, risk limits, risk policies and internal control processes to manage these risks through continuous monitoring via information systems.

2. Risk management framework

The Group's risk management organizational structure comprises two components: the corporate governance structure and the risk management organizational structure.

Corporate Governance Structure

The Board of Directors is the highest decision-making body for risk management within the Group. It formulates the Group's risk management strategy, objectives and fundamental management policies; approves and issues the overall risk tolerance and

risk limits of the Company; and supervises and reviews management's implementation of risk management responsibilities. The Board has established a Compliance and Risk Management Committee, which evaluates and provides opinions on the overall risk management objectives and fundamental policies, the organizational structure for risk management and its responsibilities, the risks associated with major decisions submitted to the Board for review, and the resolution of material risks, and which supervises management's performance of risk management responsibilities in accordance with applicable laws, regulations and the Company's articles of association. Senior management is ultimately responsible for executing the risk management strategy.

Risk Management Organizational Structure

The Legal and Compliance Department and the Risk Management Department are responsible for assessing, quantitatively monitoring and managing the market risk, operational risk and credit risk associated with the Company's various business lines, progressively optimizing the allocation of economic capital, and managing the Company's compliance risk. The Planning and Finance Department serves as the designated department for liquidity risk management. Each business department is responsible for implementing the Company's risk management strategy and policies, identifying, monitoring and controlling risks, and fostering a comprehensive risk management culture.

(II) Classification of financial instruments

1. Carrying amounts of financial assets by category as of the balance sheet date

	Closing balance			
Financial asset item	**Financial assets measured at amortized cost**	**Financial assets measured at fair value through profit or loss**	**Financial assets measured at fair value through other comprehensive income**	**Total**
Cash and bank balances	16,745,457,705.69			16,745,457,705.69
Deposits with clearing houses	2,729,164,341.33			2,729,164,341.33
Receivable from margin clients	11,067,285,032.60			11,067,285,032.60
Derivative financial assets		312,180.00		312,180.00
Refundable deposits	2,622,023,791.43			2,622,023,791.43
Accounts receivable	406,030,897.84			406,030,897.84
Reverse REPOs	188,267,420.24			188,267,420.24
Trading financial assets		29,161,860,002.86		29,161,860,002.86
Other debt investments			13,075,048,496.44	13,075,048,496.44
Investments in other equity instruments			336,139,328.18	336,139,328.18
Other financial assets	161,959,091.01			161,959,091.01
Total	33,920,188,280.14	29,162,172,182.86	13,411,187,824.62	76,493,548,287.62

	Opening balance			
Financial asset item	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Cash and bank balances	19,238,129,775.70			19,238,129,775.70
Deposits with clearing houses	2,625,484,618.08			2,625,484,618.08
Receivable from margin clients	9,514,518,937.26			9,514,518,937.26
Derivative financial assets		5,405,004.35		5,405,004.35
Refundable deposits	2,334,956,859.34			2,334,956,859.34
Accounts receivable	390,499,088.77			390,499,088.77
Reverse REPOs	172,953,395.06			172,953,395.06
Trading financial assets		28,121,939,619.93		28,121,939,619.93
Other debt investments			1,599,344,317.82	1,599,344,317.82
Investments in other equity instruments			65,234,034.21	65,234,034.21
Other financial assets	370,990,722.35			370,990,722.35
Total	34,647,533,396.56	28,127,344,624.28	1,664,578,352.03	64,439,456,372.87

2. Carrying amounts of financial liabilities by category as of the balance sheet date

	Closing balance		
Financial liability item	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Total
Short-term borrowings	351,054,155.09		351,054,155.09
Short-term debt securities issued	4,669,264,050.82		4,669,264,050.82
Placements from financial institutions	13,828,947,258.16		13,828,947,258.16
Trading financial liabilities		6,848,399.69	6,848,399.69
Derivative financial liabilities		15,286,490.87	15,286,490.87
REPOs	11,802,606,809.76		11,802,606,809.76
Accounts payable to brokerage clients	17,264,793,099.59		17,264,793,099.59
Accounts payable	105,919,832.32		105,919,832.32
Long-term debt securities issued	9,645,949,144.57		9,645,949,144.57
Other financial liabilities	803,504,342.15		803,504,342.15
Total	58,472,038,692.46	22,134,890.56	58,494,173,583.02

Financial liability item	Financial liabilities measured at amortized cost	Opening balance Financial liabilities measured at fair value through profit or loss	Total
Short-term borrowings	41,828,664.49		41,828,664.49
Short-term debt securities issued	730,850,919.36		730,850,919.36
Placements from financial institutions	7,588,585,244.26		7,588,585,244.26
Trading financial liabilities		216,751,261.75	216,751,261.75
REPOs	11,842,746,902.21		11,842,746,902.21
Accounts payable to brokerage clients	19,624,968,732.98		19,624,968,732.98
Accounts payable	157,829,501.70		157,829,501.70
Long-term borrowings	296,345,912.92		296,345,912.92
Long-term debt securities issued	9,181,506,921.57		9,181,506,921.57
Other financial liabilities	485,530,902.27		485,530,902.27
Total	49,950,193,701.76	216,751,261.75	50,166,944,963.51

(III) Credit risk

Credit risk refers to the possibility of loss in asset value arising from a counterparty's failure to fulfill its contractual obligations, a reduction in the likelihood of performance, or a decline in credit ratings of credit instruments. The Group's assets primarily exposed to credit risk include fixed-income financial assets and margin financing and securities lending assets.

Fixed-income financial assets include cash and bank balances, deposits with clearing houses, receivable from margin clients, and bond investments. Their credit risk primarily refers to counterparty default risk and default risk of the issuers of the underlying securities.

The Group's cash and bank balances are mainly held at state-owned commercial banks or joint-stock commercial banks. Deposits with clearing houses are deposited with China Securities Depository and Clearing Corporation Limited, which carries a relatively low credit risk.

To control credit risk arising from counterparties in proprietary trading business, all exchange-traded transactions are settled through China Securities Depository and Clearing Corporation Limited for securities delivery and funds clearing, thereby reducing the likelihood of default. For interbank market transactions, the Group conducts credit assessments of counterparties prior to transacting and selects counterparties with sound credit ratings to manage the associated credit risk. The Group has established an internal rating system with stringent admission criteria for the credit ratings of bonds held in its portfolio, and conducts ongoing monitoring of negative information on holdings to identify potential risks in a timely manner. The credit risk associated with the above proprietary trading business is not considered significant.

Margin financing and securities lending business assets include funds lent to clients for the purchase of securities and the value of securities lent for short selling. The primary credit risk associated with these assets is the risk of default by counterparties due to their failure to repay principal and interest in a timely manner. The Group has established a rigorous forced close-out regime and implements comprehensive monitoring of clients' margin accounts. Two warning thresholds – a top-up maintenance margin ratio and a close-out maintenance margin ratio – are set based on clients' credit trading risk profiles, and the assets and liabilities in clients' margin accounts are monitored against their maintenance margin ratios to ensure the adequacy of collateral. In accordance with the Group's detailed rules for managing margin financing and securities lending control indicators, when a client's maintenance margin ratio falls below the top-up maintenance margin ratio (150%), the Group is entitled to restrict the client from engaging in margin purchases, short sales and other transactions that would increase liabilities, until the client's maintenance margin ratio recovers above the top-up threshold. When a client's maintenance margin ratio falls below the close-out maintenance margin ratio (130%) on Day T, the Group notifies the client to deposit additional collateral or reduce positions within a specified period such that the maintenance margin ratio in the client's account reaches 135% or above by Day T+1; failing which, the Group will execute a forced close-out on Day T+2.

Assessment of Expected Credit Losses

For financial instruments other than those measured under the simplified approach, the Group initially measures the provision for impairment at an amount equal to the 12-month expected credit losses on the financial instrument. The 12-month expected credit losses represent the expected credit losses resulting from default events on the financial instrument that are possible within 12 months after the balance sheet date (or the expected life of the financial instrument if shorter than 12 months), and constitute a portion of the lifetime expected credit losses. Where the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the provision for impairment at an amount equal to the lifetime expected credit losses.

Both lifetime and 12-month expected credit losses are calculated based on the nature of the financial instruments, on either an individual financial instrument basis or a portfolio basis. The Group primarily applies an individual assessment approach to measure lifetime expected credit losses on financial instruments.

The Group has established relevant expected credit loss policies. At each balance sheet date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition by considering changes in the risk of default occurring over the remaining life of the financial instrument. Based on this process, the Group classifies its debt instrument investments into the following stages:

Stage 1: Upon initial recognition of a debt instrument investment, the Group recognizes 12-month expected credit losses. Stage 1 also includes investments reclassified from Stage 2 due to improvement in credit risk.

Stage 2: Where the credit risk on a debt instrument investment has increased significantly since initial recognition, the Group recognizes lifetime expected credit losses. Stage 2 also includes investments reclassified from Stage 3 due to improvement in credit risk.

Stage 3: Debt instrument investments that are credit-impaired. The Group recognizes lifetime credit impairment.

Where the Group no longer reasonably expects to recover all or part of the contractual cash flows on a financial asset, the gross carrying amount of that financial asset is written down directly. Such write-down constitutes a (partial) derecognition of the relevant financial asset.

In estimating expected credit losses, the Group considers different scenarios, each associated with a different probability of default. The assessment of different scenarios takes into account the manner in which defaulted obligations may be recovered, including the likelihood of repayment of the debt instrument, the value of collateral, or amounts that may be recovered from the disposal of assets.

Criteria for Determining Significant Increases in Credit Risk

The Group assesses at each balance sheet date whether the credit risk on a relevant financial instrument has increased significantly since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on the Group's historical data, internal and external credit risk ratings, and forward-looking information. On an individual financial instrument basis or a portfolio basis of instruments with similar credit risk characteristics, the Group assesses changes in the risk of default over the expected life of the financial instrument by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition.

The principal factors considered by the Group in assessing whether the credit risk on a financial instrument has increased significantly include:

- Whether there has been a significant change in external market indicators of credit risk for the same financial instrument or similar instruments with the same expected life;
- Whether there has been or is expected to be a significant change in the external credit rating of the financial instrument;
- Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations;
- Whether there has been or is expected to be a significant change in the debtor's operating results;
- Whether there has been a significant change in the value of collateral pledged as security for the debt, or in the quality of guarantees or credit enhancements provided by third parties;

- Whether there has been or is expected to be a significant change in the debtor's performance or repayment behavior;

- Regardless of the approach used to assess significant increases in credit risk, where contractual payments are more than 30 days past due, it is generally presumed that the credit risk on the financial asset has increased significantly, unless reasonable and supportable information is available at reasonable cost to demonstrate that the credit risk has not increased significantly despite being more than 30 days past due.

Definition of Credit-impaired Assets

In determining whether credit impairment has occurred, the Group applies criteria that are consistent with its internal credit risk management objectives for the relevant financial instruments, and considers both quantitative and qualitative indicators. Credit impairment on a financial asset may result from the combined effect of multiple events rather than any single identifiable event. Where a financial instrument is more than 90 days past due, it is presumed to have defaulted, unless reasonable and supportable information is available to demonstrate that a longer past-due criterion is more appropriate.

Parameters for Measuring Expected Credit Losses

Depending on whether credit risk has increased significantly and whether credit impairment has occurred, the Group measures provision for impairments at either 12-month or lifetime expected credit losses for different categories of assets. The key parameters for measuring expected credit losses include the probability of default, loss given default, and exposure at default. The Group develops probability of default, loss given default and exposure at default models based on quantitative analysis of historical statistical data (such as counterparty ratings, collateral arrangements and types of collateral, and repayment methods) together with forward-looking information.

The relevant definitions are as follows:

- Probability of default refers to the likelihood that a debtor will fail to meet its payment obligations over the next 12 months or over the entire remaining life. The Group estimates the probability of default based on historical default data, internal and external rating information, forward-looking information and other factors;

- Loss given default refers to the Group's expectation of the extent of loss on a given exposure at default. Loss given default varies depending on the type of counterparty, the means and seniority of recourse, and the nature of the collateral. It is expressed as a percentage of the exposure at the time of default;

- Exposure at default refers to the amount that the Group is owed at the time of default, over the next 12 months or over the entire remaining life.

Forward-looking Information

Both the assessment of significant increases in credit risk and the calculation of expected credit losses incorporate forward-looking information. Through historical data analysis, the Group identifies the key economic indicators that affect credit risk and expected credit losses for each business type, and regularly determines the impact of forward-looking information on parameters such as probability of default based on economic forecasts and expert assessments.

1. Maximum credit risk exposure excluding collateral and other credit enhancements

Details of the maximum credit risk exposure excluding collateral and other credit enhancements are as follows:

	The Group	
Item	**Closing balance**	**Opening balance**
Cash and bank balances	16,745,396,717.28	19,238,074,962.13
Deposits with clearing houses	2,729,164,341.33	2,625,484,618.08
Receivable from margin clients	11,067,285,032.60	9,514,518,937.26
Derivative financial assets	312,180.00	5,405,004.35
Refundable deposits	2,622,023,791.43	2,334,956,859.34
Accounts receivable	406,030,897.84	390,499,088.77
Reverse REPOs	188,267,420.24	172,953,395.06
Trading financial assets	23,041,396,990.08	22,160,803,315.35
Other debt investments	13,075,048,496.44	1,599,344,317.82
Other assets	161,959,091.01	370,990,722.35
Maximum credit risk exposure	70,036,884,958.25	58,413,031,220.51

(IV) Market risk

Market risk refers to the risk that the fair value or future cash flows of financial instruments held by the Group may fluctuate due to changes in market prices, including interest rate risk, foreign exchange risk and other price risks.

1. Interest rate risk

Interest rate risk refers to the risk that the Group's financial position and cash flows may be adversely affected by changes in market interest rates. The Group's interest-bearing assets primarily comprise bank deposits, deposits with clearing houses and bond investments. The Group uses sensitivity analysis as its primary tool for monitoring interest rate risk, measuring the impact on profit before income tax and equity of reasonably possible changes in interest rates, assuming all other variables remain constant. The Group's bond investments consist primarily of corporate bonds, local government bonds and other bond instruments; the Group manages the interest rate risk of its portfolio by configuring the portfolio's duration and convexity. Client funds deposited in connection with the securities brokerage business and

client trading settlement funds are matched by currency and tenor, and the Group considers the currency and tenor structures of interest rate-sensitive assets and liabilities in the brokerage business to be substantially matched, with interest rate risk remaining manageable.

The following tables set out the Group's financial instruments exposed to interest rate risk, presented by contractual repricing date or maturity date, whichever is earlier, during the reporting period:

	Closing balance					
Item	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest-bearing	Total
Financial assets						
Cash and bank balances	16,745,396,717.28				60,988.41	16,745,457,705.69
Deposits with clearing houses	2,729,164,341.33					2,729,164,341.33
Receivable from margin clients	3,426,466,876.06				7,640,818,156.54	11,067,285,032.60
Derivative financial assets	171,900.00	133,120.00			7,160.00	312,180.00
Refundable deposits	2,622,023,791.43					2,622,023,791.43
Accounts receivable					406,030,897.84	406,030,897.84
Reverse REPOs	188,267,420.24					188,267,420.24
Trading financial assets	1,869,389,249.41	8,389,196,731.21	11,617,075,566.22	678,529,690.70	6,607,668,765.32	29,161,860,002.86
Other debt investments	616,142,243.39	1,299,297,173.23	8,130,977,339.87	3,028,631,739.95		13,075,048,496.44
Investments in other equity instruments					336,139,328.18	336,139,328.18
Other financial assets					161,959,091.01	161,959,091.01
Subtotal of financial assets	28,197,022,539.14	17,329,445,180.98	19,748,052,906.09	3,707,161,430.65	7,511,866,230.76	76,493,548,287.62
Financial liabilities						
Short-term borrowings	351,054,155.09					351,054,155.09
Short-term debt securities issued	2,680,731,901.29	1,988,532,149.53				4,669,264,050.82
Placements from financial institutions	13,528,776,341.47	300,170,916.69				13,828,947,258.16
Trading financial liabilities		5,959,632.54			888,767.15	6,848,399.69
Derivative financial liabilities		35,522.87	6,725,843.06		8,525,124.94	15,286,490.87
REPOs	11,802,606,809.76					11,802,606,809.76
Accounts payable to brokerage clients	16,946,244,319.59				318,548,780.00	17,264,793,099.59
Accounts payable					105,919,832.32	105,919,832.32
Long-term debt securities issued	1,542,107,917.84	5,031,289,826.89	3,072,551,399.84			9,645,949,144.57
Other financial liabilities					803,504,342.15	803,504,342.15
Subtotal of financial liabilities	46,851,521,445.04	7,325,988,048.52	3,079,277,242.90		1,237,386,846.56	58,494,173,583.02
Net exposure	(18,654,498,905.90)	10,003,457,132.46	16,668,775,663.19	3,707,161,430.65	6,274,479,384.20	17,999,374,704.60

	Opening balance					
Item	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest-bearing	Total
Financial assets						
Cash and bank balances	19,238,074,962.13				54,813.57	19,238,129,775.70
Deposits with clearing houses	2,625,484,618.08					2,625,484,618.08
Receivable from margin clients	2,927,788,993.48	6,586,729,943.78				9,514,518,937.26
Derivative financial assets					5,405,004.35	5,405,004.35
Refundable deposits	2,334,956,859.34					2,334,956,859.34
Accounts receivable					390,499,088.77	390,499,088.77
Reverse REPOs	172,953,395.06					172,953,395.06
Trading financial assets	73,551,719.12	3,516,837,326.83	17,374,273,914.09	1,188,117,244.38	5,969,159,415.51	28,121,939,619.93
Other debt investments	159,232,085.32	184,333,996.88	1,255,778,235.62			1,599,344,317.82
Investments in other equity instruments					65,234,034.21	65,234,034.21
Other financial assets					370,990,722.35	370,990,722.35
Subtotal of financial assets	27,532,042,632.53	10,287,901,267.49	18,630,052,149.71	1,188,117,244.38	6,801,343,078.76	64,439,456,372.87
Financial liabilities						
Short-term borrowings	41,828,664.49					41,828,664.49
Short-term debt securities issued	720,748,151.64	10,102,767.72				730,850,919.36
Placements from financial institutions	6,480,000,000.00	1,100,000,000.00			8,585,244.26	7,588,585,244.26
Trading financial liabilities	193,277,044.25	23,474,217.50				216,751,261.75
REPOs	11,842,746,902.21					11,842,746,902.21
Accounts payable to brokerage clients	13,303,969,614.12				6,320,999,118.86	19,624,968,732.98
Accounts payable					157,829,501.70	157,829,501.70
Long-term borrowings		296,345,912.92				296,345,912.92
Long-term debt securities issued	2,055,798,881.66	4,560,355,204.14	2,565,352,835.77			9,181,506,921.57
Other financial liabilities	485,530,902.27	485,530,902.27				
Subtotal of financial liabilities	34,638,369,258.37	5,990,278,102.28	2,565,352,835.77		6,972,944,767.09	50,166,944,963.51
Net exposure	(7,106,326,625.84)	4,297,623,165.21	16,064,699,313.94	1,188,117,244.38	(171,601,688.33)	14,272,511,409.36

2. Foreign exchange risk

Foreign exchange risk refers primarily to the impact of exchange rate fluctuations on the Group's financial position and cash flows. Foreign currency assets and liabilities held by the Group represent an insignificant proportion of the Group's total assets and liabilities, and the vast majority of the Group's revenue-generating business is conducted in Renminbi. The Group therefore considers that its exposure to foreign exchange risk is not significant.

3. Other price risk

Price risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market prices (other than changes arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Group's investments classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are measured at fair value at the balance sheet date. Accordingly, the Group is exposed to the risk of movements in securities markets. The Group mitigates the price risk associated with equity securities investments by holding a diversified portfolio of equity securities.

Sensitivity Analysis

Assuming a 10% increase or decrease in the market prices of equity investments, with all other variables held constant, the impact on profit before income tax and other comprehensive income (before enterprise income tax effects) based on the above assets at the balance sheet date would be as follows:

	Closing balance	
Type of change	**Profit before income tax**	**Other comprehensive income**
10% increase in market prices	457,158,360.05	33,613,932.82
10% decrease in market prices	(457,158,360.05)	(33,613,932.82)

	Opening balance	
Type of change	**Profit before income tax**	**Other comprehensive income**
10% increase in market prices	536,808,017.22	6,523,403.42
10% decrease in market prices	(536,808,017.22)	(6,523,403.42)

Note: Due to the unsystematic risk inherent in equity investments, the above sensitivity analysis may differ from actual outcomes.

(V) Liquidity risk

Liquidity risk refers to the risk that the Group may incur losses as a result of being unable to convert financial instruments into cash at a reasonable price in a timely manner, or being unable to repay debts as they fall due. The Group meets its funding commitments at maturity and satisfies clients' demands for fund withdrawals by maintaining a substantial proportion of its assets in highly liquid instruments such as cash and bank deposits. The majority of the Group's liabilities consist of client trading settlement funds arising from the securities brokerage business. Following the implementation of the third-party depository system, client trading settlement funds are monitored by the custodian bank and cannot be controlled or diverted by the securities company, thereby ensuring adequate liquidity. The Group is able to address liquidity needs through sale and repurchase operations, and maintains sufficient cash and cash equivalents to meet commitments arising from its business plans for future periods.

The following tables set out the contractual undiscounted cash flows of the Group's financial liabilities, analyzed by maturity date, as of the balance sheet date:

			Closing balance				
Item	Overdue/no fixed maturity	On demand	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities							
Short-term borrowings			352,321,313.90				352,321,313.90
Short-term debt securities issued			2,693,018,869.26	2,037,857,330.00			4,730,876,199.26
Placements from financial institutions			13,536,910,492.78	302,637,000.00			13,839,547,492.78
Trading financial liabilities		888,767.15		5,965,549.93			6,854,317.08
Derivative financial liabilities		8,525,124.94		35,522.87	6,725,843.06		15,286,490.87
REPOs		90,731,432.05	11,713,745,863.07				11,804,477,295.12
Accounts payable to brokerage clients		17,264,793,099.59					17,264,793,099.59
Accounts payable		105,919,832.32					105,919,832.32
Long-term debt securities issued			1,591,200,000.00	5,234,300,000.00	3,164,900,000.00		9,990,400,000.00
Lease liabilities		1,571,813.61	31,475,118.63	102,501,428.31	331,040,266.45		466,588,627.00
Other financial liabilities	501,225,079.94	302,279,262.21					803,504,342.15
Total	501,225,079.94	17,774,709,331.87	29,918,671,657.64	7,683,296,831.11	3,502,666,109.51		59,380,569,010.07

Item	Overdue/no fixed maturity	On demand	Opening balance Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities							
Short-term borrowings			41,973,459.52				41,973,459.52
Short-term debt securities issued			721,881,893.51	10,231,013.70			732,112,907.21
Placements from financial institutions			6,487,663,577.54	1,100,921,666.72			7,588,585,244.26
Trading financial liabilities			194,396,014.92	23,539,850.83			217,935,865.75
REPOs			11,868,698,476.02				11,868,698,476.02
Accounts payable to brokerage clients		19,624,968,732.98					19,624,968,732.98
Accounts payable		157,829,501.70					157,829,501.70
Long-term borrowings				313,464,251.29			313,464,251.29
Long-term debt securities issued			2,152,911,658.75	4,639,111,658.75	2,635,944,358.75		9,427,967,676.25
Lease liabilities			14,889,673.95	40,981,780.09	155,003,363.95		210,874,817.99
Other financial liabilities	170,489,725.43	315,041,176.84					485,530,902.27
Total	170,489,725.43	20,097,839,411.52	21,482,414,754.21	6,128,250,221.38	2,790,947,722.70		50,669,941,835.24

X. CAPITAL MANAGEMENT

The Group's capital management objectives are as follows:

1. To establish a risk control indicator system with net capital as its core to ensure compliance with external regulatory requirements;

2. To ensure the Group's ability to continue as a going concern and to maintain sustainable returns to shareholders and other stakeholders;

3, To maintain adequate capital support for operational development.

The Company calculates net capital and prepares and submits risk regulatory reports in accordance with the relevant regulations of the CSRC. Net capital is a comprehensive risk regulatory indicator derived by adjusting the items of assets, liabilities and other items in a securities company's net assets based on their liquidity and realisability.

In addition, the Company has established internal control systems aligned with its risk regulatory indicators, and has developed dynamic risk monitoring and capital replenishment mechanisms to ensure that net capital and other risk regulatory indicators continuously meet the prescribed standards. The Company submits monthly risk regulatory reports to the local regulatory authority.

As at December 31, 2023, the Company met its capital management objectives in compliance with external regulatory requirements.

XI. DISCLOSURE OF FAIR VALUE

(I) Fair values of assets and liabilities measured at fair value as of the end of the period

The following tables set out the financial instruments of the Group measured at fair value, classified across three levels of the fair value hierarchy:

	Closing fair value			
Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurements				
(I) Trading financial assets	2,552,579,777.68	23,456,754,546.59	3,152,525,678.59	29,161,860,002.86
(1) Bonds	63,664,297.34	19,751,882,596.03		19,815,546,893.37
(2) Stocks	85,915,416.36		42,457,743.74	128,373,160.10
(3) Asset management plans and privately offered funds		1,658,334,458.51	369,506,842.54	2,027,841,301.05
(4) Mutual funds	2,403,000,063.98			2,403,000,063.98
(5) Bank wealth management products		1,210,348,490.41		1,210,348,490.41
(6) Trust schemes		24,905,044.58	313,625,877.32	338,530,921.90
(7) Equity interests in non-listed companies			12,369,075.34	12,369,075.34
(8) Asset-backed securities		811,283,957.06	2,414,566,139.65	3,225,850,096.71
(II) Other debt investments	205,527,437.41	12,869,521,059.03		13,075,048,496.44
(III) Investments in other equity instruments	336,139,328.18		336,139,328.18	
(IV) Derivative financial assets			312,180.00	312,180.00
Total assets measured at fair value on a recurring basis	3,094,246,543.27	36,326,275,605.62	3,152,837,858.59	42,573,360,007.48
(V) Trading financial liabilities		6,848,399.69		6,848,399.69
(VI) Derivative financial liabilities			15,286,490.87	15,286,490.87
Total liabilities measured at fair value on a recurring basis		6,848,399.69	15,286,490.87	22,134,890.56
Net financial instruments	3,094,246,543.27	36,319,427,205.93	3,137,551,367.72	42,551,225,116.92

Item	Opening fair value Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurements				
(I) Trading financial assets	3,381,619,159.39	22,527,778,589.61	2,212,541,870.93	28,121,939,619.93
(1) Bonds	624,682,397.46	20,358,034,524.87		20,982,716,922.33
(2) Stocks	83,349,802.81		26,799,461.63	110,149,264.44
(3) Asset management plans and privately offered funds		2,121,995,068.15	444,543,084.54	2,566,538,152.69
(4) Mutual funds	2,673,586,959.12			2,673,586,959.12
(5) Bank wealth management products		10,035,628.31		10,035,628.31
(6) Trust schemes			583,020,504.06	583,020,504.06
(7) Equity interests in non-listed companies			17,805,795.96	17,805,795.96
(8) Asset-backed securities		37,713,368.28	1,140,373,024.74	1,178,086,393.02
(II) Other debt investments	102,352,269.14	1,418,882,411.52	78,109,637.16	1,599,344,317.82
(III) Investments in other equity instruments	65,234,034.21			65,234,034.21
(IV) Derivative financial assets			5,405,004.35	5,405,004.35
Total assets measured at fair value on a recurring basis	3,549,205,462.74	23,946,661,001.13	2,296,056,512.44	29,791,922,976.31
(V) Trading financial liabilities	23,474,217.50	193,277,044.25		216,751,261.75
(VI) Derivative financial liabilities				
Total liabilities measured at fair value on a recurring basis	23,474,217.50	193,277,044.25		216,751,261.75
Net financial instruments	3,525,731,245.24	23,753,383,956.88	2,296,056,512.44	29,575,171,714.56

(II) Basis for determining the market prices of recurring and non-recurring level 1 fair value measurements

For financial assets held for trading, financial liabilities, other debt investments and investments in other equity instruments for which an active market exists, fair value is determined based on quoted market prices at the balance sheet date.

(III) Qualitative and quantitative information on valuation techniques and significant parameters used for recurring and non-recurring level 2 fair value measurements

For bonds held as financial assets for trading purposes and bonds within other debt investments, fair value is determined using quotations from the valuation systems of the relevant bond registration and settlement institutions. Such institutions employ observable inputs that reflect market conditions in the process of forming their quotations.

For debt instruments and structured entities within financial assets and liabilities held for trading, other debt investments, and financial assets designated as measured at fair value for which no public market exists, fair value is determined using valuation techniques. Observable inputs required by the valuation techniques include, but are not limited to, yield curves, market prices of underlying investments, equity indices and risk-free rates of return.

As of December 31, 2023 and December 31, 2022, there were no changes in the valuation techniques used for the above recurring Level 2 fair value measurements.

Item	Closing fair value	Opening fair value	Valuation technique	Input values
Bonds	32,621,403,655.06	21,776,916,936.39	Discounted cash flow method	Yield curve
Asset management plans and privately offered funds	1,658,334,458.51	2,121,995,068.15	Market portfolio approach	Market prices of underlying investments
Bank wealth management products	1,210,348,490.41	10,035,628.31	Market portfolio approach	Market prices of underlying investments
Trust schemes	24,905,044.58		Market portfolio approach	Market prices of underlying investments
Asset-backed securities	811,283,957.06	37,713,368.28	Market portfolio approach	Yield curve
Total	36,326,275,605.62	23,946,661,001.13		
Trading financial liabilities	6,848,399.69	193,277,044.25	Discounted cash flow method	Market prices of underlying investments
Total	6,848,399.69	193,277,044.25		

(IV) Qualitative and quantitative information on valuation techniques and significant parameters used for recurring and non-recurring level 3 fair value measurements

For derivative financial assets, listed equity investments, unlisted equity investments and structured entities, the Group obtains quotations from counterparties or applies valuation techniques to determine fair value. Valuation techniques include the discounted cash flow method, market comparison approach and option pricing models. The measurement of fair value incorporates significant unobservable inputs such as volatility and liquidity discounts. Financial instruments measured at fair value on a recurring basis within Level 3 are not materially sensitive to reasonably possible changes in these unobservable inputs.

As of December 31, 2023, there were no changes in the valuation techniques used for the above recurring Level 3 fair value measurements.

Quantitative information on Level 3 fair value measurements is as follows:

Item	Closing fair value	Opening fair value	Valuation technique	Significant unobservable input	Effect on fair value
Bonds		78,109,637.16	Default recovery rate	Estimated recoverable amount	Higher estimated recoverable amount results in higher fair value
NEEQ equities	7,344,966.42	26,799,461.63	Market approach	Liquidity discount	Higher liquidity discount results in lower fair value
Funds	369,506,842.54	444,543,084.54	Market approach	Liquidity discount	Higher liquidity discount results in lower fair value
Lock-up equities/unlisted equity investments	47,481,852.66	17,805,795.96	Market approach	Liquidity discount	Higher liquidity discount results in lower fair value
Trust schemes	313,625,877.32	583,020,504.06	Discounted cash flow method	Future cash flows/ present value factor	Higher future cash flows result in higher fair value; higher present value factor results in lower fair value
Asset-backed securities	2,414,566,139.65	1,140,373,024.74	Discounted cash flow method	Future cash flows/ present value factor	Higher future cash flows result in higher fair value; higher present value factor results in lower fair value
Derivative financial assets	312,180.00	5,405,004.35	Option pricing model	Volatility of underlying instrument	Higher volatility of underlying instrument results in higher fair value
Total	3,152,837,858.59	2,296,056,512.44			
Derivative financial liabilities	15,286,490.87		Option pricing model	Volatility of underlying instrument	Higher volatility of underlying instrument results in higher fair value
Total	15,286,490.87				

(V) Reconciliation of the carrying amounts of recurring Level 3 fair value measurements between December 31, 2022 and December 31, 2023

Item	Trading financial assets	Other debt investments	Derivative financial assets	Derivative financial liabilities
Opening balance	2,212,541,870.93	78,109,637.16	5,405,004.35	
Total gains or losses recognized during the period	(30,810,268.59)			
– Recognized in profit or loss	(30,810,268.59)			
– Recognized in other comprehensive income				
Purchases	2,479,307,340.48		312,180.00	15,286,490.87
Sales	365,022,011.25	78,109,637.16	5,405,004.35	
Settlements	1,101,854,085.28			
Transfers into Level 3				
Transfers out of Level 3	41,637,167.70			

Item	Trading financial assets	Other debt investments	Derivative financial assets	Derivative financial liabilities
Closing balance	3,152,525,678.59		312,180.00	15,286,490.87

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

Transactions between the Group and the Company with related parties are conducted on normal commercial terms and conditions. Prices for related party transactions are determined primarily by reference to market prices and industry practice, applying the same pricing principles as those used for transactions with independent third parties, thereby ensuring that related party transaction prices are fair. The pricing principles applied in ordinary course related party transactions do not give rise to circumstances that would prejudice the interests of the Company or its shareholders, particularly minority shareholders. Related party transactions are approved by the relevant decision-making bodies in accordance with the applicable authorization framework and annual authorization arrangements.

(I) Information on the parent company of the Group

Parent company name	Company type	Place of registration	Legal representative	Nature of business	Registered capital
China Cinda Asset Management Co., Ltd.	Joint stock company (listed, state-owned controlling)	Beijing	Zhang Weidong	Non-performing asset management	RMB38,164,535,100

Parent company's ownership proportion in the company (%)	Parent company's voting rights proportion in the company (%)	Ultimate controlling party of the company	Unified social credit code
78.67	78.67	Ministry of Finance	91110000710924945A

(II) Subsidiaries of the Group

Please refer to "Note VIII.(I) Interests in subsidiaries".

(III) Joint ventures and associates of the Group

Please refer to "Note VIII.(II) Interests in joint arrangements or associates".

(IV) Other related parties of the Group

Name of other related party	Relationship with the Group
Cinda Real Estate Co., Ltd.	Entity under common control of the same ultimate controlling party
Cinda Investment Co., Ltd.	Entity under common control of the same ultimate controlling party
Cinda Financial Leasing Co., Ltd.	Entity under common control of the same ultimate controlling party
Nanyang Commercial Bank, Limited	Entity under common control of the same ultimate controlling party
Sanya Tianyu Industrial Co., Ltd.	Entity under common control of the same ultimate controlling party
China Jingu International Trust Co., Ltd.	Entity under common control of the same ultimate controlling party
Cinda International High Grade Fund A, L.P.	Entity under common control of the same ultimate controlling party
Ningbo Cinda Huajian Investment Co., Ltd.	Entity under common control of the same ultimate controlling party
Shanghai Cinda Liren Investment Management Co., Ltd.	Entity under common control of the same ultimate controlling party
Shanghai Tongda Venture Capital Co., Ltd.	Entity under common control of the same ultimate controlling party
China Cinda (HK) Holdings Company Limited	Entity under common control of the same ultimate controlling party
International High Grade Fund B, L.P.	Entity under common control of the same ultimate controlling party
Cinda International HGB Investment (UK) Limited	Entity under common control of the same ultimate controlling party
Zhongrun Economic Development Co., Ltd.	Entity under common control of the same ultimate controlling party
China Cinda (2020) I Management Limited	Entity under common control of the same ultimate controlling party
Tongyi Low Carbon Technology (Xinjiang) Co., Ltd. (formerly known as Xinjiang Korla Fragrant Pear Co., Ltd.)	Joint venture of an entity under common control of the same ultimate controlling party
Wuhu Xinshi Huayou Investment Partnership (Limited Partnership)	Joint venture of an entity under common control of the same ultimate controlling party
Guizhou Zhongyida Co., Ltd.	Associate of an entity under common control of the same ultimate controlling party
Shandong Lutai Holding Group Co., Ltd.	Associate of an entity under common control of the same ultimate controlling party
Huainan Mining (Group) Co., Ltd.	Associate of an entity under common control of the same ultimate controlling party

Name of other related party	Relationship with the Group
Wengfu (Group) Co., Ltd.	Associate of an entity under common control of the same ultimate controlling party
Cinda Plunkett International Holdings Limited	Associate of an entity under common control of the same ultimate controlling party
Guoren Property Insurance Co., Ltd.	Associate of an entity under common control of the same ultimate controlling party
Structured entities controlled by China Cinda	Other entities and asset management plans under common control of the same ultimate controlling party

(V) Related Party Transactions

1. Revenue from securities brokerage services

Company name	Current period	Prior period
Nanyang Commercial Bank, Limited	2,108,014.77	2,912,264.55
Cinda International HGB Investment (UK) Limited	487,505.46	2,438,355.30
China Cinda	68,652.11	179,208.61
Shanghai Tongda Venture Capital Co., Ltd.		177,999.99
Cinda Real Estate Co., Ltd.		3,940.15

2. Revenue from investment consulting services

Company name	Current period	Prior period
China Cinda	12,630,188.72	11,845,283.07
International High Grade Fund B, L.P.	10,293,918.27	11,328,996.33
Cinda Plunkett International Holdings Limited	3,573,113.40	4,141,059.40
Nanyang Commercial Bank, Limited		2,601,438.55

3. Revenue from underwriting and sponsorship services

Company name	Current period	Prior period
China Cinda	58,995,733.03	61,279,245.28
Cinda Real Estate Co., Ltd.	1,728,150.94	2,774,150.95
Cinda Investment Co., Ltd.	966,886.79	3,723,207.54
Nanyang Commercial Bank, Limited	851,103.80	1,446,878.84

Company name	Current period	Prior period
China Cinda (2020) I Management Limited	165,896.67	
Xinjiang Korla Fragrant Pear Co., Ltd.		10,139,519.24
Cinda Financial Leasing Co., Ltd.		471,698.11
Guoren Property Insurance Co., Ltd.		25,471.70

4. Revenue from financial advisory services

Company name	Current period	Prior period
China Cinda	7,499,999.99	12,527,830.20
Cinda Investment Co., Ltd.	4,245,283.02	1,464,433.97
Cinda Real Estate Co., Ltd.	2,490,566.04	
China Jingu International Trust Co., Ltd.	943,396.23	
Guizhou Zhongyida Co., Ltd.		19,811,320.76
Shandong Lutai Holding Group Co., Ltd.		13,708,797.77
Wengfu (Group) Co., Ltd.		981,132.08
Cinda Financial Leasing Co., Ltd.		660,377.36
Ningbo Cinda Huajian Investment Co., Ltd.		377,358.49
Zhongrun Economic Development Co., Ltd.		188,679.25

5. Revenue from asset management, fund management and asset management advisory services

Company name	Current period	Prior period
China Cinda	74,687,500.95	92,820,868.95
Structured entities controlled by China Cinda	20,099,744.47	55,578,640.56
International High Grade Fund B, L.P.	4,272,559.66	4,227,004.78
Wuhu Xinshi Huayou Investment Partnership (Limited Partnership)	1,878,018.83	553,615.46
Cinda International HGB Investment (UK) Limited	1,091,939.24	12,799,062.00
Sanya Tianyu Industrial Co., Ltd.		184,677.90

6. Related party lease arrangements

Lessor name	Type of leased asset	Short-term and low-value asset lease expenses under simplified approach		Variable lease payments not included in lease liability measurement		Lease payments made		Interest expense on lease liabilities		Additions to right-of-use assets	
		Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
China Cinda	Buildings					1,651,149.24	1,589,035.20	102,932.77	123,590.07	744,680.00	1,958,860.40
China Cinda	Machinery and equipment					3,867,924.44	3,867,924.44	86,846.55	222,065.63		
Shanghai Cinda Liren Investment Management Co., Ltd.	Buildings					254,742.86	254,742.86	32,234.11	19,289.59		1,199,215.04
Cinda Investment Co., Ltd.	Buildings	29,808,309.00	29,808,309.00		31,298,724.45	31,298,724.45					

7. Financial products sponsored by related parties purchased by the group

Company name	Nature of related party transaction	Closing position balance	Opening position balance	Income earned during the current period	Income earned during the prior period
Cinda Investment Co., Ltd.	Bonds	1,040,786,427.10	943,984,836.40	40,159,966.82	21,722,424.46
Cinda Real Estate Co., Ltd.	Bonds	280,966,064.33	120,175,234.11	10,821,818.93	1,062,435.70
China Jingu International Trust Co., Ltd.	Trust schemes	140,278,740.32	56,074,944.32	(3,405,160.16)	4,498,944.32

8. Other related party transactions

Company name	Nature of transaction	Current period	Prior period
Nanyang Commercial Bank, Limited	Interest income on cash and bank balances	949,394.25	66,720.02
China Cinda	Interest expense on accounts payable to brokerage clients	1,706,907.27	1,209,938.48
Cinda Real Estate Co., Ltd.	Interest expense on accounts payable to brokerage clients		1,146.85
Shanghai Tongda Venture Capital Co., Ltd.	Interest expense on accounts payable to brokerage clients		18,735.46
Nanyang Commercial Bank, Limited	Operating and administrative expenses – distribution commissions	3,106,994.29	3,038,332.38

9. Key management personnel compensation

Item	Current period (RMB'000)	Prior period (RMB'000)
Key management personnel compensation	20,781.11	22,219.78

Note: Key management personnel refers to those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Group, including directors, supervisors, the president, the chief financial officer, vice presidents responsible for specific functions, and persons performing similar policy-making roles.

10. The Group's participation in related party annuity plans

In 2023, the Group made approved contributions of RMB55,870,632.01 to the China Cinda enterprise annuity plan (2022: RMB52,855,394.28). Other than normal contributions, the Group has not entered into any other related party transactions with the enterprise annuity plan established by China Cinda Asset Management Co., Ltd.

(VI) Balances with related parties

During the current reporting period, the balances between the Group and its related parties do not involve any non-operational occupation of funds.

1. Amounts receivable from related parties

Item	Related party	Closing balance		Opening balance	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Cash and bank balances	Nanyang Commercial Bank, Limited	155,701,829.91		187,226,717.45	
Accounts receivable	Structured entities controlled by China Cinda	53,006,230.62		71,706,581.10	
Accounts receivable	China Cinda	47,842,820.90		900,000.00	
Accounts receivable	International High Grade Fund B, L.P.	10,293,918.27		5,989,556.00	
Accounts receivable	Cinda International HGB Investment (UK) Limited	1,098,153.33		10,004,222.00	
Accounts receivable	Cinda International HGB Investment (UK) Limited	1,024,900.00			
Accounts receivable	China Jingu International Trust Co., Ltd.	1,000,000.00			
Accounts receivable	Cinda Real Estate Co., Ltd.	15,000.00			
Accounts receivable	Guoren Property Insurance Co., Ltd.			27,000.00	

2. Amounts payable to related parties

Item	Related party	Closing balance	Opening balance
Accounts payable to brokerage clients	China Cinda	699,997.83	517,746,432.04
Accounts payable to brokerage clients	Cinda Investment Co., Ltd.	8,641.06	8,621.64
Accounts payable to brokerage clients	Cinda Real Estate Co., Ltd.	580.75	579.45
Accounts payable to brokerage clients	Shanghai Tongda Venture Capital Co., Ltd.		57.53
Other payables	China Cinda (HK) Holdings Company Limited	8,757,113.79	8,631,973.51
Other payables	Nanyang Commercial Bank, Limited	1,728,670.60	770,758.48

XIII. COMMITMENTS AND CONTINGENCIES

(I) Significant commitments

As of the balance sheet date, the Group and the Company have no significant commitments requiring disclosure.

(II) Contingencies

As of the balance sheet date, the Group and the Company have no contingencies requiring disclosure.

XIV. EVENTS AFTER THE BALANCE SHEET DATE

(I) Profit distribution

On March 26, 2024, pursuant to a resolution passed at the third meeting of the sixth session of the Company's Board of Directors, the Company proposes to distribute a cash dividend of RMB149,178,000.00 (inclusive of tax), representing RMB0.046 per share (inclusive of tax) to all shareholders, calculated based on the total share capital of 3,243,000,000.00 shares following the Company's public offering of RMB-denominated ordinary shares (A shares). The 2023 profit distribution proposal of the Company is subject to approval by the general meeting of shareholders.

(II) Bond issuances

The Company completed the off-exchange issuance of the First Tranche of Cinda Securities Co., Ltd.'s 2024 Public Offering of Corporate Bonds to Professional Investors (Code: 240574, abbreviated name: 24 Cinda 01) from February 23 to February 26, 2024. The issuance size of 24 Cinda 01 is RMB2,000,000,000, with a tenor of 368 days and a coupon rate of 2.33%.

The Company completed the off-exchange issuance of the Second Tranche (Series 1) of Cinda Securities Co., Ltd.'s 2024 Public Offering of Corporate Bonds to Professional Investors (Code: 240705, abbreviated name: 24 Cinda 02) from March 18 to March 19, 2024. The issuance size of 24 Cinda 02 is RMB1,200,000,000, with a tenor of 3 years and a coupon rate of 2.65%.

The Company completed the off-exchange issuance of the Second Tranche (Series 2) of Cinda Securities Co., Ltd.'s 2024 Public Offering of Corporate Bonds to Professional Investors (Code: 240706, abbreviated name: 24 Cinda 03) from March 18 to March 19, 2024. The issuance size of 24 Cinda 03 is RMB1,100,000,000, with a tenor of 5 years and a coupon rate of 2.85%.

XV. OTHER SIGNIFICANT MATTERS

(I) Segment reporting

The Group identifies its operating segments based on its internal organizational structure, management requirements and internal reporting system, and determines its reporting segments on the basis of the operating segments. The Group's principal segments are securities and futures brokerage, securities proprietary trading, investment banking, asset management, and other business. The asset management segment primarily comprises the securities company's asset management business and public fund management business. The other business segment primarily comprises overseas business, private equity investment, alternative investment, research services and other activities.

Segment accounting policies are consistent with those adopted in preparing the consolidated financial statements. Intra-segment transfer transactions are measured at actual transaction prices. Revenue and expenses that are indirectly attributable to each segment are allocated based on the actual revenue and expenses of each segment.

	Current period					
Item	Securities and futures brokerage	Securities proprietary trading	Investment banking	Asset management	Other business	Total
I. Operating revenue:						
Net fee and commission income	637,934,120.81	8,834,972.47	136,461,125.60	833,293,656.94	299,618,066.62	1,916,141,942.44
Others	693,665,809.48	602,643,743.44	2,844,811.50	232,412,762.12	35,784,913.47	1,567,352,040.01
Total operating revenue	1,331,599,930.29	611,478,715.91	139,305,937.10	1,065,706,419.06	335,402,980.09	3,483,493,982.45
II. Operating expenses	751,955,311.53	71,969,140.47	73,785,511.68	443,090,349.08	408,074,877.73	1,748,875,190.49
III. Operating profit	579,644,618.76	539,509,575.44	65,520,425.42	622,616,069.98	(72,671,897.64)	1,734,618,791.96
IV. Total assets	30,362,545,683.14	35,139,029,910.15	154,859,561.76	5,502,861,829.80	6,764,475,060.55	77,923,772,045.40
V. Total liabilities	17,470,241,631.33	22,928,967,449.01	(538,470,151.29)	644,022,882.71	19,079,190,576.66	59,583,952,388.42
VI. Supplementary information:						
Depreciation and amortization	84,363,617.37	1,162,927.14	618,444.10	37,301,722.78	64,800,856.91	188,247,568.30
Capital expenditure	39,843,433.67	549,229.77	292,080.13	17,616,939.19	30,604,290.39	88,905,973.15

	Prior period					
Item	Securities and futures brokerage	Securities proprietary trading	Investment banking	Asset management	Other business	Total
I. Operating revenue:						
Net fee and commission income	736,421,294.75	9,701,605.90	168,908,817.71	970,117,068.59	649,852,237.57	2,535,001,024.52
Others	709,534,404.34	64,955,600.47	(90,114.10)	80,591,145.68	47,770,530.87	902,761,567.26
Total operating revenue	1,445,955,699.09	74,657,206.37	168,818,703.61	1,050,708,214.27	697,622,768.44	3,437,762,591.78
II. Operating expenses	784,633,482.96	35,994,652.87	68,892,790.87	478,281,563.66	541,370,677.02	1,909,173,167.38
III. Operating profit	661,322,216.13	38,662,553.50	99,925,912.74	572,426,650.61	156,252,091.42	1,528,589,424.40
IV. Total assets	30,981,028,375.87	26,850,551,064.77	5,268,834.40	2,995,773,137.65	4,917,787,741.49	65,750,409,154.18
V. Total liabilities	19,902,353,151.80	18,160,159,728.61	146,798,586.63	1,023,020,356.81	12,336,631,936.54	51,568,963,760.39
VI. Supplementary information:						
Depreciation and amortization	68,123,710.65	1,368,586.26	606,957.02	22,559,530.70	68,291,660.19	160,950,444.82
Capital expenditure	44,220,823.46	888,383.95	393,991.15	28,248,168.42	30,725,637.26	104,477,004.24

(II) Securities borrowing and lending

As at December 31, 2023, the categories and fair values of bonds borrowed by the Company in the interbank bond market trading platform are as follows:

Bond category	Closing fair value
Financial bonds	3,056,983,940.00
Government bonds	3,058,447,081.00
Total	6,115,431,021.00

As at December 31, 2023, the fair value of bonds obtained through borrowing that have been pledged by the Company as collateral for sale and repurchase transactions amounted to RMB6,115,431,021.00.

XVI. NOTES TO MAJOR LINE ITEMS IN THE PARENT COMPANY FINANCIAL STATEMENTS

(I) Long-term equity investments

Item	Closing balance			Opening balance		
	Gross carrying amount	Impairment provision	Carrying amount	Gross carrying amount	Impairment provision	Carrying amount
Investments in subsidiaries	1,923,918,826.99		1,923,918,826.99	1,923,918,826.99		1,923,918,826.99
Investments in associates and joint ventures	39,415,141.99		39,415,141.99	38,999,250.77		38,999,250.77
Total	1,963,333,968.98		1,963,333,968.98	1,962,918,077.76		1,962,918,077.76

1. Investments in subsidiaries

Investee	Opening balance	Increase	Decrease	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
Cinda Futures Co., Ltd.	617,976,250.51			617,976,250.51		
Xinfeng Investment Management Co., Ltd.	400,000,000.00			400,000,000.00		
Cinda Innovation Investment Co., Ltd.	310,000,000.00			310,000,000.00		
Cinda Fund Management Co., Ltd.	125,059,580.16			125,059,580.16		
China Cinda (HK) Holdings Company Limited	470,882,996.32			470,882,996.32		
Total	1,923,918,826.99			1,923,918,826.99		

2. Long-term equity investments accounted for using the equity method

Name of investee	Changes for the period		
	Opening balance	Increase in investment	Decrease in investment
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	38,999,250.77		
Total	38,999,250.77		

Name of investee	Changes for the period: Investment income recognized under the equity method	Changes for the period: Adjustments to other comprehensive income	Changes for the period: Other changes in equity	Cash dividends or profits declared
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	415,891.22			
Total	415,891.22			

Name of investee	Changes for the period: Impairment provision recognized during the period	Changes for the period: Others	Changes for the period: Closing balance	Closing balance of impairment provision
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)				39,415,141.99
Total				39,415,141.99

(II) Employee benefits payable

1. By categories

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
Short-term employee benefits	618,881,263.28	541,814,539.52	875,026,452.05	285,669,350.75
Defined contribution plan liabilities under post-employment benefits	51,720,277.07	128,730,813.69	117,238,834.79	63,212,255.97
Termination benefits	10,528,993.20	974,034.49	4,447,415.33	7,055,612.36
Total	681,130,533.55	671,519,387.70	996,712,702.17	355,937,219.08

2. Short-term employee benefits

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	549,782,423.52	385,032,301.08	721,920,860.30	212,893,864.30
II. Employee welfare	649,743.03	39,636,863.66	34,071,837.19	6,214,769.50
III. Social insurance	1,799,823.09	54,297,899.41	54,952,867.45	1,144,855.05
Including: 1. Medical insurance	1,647,661.17	52,961,212.49	53,608,937.46	999,936.20
2. Work injury insurance	133,852.92	1,000,762.75	997,624.37	136,991.30
3. Maternity insurance	18,309.00	335,924.17	346,305.62	7,927.55
IV. Housing funds	345,045.13	53,931,320.94	53,637,685.96	638,680.11
V. Labor union fees and staff education expenses	66,204,847.14	7,830,759.91	9,337,702.60	64,697,904.45
VI. Other short-term employee benefits	99,381.37	1,085,394.52	1,105,498.55	79,277.34
Total	618,881,263.28	541,814,539.52	875,026,452.05	285,669,350.75

3. Defined contribution plan liabilities under post-employment benefits

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
Basic pension insurance	3,774,178.97	68,898,673.25	68,372,143.17	4,300,709.05
Unemployment insurance	115,897.34	2,227,414.70	2,211,196.62	132,115.42
Enterprise annuity contributions	47,830,200.76	57,604,725.74	46,655,495.00	58,779,431.50
Total	51,720,277.07	128,730,813.69	117,238,834.79	63,212,255.97

4. Termination benefits

Item	Opening balance	Increase for the period	Paid for the period	Closing balance
Termination benefits	10,528,993.20	974,034.49	4,447,415.33	7,055,612.36
Total	10,528,993.20	974,034.49	4,447,415.33	7,055,612.36

(III) Net fee and commission income

1. By item

Item	Current period	Prior period
Net income from securities brokerage business	694,252,305.30	825,852,140.00
– Securities brokerage income	906,620,672.09	1,080,904,291.21
– Agency securities trading	626,397,379.06	737,546,432.43
Trading unit seat rental	243,093,959.31	291,705,899.49
Distribution of financial products	37,129,333.72	51,651,959.29
– Securities brokerage expenses	212,368,366.79	255,052,151.21
– Agency securities trading	212,368,366.79	255,052,151.21
Net income from investment banking business	146,392,146.85	181,316,810.49
– Investment banking income	155,464,658.15	196,181,904.86
– Securities underwriting	104,259,550.41	121,204,574.98
Sponsorship services	943,396.23	2,943,396.23
Financial advisory services	50,261,711.51	72,033,933.65
– Investment banking expenses	9,072,511.30	14,865,094.37
– Securities underwriting	9,072,511.30	14,865,094.37
Net income from asset management business	214,444,958.56	249,583,450.55
– Net income from asset management business	214,567,820.36	249,759,862.16
– Asset management expenses	122,861.80	176,411.61
Net income from investment consulting business	27,945,504.49	22,800,085.20
– Investment consulting income	28,099,687.36	22,800,085.20
– Investment consulting expenses	154,182.87	
Other net fee and commission income	1,219,725.58	223,955.18
– Other fee and commission income	2,268,867.92	532,629.25
– Other fee and commission expenses	1,049,142.34	308,674.07
Net fee and commission income	1,084,254,640.78	1,279,776,441.42
Including: Total fee and commission income	1,307,021,705.88	1,550,178,772.68
Total fee and commission expenses	222,767,065.10	270,402,331.26

2. Financial Advisory Services

Net income from the financial advisory service	Current period	Prior period
Net income from M&A and restructuring financial advisory services – domestic listed companies	1,886,792.46	20,283,018.87
Net income from M&A and restructuring financial advisory services – others	493,207.55	14,727,665.70
Net income from other financial advisory services	47,881,711.50	37,023,249.08
Total	50,261,711.51	72,033,933.65

3. Asset management business

Item	Collective asset management	Directed asset management	Special asset management
Number of products at the end of period	56	37	29
Number of clients at the end of period	23,838	37	348
Including: Individuals	23,683	1	
Institutions	155	36	348
Assets under management at the beginning of period	4,997,013,626.52	35,847,022,447.80	36,612,147,100.00
Including: Proprietary funds invested	183,175,503.59	1,482,386,844.87	
Individuals	3,181,286,602.18	17,458,919.19	
Institutions	1,632,551,520.75	34,347,176,683.74	36,612,147,100.00
Assets under management at the end of period	7,300,919,764.44	26,840,934,305.06	36,243,872,500.00
Including: Proprietary funds invested	206,911,187.75	723,200,000.00	
Individuals	3,068,014,019.11	9,193,090.13	
Institutions	4,025,994,557.58	26,108,541,214.93	36,243,872,500.00
Initial cost of principal assets under management at the end of period	8,264,465,553.29	27,260,714,619.10	36,158,059,400.00
Including: Stocks	2,048,412,551.54	18,996,197,242.56	
Bonds	5,197,181,733.17	1,197,607,000.63	
Funds	92,364,512.56	76,485,407.27	
Asset-backed securities	160,247,551.98		
Others	766,259,204.04	6,990,424,968.64	36,158,059,400.00
Net income from asset management business for the period	91,912,457.04	111,962,336.74	4,374,935.11

(IV) Net interest income

1. By categories

Item	Current period	Prior period
Interest income	1,203,269,959.24	939,584,398.87
Interest income on cash and bank balances and deposits with clearing houses	297,486,243.66	314,281,871.92
Interest income on receivable from margin clients	578,049,051.58	580,479,314.37
Interest income on reverse REPOs	10,551,874.40	10,545,027.67
Including: Interest income on agreed repurchase	2,609.55	34,639.45
Interest income on stock pledged repurchase	3,026,895.04	5,240,666.61
Interest income on debt investments		9,721,739.63
Interest income on other debt investments	317,182,696.73	24,249,344.21
Others	92.87	307,101.07
Interest expense	892,935,598.02	787,763,978.13
Interest expense on placements from financial institutions	222,003,801.30	150,636,748.99
Including: Interest expense on securities lending and refinancing business borrowings	58,195,790.05	61,727,135.69
Interest expense on REPOs	261,283,281.73	216,132,382.21
Including: Interest expense on quoted repurchase	11,969,464.18	45,452,648.35
Interest expense on accounts payable to brokerage clients	31,140,741.29	44,694,982.69
Interest expense on long-term debt securities issued	366,654,968.54	369,714,996.49
Including: Interest expense on subordinated bonds		37,631,915.40
Interest expense on finance leases	6,047,075.67	4,549,367.49
Others	5,805,729.49	2,035,500.26
Net interest income	310,334,361.22	151,820,420.74

(V) Investment income

1. By categories

Item	Current period	Prior period
Investment income from long-term equity investments accounted for under the cost method	75,000,000.00	271,945,287.72
Investment income from long-term equity investments accounted for under the equity method	415,891.22	347,113.54
Investment income from financial instruments	876,347,162.48	712,156,733.16
Including: Income recognized during the holding period	1,549,000,322.65	1,184,458,735.21
Including: Trading financial assets	1,520,418,669.65	1,184,458,735.21
Investments in other equity instruments	28,581,653.00	
Losses from disposal of financial instruments	(672,653,160.17)	(472,302,002.05)
Including: Trading financial assets	(691,098,518.46)	(438,113,120.97)
Other debt investments	65,768,500.44	9,118,233.73
Derivative financial instruments	(44,496,968.09)	(35,776,277.02)
Trading financial liabilities	(2,826,174.06)	(7,530,837.79)
Others	(9,534,079.67)	(7,077,261.95)
Total	942,228,974.03	977,371,872.47

2. Investment income from trading financial instruments by category

Trading financial instrument		Current period	Prior period
Financial assets classified as measured at fair value through profit or loss	Income recognized during the holding period	1,520,418,669.65	1,184,458,735.21
Financial assets designated as measured at fair value through profit or loss	Income from disposal	(691,098,518.46)	(438,113,120.97)
	Income recognized during the holding period		
	Income from disposal		
	Income recognized during the holding period		
Financial liabilities classified as measured at fair value through profit or loss	Income from disposal	(2,826,174.06)	(7,530,837.79)
	Income recognized during the holding period		
Financial liabilities designated as measured at fair value through profit or loss	Income from disposal		

(VI) Gains arising from changes in fair value

Source of gains arising from changes in fair value	Current period	Prior period
Trading financial assets	221,835,346.73	(112,937,283.24)
Including: Financial assets designated as measured at fair value through profit or loss		
Trading financial liabilities	787,576.43	3,489,540.01
Including: Financial liabilities designated as measured at fair value through profit or loss	787,576.43	3,489,540.01
Derivative financial instruments		
Others	(22,667,337.71)	(25,351,922.37)
Total	199,955,585.45	(134,799,665.60)

(VII) Operating and administrative expenses

Item	Current period	Prior period
Employee benefits	671,519,387.70	567,572,616.98
Depreciation and amortization	119,097,073.24	106,336,547.38
Rental and property management fees	71,682,121.71	69,541,592.97
Electronic equipment operating costs	44,911,761.87	27,042,291.77
Business entertainment expenses	25,939,356.51	19,050,329.66
Travel expenses	25,147,139.55	9,744,097.01
Postage and telecommunications expenses	24,538,666.48	26,296,732.81
Consulting fees	22,834,893.97	24,088,880.10
Exchange facility usage fees	22,085,430.55	23,575,125.35
Investor protection fund	18,068,007.25	16,241,895.13
Advertising and promotional expenses	17,218,297.82	11,274,619.76
Utilities	7,046,380.31	5,561,992.74
Asset management product trailing commissions	6,092,056.03	4,012,753.16
Others	29,324,470.10	27,094,378.00
Total	1,105,505,043.09	937,433,852.82

(VIII) Supplementary information to the statement of cash flows

1. Reconciliation of net profit to cash flows from operating activities

Item	Current period	Prior period
Net profit	1,365,906,064.40	1,303,225,997.92
Add: Expected credit losses and other asset impairment losses	(26,353,091.10)	(66,433,297.71)
Depreciation of fixed assets	13,184,426.04	11,374,502.18
Amortization of intangible assets	28,297,882.01	28,149,953.67
Amortization of long-term prepaid expenses	4,777,015.15	5,653,419.13
Depreciation of right-of-use assets	72,837,750.04	61,158,672.40
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains denoted by "-")	(627,431.53)	544,207.49
Losses arising from changes in fair value (gains denoted by "-")	(199,955,585.45)	134,799,665.60
Interest expense	372,702,044.21	374,264,363.98
Foreign exchange losses (gains denoted by "-")	(1,107,063.48)	(5,301,178.43)
Investment losses (gains denoted by "-")	(160,231,964.99)	(274,333,373.04)
Deferred income tax expense	93,538,999.19	94,363,259.11
Decrease in operating receivables (increase denoted by "-")	(1,906,511,606.19)	780,187,441.17
Increase in operating payables (decrease denoted by "-")	3,346,416,042.27	2,861,489,660.74
Net cash flows from operating activities	3,002,873,480.57	5,309,143,294.21
II. Investing and financing activities not involving cash receipts and payments:		
III. Net increase in cash and cash equivalents:		
Closing carrying amount of cash	12,788,473,973.03	14,734,529,593.89
Less: opening carrying amount of cash	14,734,529,593.89	14,516,086,372.19
Add: closing carrying amount of cash equivalents		
Less: opening carrying amount of cash equivalents		
Net increase in cash and cash equivalents	(1,946,055,620.86)	218,443,221.70

2. Composition of cash and cash equivalents

Item	Closing balance	Opening balance
I. Cash		
Including: Cash on hand	3,874.25	9,874.25
Bank deposits available for payment on demand	10,343,043,846.02	12,218,035,443.07
Other monetary funds available for payment on demand	7,646,198.94	7,370,792.28
Deposits with clearing houses	2,437,780,053.82	2,509,113,484.29
II. Cash equivalents		
Including: Bond investments maturing within three months		
III. Closing balance of cash and cash equivalents	12,788,473,973.03	14,734,529,593.89
Cash and cash equivalents subject to restrictions on use by the parent company or subsidiaries within the Group		

XVII. SUPPLEMENTARY INFORMATION

(I) Non-recurring profit or loss for the current period

1. Details of non-recurring profit or loss

Non-recurring profit or loss	Amount	Notes
Gains or losses on disposal of non-current assets, including reversal of asset provision for impairments	723,561.38	
Government grants recognized in profit or loss for the current period, excluding those closely related to the Company's ordinary business operations, in compliance with national policies, determined by established standards, and having a continuing impact on the Company's profit or loss	18,811,079.38	Government grants

Non-recurring profit or loss	Amount	Notes
Gains or losses on changes in fair value of financial assets and liabilities held by non-financial enterprises, and gains or losses on disposal of financial assets and liabilities, excluding those related to effective hedging activities connected with the Company's ordinary business		
Fees charged to non-financial enterprises for the use of capital, recognized in profit or loss for the current period		
Gains or losses on entrusted investment or asset management		
Gains or losses on external entrusted loans		
Losses on assets arising from force majeure, such as natural disasters		
Reversal of provision for impairments on receivables subject to individual impairment testing		
Gains arising where the investment cost of acquiring a subsidiary, associate or joint venture is less than the fair value of the identifiable net assets of the investee at the time of acquisition		
Net profit or loss of subsidiaries from the beginning of the period to the combination date arising from business combinations under common control		
Gains or losses on non-monetary asset exchanges		
Gains or losses on debt restructuring		
One-off expenses incurred as a result of discontinuation of business activities, such as employee redundancy costs		

Non-recurring profit or loss	Amount	Notes
One-off effects on profit or loss arising from changes in tax laws, accounting standards or other laws and regulations		
Share-based payment expenses recognized as a one-off item upon cancellation or modification of equity incentive plans		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee compensation payable after the vesting date		
Gains or losses from changes in fair value of investment properties measured using the fair value model		
Gains arising from transactions conducted at prices that are manifestly unfair		
Gains or losses arising from contingencies unrelated to the Company's ordinary business	6,726,245.10	
Trusteeship fee income from entrusted operations		
Other non-operating income and expenses other than those listed above	(6,751,743.37)	
Other items meeting the definition of non-recurring profit or loss		
Less: income tax effects	(4,346,802.33)	
Effects on non-controlling interests (net of tax)	60,204.72	
Total	15,102,135.44	

(II) Return on net assets and earnings per share

1. Current period

Profit for the reporting period	Weighted average return on net assets	Earnings per share: Basic earnings per share	Earnings per share: Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	8.73%	0.46	0.46
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	8.64%	0.45	0.45

2. Prior period

Profit for the reporting period	Weighted average return on net assets	Earnings per share: Basic earnings per share	Earnings per share: Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	9.39%	0.42	0.42
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	9.37%	0.42	0.42

Cinda Securities Co., Ltd.

Auditor's Report on 2024 and 2025 Financial Statements

AUDITOR'S REPORT

Xin Kuai Shi Bao Zi [2026] No. ZA10257

To all shareholders of Cinda Securities Co., Ltd.:

I. OPINIONS

We have audited the accompanying financial statements of Cinda Securities Co., Ltd. (hereinafter referred to as "**Cinda Securities**"), which comprise the consolidated balance sheet and balance sheet of the parent company as at December 31, 2024 and December 31, 2025, the consolidated income statement and income statement of the parent company, consolidated statement of cash flows and statement of cash flows of the parent company, consolidated statement of changes in equity and statement of changes in equity of the parent company for the years ended December 31, 2024 and 2025 and relevant notes to the financial statements.

In our opinions, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of Cinda Securities as at December 31, 2024 and December 31, 2025 and the consolidated and parent company's operating results and cash flows for the years ended December 31, 2024 and 2025 in accordance with the requirements of the Chinese Accounting Standards for Business Enterprises ("**CASs**").

II. BASIS FOR OPINION

We conducted our audit in accordance with the China Standards on Auditing ("**CSAs**"). Our responsibilities under those standards are further described in the "Certified Accountants' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Cinda Securities in accordance with the China's CPA Independence Standard No. 1 – Requirements for Independence of Financial Statement Audit and Review Business and the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("**CICPA Code**"), and we have fulfilled our other ethical responsibilities. We conducted auditing in compliance with the independent requirement for auditing by public interest entity. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the years ended December 31, 2024 and 2025. 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.

We identified the following key audit matters in our audit:

Key audit matters	How our audit addressed the matters
(I) Measurement of ECLs on financial assets	
Cinda Securities measures the impairment of financial assets using the expected credit loss (ECL) model. As at the balance sheet date, the financial instrument accounts subject to the ECL model mainly included: receivable from margin clients, financial assets held under resale agreements (reverse REPOs), and other debt investments at fair value through other comprehensive income. If the credit risk has not increased significantly since initial recognition, Cinda Securities measures the loss allowance at an amount equal to the ECLs for the next 12 months (12-month ECLs). If the credit risk has increased significantly since initial recognition, Cinda Securities measures the loss allowance at an amount equal to the lifetime ECLs. Cinda Securities considers all reasonable and supportable information in ECL assessment, including the forward-looking information. As at December 31, 2024, Cinda Securities had receivable from margin clients amounting to RMB12,570 million with cumulative allowance for ECLs of RMB61 million, reverse REPOs amounting to RMB542 million with cumulative allowance for ECLs of RMB3 million, and other debt investments amounting to RMB25,802 million with cumulative allowance for ECLs of RMB63 million in other comprehensive income. As at December 31, 2025, Cinda Securities had receivable from margin clients amounting to RMB16,727 million with cumulative allowance for ECLs of RMB113 million, reverse REPOs amounting to RMB1,562 million with cumulative allowance for ECLs of RMB31 million, and other debt investments amounting to RMB23,706 million with cumulative allowance for ECLs of RMB32 million in other comprehensive income. As the amount of such financial assets is significant and the provision for impairment	In response to the matter of impairment provisions for financial assets of Cinda Securities, we implemented the following main audit procedures: 1. We understood the internal controls of Cinda Securities related to impairment provisions for receivable from margin clients, reverse REPOs, and other debt investments, and tested the effectiveness of their operation; 2. With the assistance of our in-house impairment experts, we evaluated the reasonableness of the impairment model and the parameters and assumptions adopted by the management; 3. We selected samples and compared the results of the impairment stage classification with the standards of the ECL model; 4. We examined and evaluated whether the disclosures in the financial statements regarding the ECLs of financial assets were in compliance with the requirements of accounting standards.

Key audit matters	How our audit addressed the matters
requires the management of Cinda Securities to make significant judgments and estimates (such as the use of models and assumptions as well as the determination of parameters), including the criteria for a significant increase in credit risk, and the determination of default rates and default loss rates, etc., we consider this matter to be a key audit matter in the financial statements. The related disclosures are included in notes III. 9 and 30, V.19 and XI to the financial statements.	
(II) Determination of the consolidation scope of structured entities	
Cinda Securities acted as an asset manager for or invested in a number of structured entities including asset management schemes, limited partnerships, etc. The management makes significant judgement to determine whether it controls these structured entities to determine whether these structured entities should be included in the consolidated financial statements. When making the judgement, the management considers Cinda Securities' power over the relevant activities of the structured entities, the variable returns it enjoys, and its ability to use the power to influence the variable returns. As of December 31, 2024 and December 31, 2025, the carrying amount of the net assets of the consolidated structured entities in the financial statements of Cinda Securities was RMB3,830 million and RMB7,211 million; the carrying amount of the unconsolidated structured entities invested by Cinda Securities was RMB14,801 million and RMB14,885 million. When determining whether structured entities shall be included in the consolidated financial statements, management will, based on the relevant contract terms, make a judgment on whether Cinda Securities controls the structured entities in accordance with the definition of "control" under the Accounting Standards for Business Enterprises. The above judgment is complex and subjective to a certain extent, and the result is widely related to the financial	In response to the matter of determining the consolidation scope of structured entities of Cinda Securities, we implemented the following main audit procedures: 1. We understood the relevant internal controls established by Cinda Securities when determining whether structured entities shall be included in the consolidated financial statements and tested the effectiveness of their operation; 2. We sampled and inspected the relevant contracts of structured entities and evaluated whether the judgments made by management were reasonable; 3. We sampled and inspected whether the data used in the calculation of variable returns was consistent with the agreements in relevant contracts and other materials; 4. We evaluated whether the relevant disclosures in the financial statements regarding structured entities were in compliance with the requirements of accounting standards.

Key audit matters	How our audit addressed the matters
statements. Therefore, we consider this matter to be a key audit matter in the audit of the consolidated financial statements. The related disclosures are included in notes III. 5 and 30, and VI. 5 and 6 to the financial statements.	

IV. RESTRICTIONS ON THE USE

This report is intended solely for the statutory purposes of the mergers by CICC with Cinda Securities.

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 CASs, and for such internal control as the management designs, performs and maintains is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Cinda Securities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Cinda Securities.

VI. CERTIFIED PUBLIC ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these 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 CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 CSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(I) 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.

(II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(IV) 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 Cinda Securities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of users in our auditor's report to the related disclosures in these 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 Cinda Securities to cease to continue as a going concern.

(V) Evaluate the overall presentation (including disclosure), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Cinda Securities to express an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 for the years ended December 31, 2024 and 2025 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.

BDO China Shu Lun Pan CPAs LLP

Certified Public Accountants of China:
(Engagement partner)

Certified Public Accountants of China:

Shanghai, China

May 18, 2026

Cinda Securities Co., Ltd.
Consolidated Balance Sheet and Balance Sheet of the Parent Company
As at December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

		Consolidated		Parent Company	
	Notes	**As at December 31, 2025**	**As at December 31, 2024**	**As at December 31, 2025**	**As at December 31, 2024**
ASSETS	*V VII*				
Cash and bank balances	*1*	26,760,323,675.95	22,137,616,445.64	18,842,642,419.42	15,392,472,395.69
Including: Client deposits		23,093,498,629.29	18,862,654,413.74	17,020,255,372.66	13,453,304,934.75
Deposits with clearing houses	*2*	3,826,180,422.16	4,664,059,490.94	3,499,755,377.34	4,425,979,330.27
Including: Deposits held on behalf of clients		3,053,994,912.61	3,542,394,589.50	2,741,531,549.56	3,256,431,876.67
Receivable from margin clients	*3*	16,726,893,210.69	12,569,953,612.89	16,692,443,702.69	12,512,772,212.79
Derivative financial assets	*4*	108,603,361.96	21,323,254.84	–	–
Refundable deposits	*5*	4,270,356,416.86	2,612,346,062.45	1,016,504,084.89	676,577,628.14
Accounts receivable	*6*	349,292,110.17	361,946,635.63	85,034,826.30	108,546,496.51
Reverse REPOs	*7*	1,562,199,784.62	541,990,835.27	1,406,464,522.66	440,723,954.06
Financial investments:					
Financial assets held for trading	*8*	42,355,410,074.58	34,463,308,851.01	40,472,504,682.55	32,973,327,737.34
Other debt investments	*9*	23,705,573,135.54	25,802,019,850.00	22,527,676,599.02	25,228,695,928.57
Investments in other equity instruments	*10*	8,877,389,537.77	2,178,598,788.59	8,208,527,301.78	2,177,198,788.59
Long-term equity investments	*11*	400,536,016.06	465,834,947.47	2,353,214,926.69	2,353,197,572.97
Fixed assets	*12*	93,567,011.10	105,579,396.79	72,157,187.47	79,158,693.58
Right-of-use assets	*13*	337,978,017.10	350,035,464.42	245,891,992.17	314,736,650.94
Intangible assets	*14*	113,726,162.77	129,790,553.07	96,145,879.15	104,203,588.34
Goodwill	*15*	1,005,972.76	1,005,972.76	1,005,972.76	1,005,972.76
Deferred tax assets	*16*	1,086,402.02	4,002,274.85	–	–
Other assets	*17*	460,697,545.59	492,991,940.92	179,229,232.17	143,007,421.42
Total assets		129,950,818,857.70	106,902,404,377.54	115,699,198,707.06	96,931,604,371.97

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Balance Sheet and Balance Sheet of the Parent Company (Continued)
As at December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

			Consolidated		Parent Company	
	Notes		As at December 31,	As at December 31,	As at December 31,	As at December 31,
LIABILITIES AND EQUITY	*V*	*VII*	**2025**	**2024**	**2025**	**2024**
LIABILITIES:						
Short-term borrowings	*20*		966,862,633.42	616,629,822.07	–	–
Short-term debt securities issued	*21*		–	2,814,073,219.36	–	2,814,073,219.36
Placements from financial institutions	*22*		25,531,403,587.52	15,853,017,274.13	25,531,403,587.52	15,853,017,274.13
Financial liabilities held for trading	*23*		25,301.36	293,742.48	25,301.36	293,742.48
Derivative financial liabilities	*4*		1,507,004.34	18,624,487.99	–	18,488,287.99
Accounts payable	*24*		128,352,412.84	96,957,578.81	13,437,963.43	304.07
Contract liabilities	*25*		4,860,513.26	3,032,389.94	4,765,408.79	3,032,389.94
REPOs	*26*		20,240,349,189.62	19,749,457,500.35	19,821,835,547.59	19,649,357,317.92
Accounts payable to brokerage clients	*27*		28,787,716,281.20	23,719,195,176.40	19,640,886,287.39	16,539,177,130.53
Employee benefits payable	*28*	*2*	172,459,522.84	214,407,822.42	135,645,202.07	153,890,811.23
Taxes payable	*29*		154,473,129.00	54,187,047.06	103,583,199.05	32,257,892.99
Long-term debt securities issued	*30*		22,654,047,214.45	18,182,342,935.59	22,654,047,214.45	18,182,342,935.59
Lease liabilities	*31*		331,108,705.80	342,439,519.15	236,966,027.65	303,540,186.33
Provisions	*32*		55,391,040.10	851,346.30	55,391,040.10	851,346.30
Deferred tax liabilities	*16*		99,500,329.08	37,704,193.06	99,500,329.08	22,482,789.95
Other liabilities	*33*		2,069,488,210.73	757,835,024.40	196,731,282.45	196,760,962.74
Total liabilities			101,197,545,075.56	82,461,049,079.51	88,494,218,390.93	73,769,566,591.55

Cinda Securities Co., Ltd.
Consolidated Balance Sheet and Balance Sheet of the Parent Company (Continued)
As at December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

		Consolidated		Parent Company	
LIABILITIES AND EQUITY (CONTINUED)	*Notes V VII*	**As at December 31, 2025**	**As at December 31, 2024**	**As at December 31, 2025**	**As at December 31, 2024**
EQUITY:					
Share capital	*34*	3,243,000,000.00	3,243,000,000.00	3,243,000,000.00	3,243,000,000.00
Other equity instruments	*35*	7,000,000,000.00	4,500,000,000.00	7,000,000,000.00	4,500,000,000.00
Capital reserve	*36*	4,004,898,107.93	4,012,148,107.93	4,186,612,425.04	4,193,862,425.04
Other comprehensive income	*37*	862,570,802.35	611,172,566.72	872,634,004.50	582,320,991.44
Surplus reserve	*38*	1,376,030,370.30	1,212,415,228.40	1,368,912,786.43	1,205,297,644.53
General reserves	*39*	3,124,436,106.70	2,756,178,468.31	2,751,965,194.13	2,422,883,948.56
Retained profits	*40*	8,459,456,732.52	7,473,897,386.94	7,781,855,906.03	7,014,672,770.85
Total equity attributable to shareholders of the parent company		28,070,392,119.80	23,808,811,758.30		
Non-controlling interests		682,881,662.34	632,543,539.73		
Total equity		28,753,273,782.14	24,441,355,298.03	27,204,980,316.13	23,162,037,780.42
Total liabilities and equity		129,950,818,857.70	106,902,404,377.54	115,699,198,707.06	96,931,604,371.97

The financial statements have been signed by:

Person-in-charge of the Company	Principal-in-charge of Accounting	Person-in-charge of Accounting Department

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Income Statement and Income Statement of the Parent Company
For the years ended December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

		Notes		Consolidated		Parent Company	
		V	*VII*	**2025**	**2024**	**2025**	**2024**
I.	**Operating revenue**			4,043,872,800.63	3,291,547,424.20	3,120,448,487.18	2,433,099,177.41
	Net interest income	*41*		415,642,099.74	473,281,005.29	340,240,271.52	357,242,306.01
	Including: Interest income			1,738,373,055.02	1,523,757,392.93	1,526,266,223.80	1,286,931,309.23
	Interest expenses			1,322,730,955.28	1,050,476,387.64	1,186,025,952.28	929,689,003.22
	Net fee and commission income	*42*		1,789,166,562.83	1,618,818,437.82	1,259,156,266.96	1,047,781,931.33
	Including: Net income from brokerage business			1,060,849,354.87	853,069,911.94	963,466,139.25	771,760,842.89
	Net income from investment banking business			137,773,398.43	126,732,215.52	122,729,597.14	87,736,208.63
	Net income from asset management business			141,764,340.06	155,810,332.38	154,659,185.15	168,435,429.85
	Investment income	*43*		2,114,650,262.14	1,042,588,457.55	1,659,311,896.59	991,230,833.77
	Including: Share of profits of associates and joint ventures			15,436,761.97	17,586,696.09	17,353.72	(136,396.01)
	Other income	*44*		47,398,569.50	24,561,333.59	33,788,465.22	7,540,646.75
	Gains and losses arising from changes in fair value	*45*		(341,982,003.31)	135,875,415.47	(172,283,764.87)	25,844,072.96
	Foreign exchange gains and losses			13,520,012.31	(7,908,689.16)	(1,597,843.96)	1,128,509.50
	Other operating revenue	*46*		5,730,320.76	4,200,661.75	2,104,936.64	2,228,746.20
	Gains and losses on disposal of assets	*47*		(253,023.34)	130,801.89	(271,740.92)	102,130.89
II.	**Operating expenses**			1,880,114,795.50	1,751,765,968.51	1,346,009,161.44	1,172,314,396.81
	Tax and surcharges	*48*		26,860,519.69	18,838,443.80	22,717,246.73	15,892,613.48
	Operating and administrative expenses	*49*		1,716,025,431.35	1,681,759,588.57	1,181,439,944.38	1,127,648,846.26
	Provision for impairment losses under expected credit loss model	*50*		137,228,844.46	51,167,936.14	141,851,970.33	28,772,937.07
	Other operating costs			–	–	–	–

The accompanying notes form an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Income Statement and Income Statement of the Parent Company (Continued)
For the years ended December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

	Notes	Consolidated		Parent Company	
	V VII	**2025**	**2024**	**2025**	**2024**
III. Operating profit		2,163,758,005.13	1,539,781,455.69	1,774,439,325.74	1,260,784,780.60
Add: non-operating revenue	*51*	180,235.50	1,502,336.56	170,131.31	1,502,231.69
Less: non-operating expenses	*52*	69,092,667.03	5,116,045.81	67,701,005.79	4,787,801.15
IV. Profit before income tax		2,094,845,573.60	1,536,167,746.44	1,706,908,451.26	1,257,499,211.14
Less: income tax expense	*53*	143,504,103.73	121,482,648.22	70,757,032.30	31,228,244.05
V. Profit for the year		1,951,341,469.87	1,414,685,098.22	1,636,151,418.96	1,226,270,967.09
Classified by operation continuity		1,951,341,469.87	1,414,685,098.22	1,636,151,418.96	1,226,270,967.09
Profit from continuing operations		1,951,341,469.87	1,414,685,098.22	1,636,151,418.96	1,226,270,967.09
Classified by attribution		1,951,341,469.87	1,414,685,098.22		
Attributable to shareholders of the parent company		1,893,704,022.18	1,364,888,583.05		
Attributable to non-controlling interests		57,637,447.69	49,796,515.17		
VI. Other comprehensive income for the year, net of tax		269,809,014.24	483,872,373.01	302,223,116.75	478,684,063.87
Other comprehensive income attributable to shareholders of the parent company, net of tax		263,308,339.32	481,952,704.08		
Other comprehensive income not reclassified subsequently to profit or loss		592,627,357.35	61,362,577.69	642,610,901.29	61,362,577.69
– Changes in fair value of investments in other equity instruments		592,627,357.35	61,362,577.69	642,610,901.29	61,362,577.69

The accompanying notes form an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Income Statement and Income Statement of the Parent Company (Continued)
For the years ended December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

	Notes *V* *VII*	Consolidated 2025	Consolidated 2024	Parent Company 2025	Parent Company 2024
Other comprehensive income to be reclassified to profit or loss		(329,319,018.03)	420,590,126.39	(340,387,784.54)	417,321,486.18
– Other comprehensive income that may be reclassified to profit or loss under the equity method		2,090,328.28	1,055,418.83	–	–
– Changes in fair value of other debt investments		(272,551,533.72)	381,846,272.88	(309,176,587.87)	404,467,873.79
– Credit impairment provisions for other debt investments		(24,539,231.29)	11,196,664.90	(31,211,196.67)	12,853,612.39
– Foreign currency translation differences		(34,318,581.30)	26,491,769.78	–	–
Other comprehensive income attributable to non-controlling interests, net of tax		6,500,674.92	1,919,668.93	–	–
VII. Total comprehensive income for the year		2,221,150,484.11	1,898,557,471.23	1,938,374,535.71	1,704,955,030.96
Including: Attributable to shareholders of the parent company		2,157,012,361.50	1,846,841,287.13		
Attributable to non-controlling interests		64,138,122.61	51,716,184.10		
VIII. Earnings per share		54			
Basic earnings per share		0.54	0.41		
Diluted earnings per share		0.54	0.41		

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Statement of Changes in Equity
For the year ended December 31, 2025
(All amounts in RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company									
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total	Non-controlling interests	Total equity
I. As at January 1, 2025	3,243,000,000.00	4,500,000,000.00	4,012,148,107.93	611,172,566.72	1,212,415,228.40	2,756,178,468.31	7,473,897,386.94	23,808,811,758.30	632,543,539.73	24,441,355,298.03
II. Amount of changes in the current year	-	2,500,000,000.00	(7,250,000.00)	251,398,235.63	163,615,141.90	368,257,638.39	985,559,345.58	4,261,580,361.50	50,338,122.61	4,311,918,484.11
(I) Total comprehensive income for the year	-	-	-	263,308,339.32	-	-	1,893,704,022.18	2,157,012,361.50	64,138,122.61	2,221,150,484.11
(II) Owners' contribution and share capital reduction	-	2,500,000,000.00	(7,250,000.00)	-	-	-	-	2,492,750,000.00	-	2,492,750,000.00
(III) Profit distribution	-	-	-	-	163,615,141.90	368,257,638.39	(920,054,780.29)	(388,182,000.00)	(13,800,000.00)	(401,982,000.00)
- Appropriation to surplus reserve	-	-	-	-	163,615,141.90	-	(163,615,141.90)	-	-	-
- Appropriation to general reserves	-	-	-	-	-	368,257,638.39	(368,257,638.39)	-	-	-
- Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	(148,200,000.00)	(148,200,000.00)	-	(148,200,000.00)
- Distribution to shareholders	-	-	-	-	-	-	(239,982,000.00)	(239,982,000.00)	(13,800,000.00)	(253,782,000.00)
(IV) Internal carry-forward of owner's equity	-	-	-	(11,910,103.69)	-	-	11,910,103.69	-	-	-
- Other comprehensive income carried forward to retained earnings	-	-	-	(11,910,103.69)	-	-	11,910,103.69	-	-	-
III. As at December 31, 2025	3,243,000,000.00	7,000,000,000.00	4,004,898,107.93	862,570,802.35	1,376,030,370.30	3,124,436,106.70	8,459,456,732.52	28,070,392,119.80	682,881,662.34	28,753,273,782.14

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Statement of Changes in Equity
For the year ended December 31, 2024
(All amounts in RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company									
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total	Non-controlling interests	Total equity
I. As at January 1, 2024	3,243,000,000.00	-	4,016,100,938.11	132,420,373.47	1,089,788,131.69	2,466,736,773.22	6,810,946,084.86	17,758,992,301.35	580,827,355.63	18,339,819,656.98
II. Amount of changes in the current year	-	4,500,000,000.00	(3,952,830.18)	478,752,193.25	122,627,096.71	289,441,695.09	662,951,302.08	6,049,819,456.95	51,716,184.10	6,101,535,641.05
(I) Total comprehensive income for the year	-	-	-	481,952,704.08	-	-	1,364,888,583.05	1,846,841,287.13	51,716,184.10	1,898,557,471.23
(II) Owners' contribution and share capital reduction	-	4,500,000,000.00	(3,952,830.18)	-	-	-	-	4,496,047,169.82	-	4,496,047,169.82
(III) Profit distribution	-	-	-	-	122,627,096.71	289,441,695.09	(705,137,791.80)	(293,069,000.00)	-	(293,069,000.00)
- Appropriation to surplus reserve	-	-	-	-	122,627,096.71	-	(122,627,096.71)	-	-	-
- Appropriation to general reserves	-	-	-	-	-	289,441,695.09	(289,441,695.09)	-	-	-
- Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	(23,900,000.00)	(23,900,000.00)	-	(23,900,000.00)
- Distribution to shareholders	-	-	-	-	-	-	(269,169,000.00)	(269,169,000.00)	-	(269,169,000.00)
(IV) Internal carry-forward of owner's equity	-	-	-	(3,200,510.83)	-	-	3,200,510.83	-	-	-
- Other comprehensive income carried forward to retained earnings	-	-	-	(3,200,510.83)	-	-	3,200,510.83	-	-	-
III. As at December 31, 2024	3,243,000,000.00	4,500,000,000.00	4,012,148,107.93	611,172,566.72	1,212,415,228.40	2,756,178,468.31	7,473,897,386.94	23,808,811,758.30	632,543,539.73	24,441,355,298.03

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Statement of Changes in Equity of the Parent Company
For the year ended December 31, 2025
(All amounts in RMB unless otherwise stated)

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total equity
I. As at January 1, 2025	3,243,000,000.00	4,500,000,000.00	4,193,862,425.04	582,320,991.44	1,205,297,644.53	2,422,883,948.56	7,014,672,770.85	23,162,037,780.42
II. Amount of changes in the current year	–	2,500,000,000.00	(7,250,000.00)	290,313,013.06	163,615,141.90	329,081,245.57	767,183,135.18	4,042,942,535.71
(I) Total comprehensive income for the year	–	–	–	302,223,116.75	–	–	1,636,151,418.96	1,938,374,535.71
(II) Owners' contribution and share capital reduction	–	2,500,000,000.00	(7,250,000.00)	–	–	–	–	2,492,750,000.00
(III) Profit distribution	–	–	–	–	163,615,141.90	329,081,245.57	(880,878,387.47)	(388,182,000.00)
– Appropriation to surplus reserve	–	–	–	–	163,615,141.90	–	(163,615,141.90)	–
– Appropriation to general reserves	–	–	–	–	–	329,081,245.57	(329,081,245.57)	–
– Distributions to holders of perpetual subordinated bonds	–	–	–	–	–	–	(148,200,000.00)	(148,200,000.00)
– Distribution to shareholders	–	–	–	–	–	–	(239,982,000.00)	(239,982,000.00)
(IV) Internal carry-forward of owner's equity	–	–	–	(11,910,103.69)	–	–	11,910,103.69	–
– Other comprehensive income carried forward to retained earnings	–	–	–	(11,910,103.69)	–	–	11,910,103.69	–
III. As at December 31, 2025	3,243,000,000.00	7,000,000,000.00	4,186,612,425.04	872,634,004.50	1,368,912,786.43	2,751,965,194.13	7,781,855,906.03	27,204,980,316.13

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Statement of Changes in Equity of the Parent Company
For the year ended December 31, 2024
(All amounts in RMB unless otherwise stated)

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserves	Retained profits	Total equity
I. As at January 1, 2024	3,243,000,000.00	–	4,197,815,255.22	106,837,438.40	1,082,670,547.82	2,175,357,725.63	6,448,423,612.57	17,254,104,579.64
II. Amount of changes in the current year	–	4,500,000,000.00	(3,952,830.18)	475,483,553.04	122,627,096.71	247,526,222.93	566,249,158.28	5,907,933,200.78
(I) Total comprehensive income for the year	–	–	–	478,684,063.87	–	–	1,226,270,967.09	1,704,955,030.96
(II) Owners' contribution and share capital reduction	–	4,500,000,000.00	(3,952,830.18)	–	–	–	–	4,496,047,169.82
(III) Profit distribution	–	–	–	–	122,627,096.71	247,526,222.93	(663,222,319.64)	(293,069,000.00)
– Appropriation to surplus reserve	–	–	–	–	122,627,096.71	–	(122,627,096.71)	–
– Appropriation to general reserves	–	–	–	–	–	247,526,222.93	(247,526,222.93)	–
– Distributions to holders of perpetual subordinated bonds	–	–	–	–	–	–	(23,900,000.00)	(23,900,000.00)
– Distribution to shareholders	–	–	–	–	–	–	(269,169,000.00)	(269,169,000.00)
(IV) Internal carry-forward of owner's equity	–	–	–	(3,200,510.83)	–	–	3,200,510.83	–
– Other comprehensive income carried forward to retained earnings	–	–	–	(3,200,510.83)	–	–	3,200,510.83	–
III. As at December 31, 2024	3,243,000,000.00	4,500,000,000.00	4,193,862,425.04	582,320,991.44	1,205,297,644.53	2,422,883,948.56	7,014,672,770.85	23,162,037,780.42

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Statement of Cash Flows and
Statement of Cash Flows of the Parent Company
For the years ended December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

		Notes		Consolidated		Parent Company	
		V	*VII*	**2025**	**2024**	**2025**	**2024**
I.	**Cash flows from operating activities:**						
	Interest, fee and commission income received			5,699,247,760.06	4,832,754,446.48	4,409,655,289.09	3,669,053,365.35
	Net increase in placements from financial institutions			9,655,000,000.00	2,030,000,000.00	9,655,000,000.00	2,030,000,000.00
	Net increase in repo transactions			–	7,596,927,064.60	–	7,658,953,006.56
	Net cash received from brokerage clients			4,917,852,477.33	6,441,884,168.26	3,101,893,578.82	6,249,679,564.78
	Cash inflows associated with other operating activities	55		222,158,880.04	100,786,051.08	65,609,051.86	68,864,177.23
	Subtotal of cash inflows from operating activities			20,494,259,117.43	21,002,351,730.42	17,232,157,919.77	19,676,550,113.92
	Net increases in trading financial assets and liabilities and derivative financial instruments			8,338,749,258.77	5,571,769,071.90	8,302,017,210.34	5,745,655,651.85
	Net increase in receivable from margin clients			4,233,095,569.56	1,623,405,994.60	4,270,737,635.75	1,660,035,207.25
	Interest, fee and commission expenses paid			1,646,936,985.51	1,166,277,409.49	1,154,855,702.35	776,635,536.42
	Net decrease in repo transactions			558,346,901.03	–	818,360,784.95	–
	Cash paid to and for employees			1,132,140,054.49	1,402,765,528.40	787,222,562.67	881,873,327.86
	Cash paid for taxes			420,354,013.20	215,116,844.73	225,313,547.92	138,880,924.12
	Cash outflows associated with other operating activities	55		2,219,948,631.04	737,952,823.67	597,108,294.36	434,722,968.38
	Subtotal of cash outflows from operating activities			18,549,571,413.60	10,717,287,672.79	16,155,615,738.34	9,637,803,615.88
	Net cash generated from operating activities			1,944,687,703.83	10,285,064,057.63	1,076,542,181.43	10,038,746,498.04

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Statement of Cash Flows and
Statement of Cash Flows of the Parent Company (Continued)
For the years ended December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

	Notes	Consolidated		Parent Company	
	V VII	**2025**	**2024**	**2025**	**2024**
II. Cash flows from investing activities:					
Cash receipts from disposal of investments		43,117,184,719.12	29,379,819,827.16	40,191,089,973.71	29,341,672,793.76
Cash receipts of investment returns		1,179,516,250.15	749,980,319.48	1,214,188,015.21	773,235,621.65
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		4,505,379.51	5,012,406.03	3,231,970.37	1,347,945.85
Subtotal of cash inflows from investing activities		44,301,206,348.78	30,134,812,552.67	41,408,509,959.29	30,116,256,361.26
Payment for purchase of investments		48,921,315,938.70	43,500,468,507.52	43,115,827,225.23	43,499,010,877.39
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets		51,536,540.97	86,835,412.15	36,371,014.99	68,512,466.51
Net cash outflow from disposal of subsidiaries and other business units		–	80,765,232.66	–	–
Subtotal of cash outflows from investing activities		48,972,852,479.67	43,668,069,152.33	43,152,198,240.22	43,567,523,343.90
Net cash generated from investing activities		(4,671,646,130.89)	(13,533,256,599.66)	(1,743,688,280.93)	(13,451,266,982.64)
III. Cash flows from financing activities:					
Net cash received from consolidated structured entities		1,354,692,810.42	–	–	–
Cash received from borrowings		986,485,640.43	280,125,709.80	–	–
Cash received from issuance of bonds		15,800,000,000.00	20,849,510,000.00	15,800,000,000.00	20,849,510,000.00
Proceeds from issuance of perpetual subordinated bonds		2,500,000,000.00	4,500,000,000.00	2,500,000,000.00	4,500,000,000.00
Subtotal of cash inflows from financing activities		20,641,178,450.85	25,629,635,709.80	18,300,000,000.00	25,349,510,000.00

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Consolidated Statement of Cash Flows and
Statement of Cash Flows of the Parent Company (Continued)
For the years ended December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

	Notes		Consolidated		Parent Company	
	V	*VII*	**2025**	**2024**	**2025**	**2024**
Cash repayments of borrowings			14,714,010,822.00	14,227,017,585.17	14,100,000,000.00	14,199,240,000.00
Cash paid for dividends, profit distribution or interests			919,914,844.95	674,944,494.66	846,726,818.74	633,292,294.14
Net cash paid for consolidated structured entities			–	140,774,796.97	–	–
Cash outflows associated with other financing activities	55		175,750,933.59	174,562,714.54	136,360,767.72	128,743,114.27
Subtotal of cash outflows from financing activities			15,809,676,600.54	15,217,299,591.34	15,083,087,586.46	14,961,275,408.41
Net cash generated from financing activities			4,831,501,850.31	10,412,336,118.46	3,216,912,413.54	10,388,234,591.59
IV. Effect of exchange rate changes on cash and cash equivalents			23,935,211.02	51,774,902.41	(1,597,843.96)	1,128,509.50
V. Net change in cash and cash equivalents	*56*	*8*	2,128,478,634.27	7,215,918,478.84	2,548,168,470.08	6,976,842,616.49
Add: cash and cash equivalents at the beginning of the year			26,230,792,300.72	19,014,873,821.88	19,765,316,589.52	12,788,473,973.03
VI. Cash and cash equivalents at the end of the year	*56*	*8*	28,359,270,934.99	26,230,792,300.72	22,313,485,059.60	19,765,316,589.52

The accompanying notes are an integral part of these financial statements

Cinda Securities Co., Ltd.
Notes to the Financial Statements
For the years ended December 31, 2024 and December 31, 2025
(All amounts in RMB unless otherwise stated)

I. BASIC INFORMATION OF THE COMPANY

Cinda Securities (hereinafter referred to as the "**Company**") was established as a joint stock company with limited liability in Beijing, China on September 4, 2007, as approved by the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**") in its Reply on Approving the Commencement of Business of Cinda Securities Co., Ltd. (Zheng Jian Ji Gou Zi [2007] No. 211) (《關於同意信達證券股份有限公司開業的批復》(證監機構字[2007]211號)). The Company was founded based on the acquisition of the securities businesses of the former Hantang Securities Co., Ltd. (漢唐證券有限責任公司) and Liaoning Province Securities Co., Ltd. (遼寧省證券公司). The registered capital of the Company was RMB1.51100 billion, and the unified social credit code of the Company's business license is 91110000710934967A. Upon approval by the CSRC, the Company increased its registered capital by RMB1.05770 billion in 2011. The enlarged registered capital was RMB2.56870 billion. In 2020, the Company further increased its registered capital by RMB350.00 million, bringing the enlarged registered capital to RMB2.91870 billion.

On December 12, 2022, the CSRC issued the Reply on Approving the Initial Public Offering of Shares by Cinda Securities Co., Ltd. (Zheng Jian Xu Ke [2022] No. 3121) (《關於核准信達證券股份有限公司首次公開發行股票的批復》(證監許可[2022]3121號)), approving the Company to publicly offer no more than 324,300,000 new shares. On January 16, 2023, the Company publicly offered 324,300,000 RMB ordinary shares (A shares) to the public and these shares were listed and traded on the main board of the Shanghai Stock Exchange on February 1, 2023. Upon completion of the offering, the total share capital of the Company increased from 2,918,700,000 shares to 3,243,000,000 shares. On March 27, 2023, the Company completed the industrial and commercial registration change procedures, and its registered capital was changed to RMB3.243 billion.

The business scope of the Company and its subsidiaries (hereinafter referred to as the "**Group**") includes: securities brokerage; securities investment consulting; financial consulting relating to the securities trading and securities investment; securities underwriting and sponsorship; proprietary trading of securities; securities asset management; margin financing and securities lending; proxy sale of financial products; sale of securities investment funds; intermediary introduction business provided by securities companies to futures companies; management of publicly offered securities investment funds; commodity futures brokerage; financial futures brokerage; direct investment business; equity investment management, etc.

On February 14, 2025, the Company received a notice from China Cinda Asset Management Co., Ltd. (hereinafter referred to as "**China Cinda**"), a controlling shareholder, that the Ministry of Finance of the People's Republic of China (hereinafter referred to as the "**Ministry of Finance**") intended to transfer all of its equity in China Cinda to Central Huijin Investment Ltd. (hereinafter referred to as "**Huijin Company**") free of charge. The free transfer was completed and registered on September 4, 2025. Upon the transfer, China Cinda's shareholding ratio in the Company remains unchanged, and the parent company of the Company is still China Cinda. The ultimate controlling party has changed from the Ministry of Finance to Huijin Company.

As of December 31, 2025, the Company established 21 offices and operated 81 securities branches.

The corporate and consolidated financial statements of the Company were approved by the Company on May 18, 2026.

II. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

1. Basis for preparation

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards, specific accounting standards and relevant regulations (hereinafter collectively referred to as the "**Accounting Standards for Business Enterprises**") issued by the Ministry of Finance on February 15, 2006 or later, as well as the disclosure requirements of the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions for Financial Reporting issued by China Securities Regulatory Commission.

2. Going concern

The Group has evaluated its ability to continue as a going concern for the 12 months from the end of the reporting period, and has not found any events or conditions that may cast significant doubt on its ability to continue as a going concern. Therefore, the financial statements are presented on the basis of a going concern assumption.

3. Accounting basis and measurement principles

The Group's accounting is conducted on accrual basis. Except for certain financial instruments measured at fair value, the financial statements take the historical cost as the measurement basis. If an asset is impaired, the impairment loss allowance shall be accrued in accordance with the relevant provisions.

Where the historical cost is adopted, assets are measured at the amount of cash or cash equivalents paid or the fair value of the consideration given at the time of acquisition. Liabilities are measured at the amount of funds or assets actually received for assuming the current obligations, or at the contractual amount for assuming the current obligations, or at the amount of cash or cash equivalents expected to be paid for repaying the liabilities during daily activities.

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 measurements date, regardless of whether that price is observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined on the above basis.

For financial assets with transaction prices as the fair value upon initial recognition and the valuation technique of unobservable inputs employed in the subsequent measurement of the fair value, the technique is adjusted during the valuation to match the initial recognition results determined with the transaction prices.

Fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

(2) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

(3) Level 3 inputs are unobservable inputs for the asset or liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance of accounting standards for business enterprises

The financial statements prepared by the Group are in conformity with requirements of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and present truly and completely the consolidated and parent company's financial position as at December 31, 2024 and December 31, 2025, as well as the consolidated and parent company's operating results and cash flows for the years ended December 31, 2024 and 2025.

2. Accounting period and operating cycle

The accounting year of the Group is a calendar year, that is, from January 1 to December 31 in each year.

3. Functional currency

Renminbi ("**RMB**") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries adopt RMB as their functional currency. The overseas subsidiaries of the Company determine their functional currency according to the currencies of primary economic environment in which they operate. The Group adopts RMB to prepare the financial statements.

4. Determination method and selection basis of materiality standards

The Group determines the materiality of financial information in terms of the nature and amount of the item according to its specific environment. When determining the materiality of the nature of an item, the Group mainly considers whether the item is in the ordinary course of business in nature and whether it significantly affects the financial position, operating results and cash flows of the Group; in determining the materiality of the amount of an item, the Group considers the proportion of the item's amount to the amount of directly related items such as total assets, total liabilities, total shareholder's equity, total operating income, total operating expenses, net profit, and total comprehensive income, or the proportion of the item's amount to the amount of the item listed separately in the financial statements.

5. Accounting treatments for business combination under and not under common control

Business combinations are divided into business combinations under common control and business combinations not under common control.

(1) Business combination under common control

The enterprises participating in the combination are ultimately controlled by the same party or the same multiple parties before and after the combination, and the control is not temporary. It is a business combination under common control.

Assets and liabilities obtained from business combination are measured at their respective carrying amounts as recorded by the combined party at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination by the combined party (or total nominal value of the issued shares) is adjusted to the share premium in capital reserves. Adjustments shall be made to retained earnings in the event that the share premiums are not sufficient.

The direct costs incurred by the combining party for the business combination shall be included in the profit or loss for the current period when incurred.

(2) Business combinations not under common control and goodwill

Enterprises that participate in the combination are not under the same party or the same multiple parties' ultimate control before and after the combination, which is a business combination not under the common control.

The cost of combination is the fair value of assets given, liabilities incurred or undertaken, and equity instruments issued by the acquirer for obtaining the control of the acquiree. Intermediary expenses such as audits, legal services, evaluation and consulting, and other related management expenses incurred by the acquirer in the business combination are included in the profit or loss for the current period when incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interests in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interests in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interests in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment loss allowance, and is presented separately in the consolidated financial statements.

6. Criteria for determining control and method of preparing consolidated financial statements

(1) Criteria for determining control

The consolidation scope of consolidated financial statements is determined on the basis of control. Control exists when the investor has power over the investee; enjoys variable returns by participating in the relevant activities of the investee; and has the ability to use its power over the investee to affect its returns. The scope of consolidation includes the Company, all subsidiaries and structured entities controlled by the Company. The subsidiaries refer to the entities controlled by the Company.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

(2) Method of preparing consolidated financial statements

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For subsidiaries disposed of by the Group, the operating results and cash flows before the disposal date (the date when control is lost) have been properly included in the consolidated income statement and consolidated cash flow statement. For subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet is not adjusted.

For subsidiaries acquired through a business combination not under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) have been properly included in the consolidated income statement and consolidated cash flow statement, and the opening balance and comparative figures of the consolidated financial statements are not adjusted.

No matter when the business combination occurs in the reporting period, a subsidiary acquired through a business combination under common control or a combined party in a combination by absorption are included in the Group's consolidation scope as if they had been included in the consolidation scope from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period are properly included in the consolidated income statement and consolidated statement of cash flows.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the Company are inconsistent, the necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies and accounting periods of the Company. For subsidiaries acquired from business combinations not under common control, the financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date.

All major current balances, transactions and unrealized profits within the consolidation scope of financial statements are offset when the consolidated financial statements are prepared.

The portion of owner's equity of a subsidiary that is not attributable to the parent company is treated as minority interests and presented below the shareholders' equity item in the consolidated balance sheet as "minority interests". The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented below the net profit item in the consolidated income statement as "profit or loss attributable to minority interests". Where the loss of a subsidiary shared by a minority shareholder exceeds the share of the minority shareholder in the owner's equity of the subsidiary at the beginning of the period, the excess is still allocated against the minority interests.

For transactions of acquiring minority interests in subsidiaries or disposing of part of the equity investment without losing control over the subsidiary, they are accounted for as equity transactions, and the carrying amount of the equity attributable to owners of the parent company and minority interests is adjusted to reflect the changes of related equity in the subsidiary. Differences between the adjustment of minority interests and the fair value of consideration paid/received are adjusted to the capital reserve. If the differences exceed capital reserve, retained earnings shall be adjusted.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity is re-measured at its fair value on the date when control is lost. The difference between the aggregate of the consideration received on equity disposal and the fair value of the remaining equity and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of shareholding is included in the investment income in the period in which control is lost, with goodwill being reduced simultaneously. Other comprehensive income relating to the equity investment in the original subsidiary is reclassified to investment income in the period in which control is lost. Thereafter, the remaining equity is subsequently measured in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment or Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

When the Company disposes of equity investment in a subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost, it shall determine whether these several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost belong to a basket of transactions. Usually, these several transactions related to the disposal of equity investment in a subsidiary

are accounted for as a basket of transactions when the terms, conditions and economic impacts of these several transactions meet the following one or more conditions: (1) these transactions are entered into at the same time or after considering their impacts on each other; (2) these transactions as a whole can reach complete business results; (3) the occurrence of a transaction depends on at least the occurrence of an other transaction; (4) an individual transaction is not deemed as economic, but is deemed as economic when considered with other transactions. If they are not a basket of transactions, each of which is subject to the accounting treatment on a case-by-case basis. When several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost belong to a basket of transactions, such transactions are together subject to the accounting treatment as a transaction of disposal subsidiaries and losing control; provided that the difference between the amount of each disposal and the net assets of the subsidiary attributable to the disposal investment before the loss of control shall be recognised as other comprehensive income in consolidated financial statements and transferred to profit or loss for the current period when the control is lost.

7. Basis for determination of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (generally matured within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Translation of foreign currency transactions and foreign currency financial statements

8.1 Foreign currency transactions

Foreign currency transactions are translated at initial recognition using the spot exchange rate at the date of the transaction.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at that date, and exchange differences resulting from differences between the spot exchange rate at that date and the spot exchange rate at initial recognition or at the previous balance sheet date, except: (1) exchange differences on foreign currency special borrowings eligible for capitalisation are capitalised to the cost of the related assets during the capitalisation period; (2) exchange differences on hedging instruments that are hedged against foreign exchange risks are accounted for under the hedge accounting method; (3) exchange differences on monetary items classified as fair value through other comprehensive income are included in current profit or loss, other than those arising from changes in book balance other than amortised cost, which are recognised in other comprehensive income.

If the preparation of the consolidated financial statements involves foreign operations, and if there are foreign currency monetary items that substantially constitute a net investment in foreign operations, exchange differences resulting from changes in exchange rates are included in "foreign currency translation differences" in other comprehensive income; when foreign operations are disposed of, they are included in profit or loss for the period of disposal.

Foreign currency non-monetary items measured at historical cost continue to be measured at the functional currency amount discounted at the spot exchange rate at the date of the transaction. Non-monetary items in foreign currencies measured at fair value are translated using the spot exchange rate at the date the fair value is determined, and the difference between the functional currency amount after translation and the original functional currency amount is treated as a change in fair value (including exchange rate changes) and recognised in the current profit or loss or in other comprehensive income.

8.2 Translation of foreign currency financial statements

For the purpose of preparing consolidated financial statements, foreign currency financial statements of foreign operations are translated into RMB as follows: all assets and liability items in the balance sheet are translated at the spot exchange rate at the balance sheet date; shareholders' equity items are translated at the spot exchange rate at the time of occurrence; all items in the income statement and items reflecting the occurrence of profit distribution are translated using the spot exchange rate at the date of the transaction; the difference between the translated asset items and the sum of liability items and shareholders' equity items is recognised as other comprehensive income and included in shareholders' equity.

Cash flows denominated in foreign currencies and the cash flows of foreign subsidiaries are translated using the spot exchange rate at the date of the cash flows, and the effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item, and presented separately in the statement of cash flows as "effect of exchange rate changes on cash and cash equivalents".

The figures at the end of the previous period and the actual figures of the previous period are presented in accordance with the amounts translated from the prior year's financial statements.

Upon the disposal of the entire owners' equity of the Company in a foreign operation or the loss of control over the foreign operation due to the disposal of a portion of the equity investment or otherwise, the foreign currency translation differences shown in the shareholders' equity item in the balance sheet that are attributable to the owners' equity of parent company related to that foreign operation are transferred in full to profit or loss in the period in which the disposal occurs.

When the disposal of part of the equity investments or otherwise results in decrease in proportion of equity in a foreign operation but does not result in loss of control, the foreign currency translation differences relating to the partial disposal of the foreign operation are attributable to minority interests and are not transferred to profit or loss for the period. When the disposal of foreign operation is partial disposal of equity in associates or joint ventures, the foreign currency translation differences relating to the foreign operation is transferred to profit or loss in proportion to the foreign operation disposed.

9. Financial instruments

Financial assets or financial liabilities are recognised when the Group becomes a party to the relative financial instrument contract.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed at the transaction date, or derecognizes the assets sold at the transaction date.

Financial assets and financial liabilities are measured at fair value at initial recognition (please refer to related disclosures for accounting basis and measurement principles in note II for the determination of fair value of financial assets and financial liabilities). For financial assets and financial liabilities measured at fair value through profit or loss, related transaction costs are directly included in the current profit or loss. For other types of financial assets and financial liabilities, related transaction costs are included in their initially recognised amounts. For account receivables, excluding significant financing components, regardless of financing components of contracts less than one year, and, measured under Accounting Standards for Business Enterprises No. 14 – Revenue ("**Revenue Standard**"), the transaction price according to the Revenue Standard is adopted for initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial asset or financial liability to the book balance of the financial asset or the amortised cost of the financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows considering all contractual terms of the financial assets or financial liabilities (such as repayment in advance, extension, call options or other similar options), without considering expected credit losses (ECLs).

The amortised cost of a financial asset or financial liability is the initial recognition amount of the financial asset or the financial liability less the repaid amount of principal plus or less the accumulated amortised amount of the difference between the initial recognition amount and the amount of maturity with the effective interest rate method less the accumulated provisions for the losses (only applicable to the financial assets).

9.1 Classification, recognition and measurement of financial assets

After the initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

The contract terms of financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial asset is to collect contract cash flows as the goal. The Group classifies the financial asset as a financial asset measured at

amortised cost. Such financial assets mainly include deposits with banks, deposits with clearing houses, receivable from margin clients, financial assets held under resale agreements ("**reverse REPOs**"), refundable deposits, accounts receivable, other receivables, etc.

Where the contract terms of financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial asset is both to collect contract cash flows and to sell the financial asset as the goal, the Group classifies the financial asset as a financial asset measured at fair value through other comprehensive income. Such financial assets are presented under other debt investments.

A financial asset is said to be held by the Group for trading purposes if it meets one of the following conditions:

(1) The underlying financial assets have been acquired primarily for the purpose of a recent sale.

(2) The underlying financial asset is part of a portfolio of centrally managed identifiable financial instruments at initial recognition, and there is objective evidence of a recent actual pattern of short-term profit-taking.

(3) The underlying financial assets are derivatives. Except for derivatives that meet the definition of a financial guarantee contract and those designated as effective hedging instruments.

Financial assets at fair value through profit or loss comprise financial assets classified as at fair value through profit or loss and financial assets designated as at fair value through profit or loss:

(1) Financial assets that do not qualify for classification as financial assets at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

(2) At initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate financial assets as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss, other than derivative financial assets, are presented as financial assets held for trading.

9.1.1 Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from impairment or derecognition are recognised in the current profit or loss.

The Group recognises interest income for financial assets at amortised cost based on the effective interest method. The Group determines interest income based on the book balance of the financial assets multiplied by the effective interest rate, except for the following cases:

(1) For financial assets that have been purchased or originated with credit impairment, the Group calculates its interest income from the initial recognition based on the amortised cost of the financial asset and the effective interest rate adjusted for credit.

(2) For financial assets that have been purchased or originated without credit impairment but have become credit impaired in subsequent periods, the Group calculates its interest income in the subsequent periods based on the amortised cost of the financial asset and the effective interest rate. If the financial instrument has no credit impairment due to an improvement in its credit risk in subsequent periods, and this improvement can be linked to an event that occurs after the application of the above provisions, the Group will multiply the book balance of the financial asset by the effective interest rate to calculate and determine interest income.

9.1.2 Financial assets at fair value through other comprehensive income

For financial assets classified as at fair value through other comprehensive income, their impairment losses or reversals, interest income calculated using the effective interest rate and exchange gains or losses are included in the current profit or loss. Otherwise, changes in the fair value of the financial asset are included in other comprehensive income. The amount of this financial asset included in the profit or loss of each period is equal to the amount that has been included in the profit or loss of each period as if it had been measured at amortised cost. When the financial asset is derecognised, the accumulated gains or losses previously recorded in other comprehensive income are transferred from other comprehensive income to the current profit or loss.

After a non-trading equity instrument investment is designated as a financial asset at fair value through other comprehensive income, the changes in the fair value of the financial asset are recognised in other comprehensive income. The accumulated gains or losses included in other comprehensive income are transferred from other comprehensive income to retained earnings when the financial asset is derecognised. During the period when the Group holds investments in these non-trading equity instruments, the Group's right to receive dividends has been established, and economic benefits related to dividends are likely to flow into the Group, and when the amount of dividends can be reliably measured, dividend income is recognised and included in the current profit or loss.

9.1.3 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured subsequently at fair value. Gains or losses resulting from changes in fair value, dividends, and interest income related to the financial assets are included in the current profits and losses.

9.2 Impairment of financial instruments

The Group performs impairment accounting for financial assets at amortised cost, and financial assets classified as at fair value through other comprehensive income on the basis of ECLs and recognises loss allowance.

For all accounts receivable formed by transactions regulated by Revenue Standard, the Group measures loss allowance equivalent to the amount of lifetime ECLs.

For other financial instruments, except the financial assets purchased or originated with credit impairment, the Group shall evaluate the credit risk changes of the relevant financial instruments since the initial recognition at each balance sheet date. If the credit risk of the financial instrument has increased significantly since the initial recognition, the Group shall measure its loss allowance according to the amount equivalent to the lifetime ECLs of the financial instrument; if the credit risk of the financial instrument has not increased significantly since the initial recognition, the Group shall measure its loss allowance at an amount equivalent to the next 12-month ECLs of the financial instruments. Except for financial assets classified as at fair value through other comprehensive income, the increased or retracted amount of credit loss allowance shall be recorded in the current profit or loss as impairment loss or gain. For financial assets classified as at fair value through other comprehensive income, the Group shall recognise its credit loss allowance in other comprehensive income, and record impairment loss or gain into the current profit or loss, without reducing the carrying amount of the financial assets listed in the balance sheet.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at the balance sheet date for the current period. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment, except the financial assets purchased or originated with credit impairment.

9.2.1 Significant increase in credit risk

By comparing the default risk of financial instruments at the balance sheet date with that on initial recognition date, the Group uses reasonable and well-founded forward looking information available to determine whether the credit risk of financial instruments have increased significantly since initial recognition.

The Group considers the following factors in assessing whether there is a significant increase in credit risk:

(1) Whether the external market indicators of the credit risk of the same financial instrument or similar financial instrument with the same expected life have changed significantly;

(2) Whether the external credit rating of the financial instruments has changed significantly in the actual or expected;

(3) Adverse changes in business, financial position or economic conditions that are expected to result in a significant change in the ability of the debtor to meet its obligations;

(4) Whether the actual or expected operating results of the debtor have changed significantly;

(5) Whether there has been a significant change in the value of the collateral or in the quality of the collateral or credit enhancement provided by a third party as collateral for a debt;

(6) Whether the expected performance and repayment behavior of the debtor change significantly;

(7) Generally, the credit risk on a financial asset is considered to have increased significantly when the contractual payment is more than or equal to 30 days past due regardless of the way in which the Group assesses significant increases in credit risk unless the Group has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly although more than 30 days past due.

9.2.2 Credit-impaired financial assets

A financial asset is credit impaired when the Group anticipates that one or more events that are expected to have an adverse impact on the future cash flows of the financial asset occur. Evidence of financial asset that is credit impaired includes the following observable information:

(1) The issuer or debtor has major financial difficulties;

(2) Breach of contract by the debtor, such as breach or delay in payment of interest or principal;

(3) The creditor gives the debtor concessions that would not be made under any other circumstances for economic or contractual reasons in connection with the debtor's financial difficulties;

(4) The debtor is likely to go bankrupt or undergo other financial restructuring;

(5) The financial difficulties of the issuer or debtor result in the disappearance of the active market of the financial asset;

(6) Purchase or originate a financial asset at a substantial discount that reflects a credit loss.

Based on the Group's internal credit risk management, when the internally recommended or externally obtained information indicates that the debtor of the financial instrument cannot fully pay its creditors including the Group (regardless of any guarantees obtained by the Group), the Group believes that a default event has occurred.

9.2.3 Determination of ECLs

The Group determines the ECLs of the relevant financial instruments according to the following methods:

(1) For financial assets, the credit loss shall be the present value of the difference between the contractual cash flows to be collected by the Group and the expected cash flows to be collected.

(2) For financial assets that are credit-impaired at the balance sheet date but are not purchased or originated with such impairment, the credit loss is the difference between the book balance of the financial asset and the present value of the estimated future cash flows discounted at the original effective interest rate.

The Group considers the following factors in measuring the ECLs of financial instruments: an unbiased probabilistic weighted average amount determined by evaluating a range of possible outcomes; time value of money; reasonable and evidence-based information about past events, current conditions and projections of future economic conditions that can be obtained at the balance sheet date without unnecessary additional cost or effort.

9.2.4 Derecognition of financial assets

Financial assets that meet one of the following conditions shall be derecognised: (1) the contractual right to collect the cash flows of the financial assets is terminated; (2) the financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee; (3) the

financial assets have been transferred, though the Company neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, it does not retain control over the financial assets.

9.3 Transfer of financial assets

If the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, and retains control over the financial assets, it shall continue to recognise the transferred financial assets according to the extent to which it continues to be involved in the transferred financial assets, and recognise the relevant liabilities accordingly. The Group measures the related liabilities in the following ways:

(1) For the transferred financial assets at amortised cost, the carry amount of the related liabilities is equal to the carry amount of the continued involvement in the transferred financial assets less the amortised cost of the rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the amortised cost of the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). Relevant liabilities are not designated as financial liabilities measured at fair value through profit or loss.

(2) For the transferred financial assets at fair value, the carry amount of the related liabilities is equal to the carry amount of the continued involvement in the transferred financial assets minus the fair value of rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). The fair value of the right and obligation shall be the fair value measured on an independent basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between the carrying amount of the financial asset transferred at the derecognition date; and the sum of the consideration received from the transfer of financial assets and the corresponding amount of the derecognition part in the cumulative amount of fair value changes originally recognized in other comprehensive income, is recognized in profit or loss for the current period. If the financial assets transferred by the Group are the non-trading equity instrument investment designated as at fair value through other comprehensive income, cumulative gains or losses previously recognised in other comprehensive income are reclassified in retained earnings from other comprehensive income.

If the partial transfer of financial assets meets the conditions for the derecognition, the total carry amount of the financial assets before the transfer shall be allocated between the part of the derecognition and the part of the continuing recognition according to their respective relative fair value on the transfer date. The difference between the sum of the consideration received in the part of derecognition and the accumulative amount of the fair value changes originally recorded in other comprehensive income relevant to the part of derecognition, and the carry amount allocated to the part of the derecognition on the date of derecognition shall be

recorded into the current profit or loss. If the financial assets transferred by the Group are the non-trading equity instrument investment designated as at fair value through other comprehensive income, cumulative gains or losses previously recognised in other comprehensive income are reclassified in retained earnings from other comprehensive income.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognise the transferred financial asset in its entirety. Considerations received should be recognised as a financial liability.

9.4 Classification of financial liabilities and equity instruments

Based on the contractual terms of the financial instruments issued and the economic substance reflected rather than only the form of legal contracts, along with the definition of financial liabilities and equity instruments, the Group classifies the financial instruments or its components as financial liability or equity instrument at initial recognition.

9.4.1 Recognition, classification and measurement of financial liabilities

Upon initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

9.4.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. In addition to the derivative financial liabilities listed separately, financial liabilities at fair value through profit or loss are listed as financial liabilities held for trading.

The Group's purpose of undertaking the financial liabilities is for trading if one of the following conditions is satisfied:

(1) The purpose of undertaking relevant financial liabilities is mainly for the recent repurchase.

(2) The relevant financial liabilities are part of a portfolio of identifiable financial instruments that are centrally managed on initial recognition, and there is objective evidence of actually a recent short-term profit-taking model.

(3) The relevant financial liabilities are derivatives, except for derivatives defined under financial guarantee contracts and derivatives designated as effective hedging instruments.

The Group may designate, on initial recognition, a financial liability as at fair value through profit or loss if one of the following conditions is satisfied: (1) such designation eliminates or significantly reduces an accounting mismatch; (2) the Group manages and evaluates the financial liability portfolio or the portfolio of financial assets and financial liabilities at fair value based on the risk management or investment strategy as stated in the official written documents, and report to key management of the Group internally; or (3) there is a qualified hybrid contract containing embedded derivatives.

Financial liabilities held for trading are subsequently measured at fair value, and any gains or losses arising from changes in fair value and dividends or interest expenses paid on the financial liabilities are recognised in profit or loss for the period.

For financial liabilities designated at fair value through profit or loss, changes in the fair value of such financial liabilities arising from changes in the Group's own credit risk are recognised in other comprehensive income, and other fair value changes are recognised in profit or loss for the period. On derecognition of the financial liabilities, the cumulative change in fair value attributable to changes in own credit risk previously recognised in other comprehensive income is transferred to retained earnings. Dividends or interest expenses related to these financial liabilities are recognised in profit or loss for the period. If the treatment of the effects of changes in the own credit risk of such financial liabilities as described above would cause or enlarge an accounting mismatch in profit or loss, the Group recognises the entire gain or loss on such financial liabilities (including the amount of the effect of changes in the its own credit risk) in profit or loss for the period.

9.4.1.2 Other financial liabilities

Other financial liabilities, other than financial liabilities arising from the transfer of financial assets that do not qualify for derecognition or continuing involvement in the transferred financial assets, are classified as financial liabilities at amortised cost and subsequently measured at amortised cost, with gains or losses arising from derecognition or amortisation recognised in profit or loss for the period.

When the Group and a counterparty modify or renegotiate a contract that does not result in derecognition of a financial liability subsequently measured at amortised cost but result in changes in contractual cash flows, the Group recalculates the carrying amount of the financial liability and recognises any related gains or losses in profit or loss for the period. The carrying amount of the financial liability recalculated by the Group is determined based on the present value of the contractual cash flows that will be renegotiated or modified, discounted at the original effective interest rate of the financial liability. For all costs or expenses incurred in connection with the modification or renegotiation of

the contract, the Group adjusts the modified carrying amount of the financial liability and amortises it over the remaining period of the modified financial liability.

9.4.2 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the present obligation (or part of it) is discharged. Where an agreement between the Group as borrower and lender is signed to replace the original financial liability with new financial liabilities, and the contractual terms of the new financial liability and the original financial liability are substantially different, the Group derecognised the original financial liability and recognised the new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount of the part derecognised and the consideration paid (including any non-cash asset transferred or new financial liability assumed) is recognised in profit or loss for the period.

9.4.3 Equity instruments

Equity instruments are any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinancing), repurchased, sold or cancelled by the Group are treated as changes in equity. Changes in fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as profit distribution, dividends paid do not affect total amount of shareholders' equity.

9.5 Derivative instruments and embedded derivative instruments

Derivative instruments include interest rate swaps, treasury bond futures, stock index options, etc. Derivative instruments are initially measured at fair value on the signing date of relevant contracts and are subsequently measured at fair value.

For the hybrid contracts composed of the embedded derivative instruments and the main contract, if the main contract belongs to financial assets, the Group does not split the embedded derivative instruments from the hybrid contracts, but applies the accounting standards for the classification of financial assets as a whole to the hybrid contracts.

If the main contract contained in the hybrid contracts does not belong to financial assets and meets the following conditions, the Group will split the embedded derivative instruments from the hybrid contracts and deal it as separate derivative instruments.

(1) Embedded derivative instruments are not closely related to the economic characteristics and risks of the main contract.

(2) Separate instruments with the same terms as the embedded derivative instruments comply with the definition of derivative instruments.

(3) Hybrid contracts are not measured at fair value through profit or loss.

Where the embedded derivative instruments are split from the hybrid contracts, the Group shall account for the main contract of the hybrid contracts in accordance with the applicable accounting standards. If the Group is unable to reliably measure the fair value of the embedded derivative instruments according to the terms and conditions of the embedded derivative instruments, the fair value of the embedded derivative instruments shall be determined according to the difference between the fair value of the hybrid contracts and the fair value of the main contract. After using the above method, if the fair value of the embedded derivative instruments still cannot be measured separately either on the acquisition date or subsequent balance sheet date, the Group will designate the hybrid contracts as financial instruments at fair value through profit or loss.

9.6 Offsetting financial assets and financial liabilities

When the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and financial liabilities are offset with the amounts presented on the balance sheet. Otherwise, financial assets and financial liabilities are separately presented on the balance sheet without offsetting.

10. Sales of assets on condition of repurchase

10.1 Financial assets held under resale agreements ("reverse REPOs")

Reverse REPO transaction refers to the purchase of related financial products (including stocks, bonds and notes) from counterparties at a fixed price under a contract or agreement, and the resale of the same financial products at agreed prices on the expiration date of the contract or agreement. The reverse REPO business is accounted for at the actual amount paid when purchasing the relevant financial products for resale. The difference between the purchasing price and reselling price is recognised as interest income during the term of the agreement using the effective interest method.

The Company conducts regular impairment assessments on assets arising from reverse REPO business. For details, please refer to Note XI.2 Credit risk.

10.2 Financial assets sold under repurchase agreements ("REPOs")

REPO transaction refers to the sale of related financial products (including bonds and notes) to counterparties at a fixed price under a contract or agreement, and the repurchase of the same financial products at agreed prices on the expiration date of the contract or agreement. The REPO business is accounted for at the actual amount received when the related financial products are sold for repurchase. The financial products sold are still listed in the

relevant items of balance sheet according to the original classification and are accounted for in accordance with the relevant accounting policies. The difference between the selling price and repurchasing price is recognised as interest expense during the term of the agreement using the effective interest method.

Reverse REPOs and REPOs are recorded at the amount actually paid or received when the transactions occur, and are recognised in the balance sheet. The assets held under the agreements to resell are not recognised and are registered as off-balance-sheet items, while the assets sold under the agreements to repurchase are recorded in the balance sheet.

11. Margin financing and securities lending business

Margin financing and securities lending business refers to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers for short-selling of securities, for which the customers provide the Group with collateral. The margin financing and securities lending business incurred in the Group can be divided into financing business and securities lending business.

Receivable from margin clients refers to the funds that lent to clients for purchase of securities within a specified scope according to the contract and is accounted as receivable from margin clients in the financial statements, with interest income recognised based on outstanding principal using effective interest method. Securities lending arrangement refers to the lending of securities within a specified scope to clients. The Group does not derecognised the securities loaned out, and continues to carry out accounting treatment based on original classification of financial assets.

The Group conducts regular impairment assessments on assets arising from financing business. For details, please refer to Note XI.2 Credit risk.

12. Securities lending and refinancing business

The securities lending and refinancing business refers to the business activities in which China Securities Finance Corporation Limited lends its own or legally raised funds or securities to the Group for the Group to conduct margin financing and securities lending business. The securities lending and refinancing business that occurs in the Group includes capital refinancing business and securities refinancing business.

The Group recognises liabilities to the lender for capital from financing, and recognises corresponding interest expenses. The Group does not recognise the securities borrowed, but records them off-balance sheet, and recognises the corresponding expenses.

13. Long-term equity investments

13.1 Determination basis for joint control and significant influence

Control refers to the investor has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of returns. Joint control refers to the joint control over an arrangement according to relevant agreements, and the related activities of the arrangement can only be decided after the consensus of the parties sharing the control. Significant influence refers to the power to participate in the decision-making of the financial and operational policies of the investee, but cannot control or jointly control the determination of these policies with other parties. In determining whether it is possible to exercise control over or exert significant influence over the invested entities, it has taken into account the potential voting right factors such as the current convertible bonds of the investee and the current executable warrants held by the investor and other parties.

13.2 Determination of initial investment cost

For the long-term equity investments acquired through a business combination under common control, the initial investment cost of the long-term equity investments shall be the share of the owner's equity of the combined party in the carry amount of the ultimate controlling party's consolidated financial statements on the acquisition date. The difference between the initial investment cost and the carry amount of cash paid, non-cash assets transferred, and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. To issue equity securities as the cost of business combination, the initial investment cost of the long-term equity investments shall be the share of the owner's equity of the combined party in the carry amount of the ultimate controlling party's consolidated financial statements on the acquisition date; the total nominal value of issued shares are recognised as share capital. The difference between the initial investment cost of long-term equity investment and the total nominal value of the issued shares is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. If equity interests of the combined party under the common control are obtained step by step through several transactions, which results in a business combination under common control, it shall be treated respectively as per whether it belongs to "a package deal": where it belongs to "a package deal", the accounting treatment for each transaction shall be conducted as a transaction obtaining the right of control. Where it does not belong to "a package deal", the share of the carrying amount of the owner's equity of the combined party on the combination date in consolidated financial statements of the ultimate controlling party shall be the initial investment cost of long-term equity investments. The difference among the initial investment cost of long-term equity investments, and the sum of the carrying amount of long-term equity investment before the combination and the carrying amount of the new consideration paid for the further acquisition of shares on the combination date shall be adjusted to capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be adjusted.

As for the long-term equity investments acquired through business combination not under common control, the initial investment cost of the long-term equity investments shall be taken as the cost of business combination on the acquisition date.

The intermediary fees such as auditing, legal services, evaluation and consultation and other related administrative expenses incurred by the combining party or the purchaser for business combination shall be recorded into the current profit or loss when incurred.

The initial measurement of the long-term equity investments obtained by other means, other than the long-term equity investments formed by the business combination, shall be measured at the initial cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

13.3 Subsequent measurement and profit or loss recognition method

13.3.1 Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's financial statements. A subsidiary is an invested entity that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. The current investment income is recognised in accordance with the attributable share of cash dividends or profit distributions declared by the invested entity.

13.3.2 Long-term equity investments accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income, respectively, and adjust the carrying amount of the long-term equity investment accordingly; the carrying amount of the long-term equity investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Company; for other changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment is adjusted and included in capital reserve. When determining the share of the net profit or loss of the investee that should be enjoyed, the net profit of the investee is adjusted based on the fair value of each identifiable asset of the investee at the time of investment, and then confirmed. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Group's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognised as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealized losses resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

When it is recognised that the net loss of the investee shall be shared, the carry amount of the long-term equity investments and other long-term interests that substantially constitute the net investment of the investee shall be written down to zero. In addition, if the Group has the obligation to bear additional losses to the investee, it shall recognise the provisions according to the expected obligations and record them into the current investment loss. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

13.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying amount and proceeds actually received is recognised in profit or loss for the period.

When the Group loses the control over investee for disposal of some equity investments, the accounting method shall be changed as equity method in compiling individual financial statements, and the remaining equity shall be deemed to be adjusted by equity method upon being obtained if the remaining equity after disposal still has joint control or significant impacts on investee. While the remaining equity after disposal does not have joint control or significant impacts on investee anymore, the accounting treatment shall be conducted according to regulations related to recognition and measurement standards of financial instruments and its difference between fair value and carrying amount on the date of losing the control shall be included into current profit or loss. For other comprehensive income

recognized as being accounted by equity method or recognition and measurement standards of financial instruments before the Group obtains the control over investee, its accounting treatment shall be conducted on the same base as investee disposes of relevant assets and liabilities directly upon losing the control over investee, and other owner's equity in net assets of investee accounted for by equity method, excluding net profit or loss, other comprehensive income and profits distribution, shall be carried forward into current profit or loss in the event of losing the control over investee. Of them, if the residual equity after disposal is accounted for under equity method, other comprehensive income and other owner's equity shall be carried forward by proportion; where the residual equity after disposal is accounted for according to standards of recognition and measurement of financial instruments, other comprehensive income and owner's equity shall be carried forward.

Where the Group's common control or significant influence over the investee is lost due to the disposal of partial equity investment, the residual equity after disposal will change to be accounted for in accordance with standards of recognition and measurement of financial instruments, and the difference between the fair value and carrying amount thereof on the date when the common control or significant influence is lost shall be included into current profit or loss. Other comprehensive income recognized by calculating original equity investment with equity method shall go through accounting treatment on the same basis as if the investee directly disposes the relevant assets or liabilities when the equity method is no longer applied; for the owner's equity recognized due to other changes in owner's equity rather than net profit or loss, other comprehensive income and profit distribution of the investee shall be transferred into current investment income when the equity method is no longer applied.

14. Fixed assets

14.1 Recognition conditions

Fixed assets are tangible assets that are held for use in the supply of services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures except for above expenditures are included in profit or loss in the period in which they are incurred.

14.2 Depreciation method

Fixed assets shall be depreciated within their service life by the straight-line method from the next month when they reach their intended usable state. The depreciation method, years of depreciation, estimated residual value rate and annual depreciation rate for each category of fixed assets are as follows:

Type	Useful life	Estimated rate of net residual value	Annual depreciation rate
Buildings	45 years	0%-5%	2.11%-2.22%
Mechanical power equipment	10 years	5%	9.50%
Communication and electronic equipment	4-5 years	3%-5%	19.00%-24.25%
Electrical appliances for office	5 years	3%-5%	19.00%-19.40%
Security and defense equipment	5 years	5%	19.00%
Transportation equipment	6-8 years	3%-5%	11.88%-16.17%

Estimated net residual value refers to the amount obtained by the Group from the disposal of the fixed asset after deducting the estimated disposal expenses, assuming that the expected service life of the fixed asset has been completed and is in the expected state at the end of its service life.

14.3 Other descriptions

When a fixed asset is disposed of or is not expected to generate economic benefits through use or disposal, the recognition of the fixed asset shall be terminated. The difference in the disposal income from the sale, transfer, scrapping, or destruction of fixed assets after deducting its carry amount and relevant taxes and fees shall be included in the current profit or loss.

The Group shall, at least at the end of the year, review the service life, estimated residual value, and depreciation method of the fixed assets, and shall treat any change as accounting estimation change.

15. Borrowing costs

Borrowing costs are interest and other costs arising from the Group's borrowings. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

The capitalising borrowing costs that can be directly attributed to the construction or production of assets eligible for capitalisation, and include them in the relevant asset costs. Other borrowing costs are recorded in profit or loss for the current period.

16. Intangible assets

The intangible assets of the Group include trading seat fees, land use rights, software and others.

Intangible assets are initially measured at cost.

The expenditure pertinent to an intangible asset forms part of the cost of the intangible asset, if it is probable that the economic benefits related to the asset will flow to the Company and the cost can be measured reliably. In addition, the expenditure of other items is included in profit or loss for the current period when it is incurred.

Since the intangible assets with limited useful life are available for use, the original value are amortised by the straight-line method in phases during their expected useful life. Intangible assets with indefinite useful life shall not be amortised. The amortization methods, service lives and residual value rates of various intangible assets are as follows:

Item	**Amortisation term**
Trading seat fees	Indefinite useful life
Land use rights	35 years
Software and others	2-10 years

For intangible assets with definite useful life, an impairment is provided for based on the difference of the carrying amount and the recoverable amount when there is evidence at the balance sheet date that the intangible assets are impaired. For intangible assets with indefinite useful life and those not ready for use, an impairment test is performed each year, irrespective of whether there is evidence of impairment.

17. Impairment of long-term assets

The Group reviews the long-term equity investments, fixed assets, right-of-use assets and intangible assets with finite useful life at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognised in profit or loss for the period. Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets groups, i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated

to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then in accordance with the proportion of the carrying amounts of the other assets in the asset group or the sets of asset groups (excluding goodwill), to reduce the carrying amounts of the other assets proportionally.

Once an impairment loss is recognised for above mentioned assets, it will not be reversed in any subsequent period.

18. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortised using the straight-line method over the expected periods in which benefits are derived.

19. Contract liabilities

A contract liability is an obligation to transfer goods or services to a customer for consideration received or receivable by the Group from the customer. Contract assets and contract liabilities under the same contract are shown on a net basis.

20. Employee benefits

20.1 Accounting treatment of short-term benefits

Short-term benefits mainly include employee salaries, bonus, allowances and subsidies, staff welfare, medical insurance, maternity insurance, work injury insurance, housing funds, labor union fees, staff education expenses, non-monetary benefits, etc. The Company shall recognise, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to profit or loss for the current period or in the cost of relevant asset. Among which, the non-monetary benefits shall be measured at fair value.

20.2 Method of accounting treatment for post-employment benefits

Post-employment benefits are defined contribution plan.

During the accounting period when the employee provides services for the Group, the amount that shall be contributed as calculated based on the defined contribution plan is recognised as a liability and included into the current profit or loss or the cost of related assets.

Where the Group provides termination benefits to the employees, the liability of employee benefits arising from the termination benefits shall be recognised at an early date and recorded into the current profit or loss if: the Group cannot unilaterally withdraw the

termination benefits provided due to the termination plan or reduction proposal; when the Group confirms the costs or expenses related to the restructuring related to the payment of termination benefits.

20.3 Accounting treatment of termination benefits

Where the Group provides termination benefits to the employees, the liability of employee benefits arising from the termination benefits shall be recognised at an early date and recorded into the current profit or loss if: the Group cannot unilaterally withdraw the termination benefits provided due to the termination plan or reduction proposal; when the Group confirms the costs or expenses related to the restructuring related to the payment of termination benefits.

21. Provisions

An obligation related to contingencies such as lawsuit shall be recognised as a provision when the obligation is a present obligation of the Group, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

As at the balance sheet date, the provisions shall be measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation considering the risks, uncertainty, time value of money and other factors pertinent to the contingencies. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is separately recognised as an asset when it is virtually certain that the reimbursement will be received. The amount recognised for the reimbursement is limited to the carrying amount of the liability recognised.

22. Profit distribution

After-tax profit for the year of the Company is firstly applied to make up for the losses of previous years. Then, the Company sets aside 10% of after-tax profit for a statutory surplus reserve. If the aggregate balance of the statutory surplus reserve has reached 50% of the Company's registered capital, appropriation for the statutory surplus reserve is no longer mandatory.

In accordance with the Securities Law of the People's Republic of China, the Company is required to appropriate 10% of profit after making up for losses in previous years and paying taxes to the trading risk reserve. The trading risk reserve is used to cover losses from securities trading.

The Company and Cinda Futures Co., Ltd. (hereinafter referred to as "**Cinda Futures**"), its subsidiary, appropriate 10% of after-tax profit upon making up for losses in previous years to the general reserves in accordance with the Financial Rules for Financial Enterprises (Order of the MOF of the People's Republic of China No. 42).

In accordance with the Guidelines for the Large Collective Asset Management Business of Securities Companies on implementing the Guiding Opinions for Regulating the Asset Management Business of Financial Institutions (CSRC Announcement [2018] No. 39), the Company is required to appropriate 10% of the asset management business income from large collective products during the year to the general reserves.

Cinda Fund Management Co., Ltd. (hereinafter referred to as "**Cinda Fund**"), a subsidiary of the Company, appropriates 10% of the fund management fee income from after-tax profit to a general reserves in accordance with the Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds (Order No. 94) issued by the CSRC. When the balance reaches 1% of the net asset value of the fund, no further appropriation is required.

23. Other equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Group for repurchasing self-issued equity instruments are deducted from shareholders' equity.

At initial recognition of perpetual bonds and other financial instruments, the Group classifies these financial instruments or their components as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

For perpetual bonds and other financial instruments that classified as equity instruments, any distribution of interest expenses is treated as profit appropriation of the Group. Their repurchase and other transactions are treated as changes in equity. Relevant transaction expenses are deducted from equity.

24. Revenue

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in an increase in shareholders' equity, other than an increase relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant services to the customers.

Where a contract has two or more performance obligations, at the contract's commencement date, the Group allocates the transaction price to each individual performance obligation in proportion to the standalone selling price of the promised services for each obligation, and measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur

when the uncertainty associated with the variable consideration is subsequently resolved. The amount expected to be refunded to the customer is treated as a liability for returns and is not included in the transaction price. Where the contract contains a significant financing component, the Group determines the transaction price based on the amount payable in cash by the customer at the time when the customer obtains control of the service. The difference between the transaction price and the contract consideration is amortised using an effective interest method over the contract term. At contract inception, if the Group expects that the interval between the customer obtaining control of the service and the customer's payment of the price does not exceed one year, it does not consider the significant financing component existing in the contract.

The Group satisfies a performance obligation over a period of time if any of the following conditions is met; or otherwise, a performance obligation is satisfied at a point in time:

– The customer obtains and consumes the economic benefits brought by the performance of the Group while the Group is performing the obligation;

– Customers are able to control the goods under construction in the course of performing obligations by the Group;

– The services offered in the course of performing obligations by the Group have irreplaceable uses, and over the entire contract period, the Group has the right to receive payments for the portion of the performance that has been completed to date.

For income from obligation performance that is fulfilled over time, it will be recognised by the Group in accordance with the performance progress. When the progress of performance is not reasonably determinable and the costs incurred by the Group are expected to be recovered, the Group recognises revenue at the amount of the costs incurred until the progress of performance is reasonably determinable.

For performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant services. To determine whether a customer has obtained control of services, the Group considers the following indicators:

– The Group has a present right to receive the amount for the services;

– The Group has transferred the legal title of the services or the significant risks and rewards of ownership of the services to the customer;

– The customer has accepted the services.

A contract asset is the Group's right to consideration in exchange for services that it has transferred to a customer when that right is conditional on factors other than the passage of time. Contract assets are subject to impairment provisions based on ECLs. A receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The specific accounting policies related to the main activities of the Group for recognizing revenue are described as follows:

Brokerage commission income

Fee income from securities brokerage business are recognised on the trading day.

Income from investment banking business and income from investment advisory business

Income from securities underwriting business and income from sponsorship business are recognized when the Group has fulfilled responsibilities and obligations under the underwriting and sponsorship contracts.

Depending on the nature of the services and the contract terms, the income from financial advisory business and investment advisory business will be recognized over time using a method that depicts the Group's performance obligations, or at a point in time when the service is completed.

Income from asset management business and income from fund management business

Income from asset management business and income from fund management business include periodic management fees calculated based on assets under management and performance-based fees. The income are recognised progressively over time using a method that depicts the Group's performance obligations, to the extent that it is probable that a significant reversal in the amount of cumulative income recognised will not occur.

Interest income

Interest income is recognised in profit or loss by using the effective interest method. For financial assets measured at amortised cost or debt investments measured at fair value through other comprehensive income that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. the carrying amount net of impairment provision) (not applicable to interest income determined for financial assets purchased or originated with credit impairment) of the assets.

The effective interest method refers to the method of calculating the amortized cost of financial assets or financial liabilities and allocating interest income or interest expense within the year based on the effective interest rate. The effective interest rate is the rate that discounts the future cash flows of the financial instrument over its expected life (or a shorter period if applicable) to the current carrying amount of the financial assets or financial liabilities. When calculating the effective interest rate, the Group considers all contractual terms of the financial instrument (such as prepayment, call options and similar options), but does not consider future credit losses. The calculation of the effective interest rate includes all fees, transaction costs and other discounts or premiums paid or received by the contracting parties that are components of the effective interest rate.

25. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

The government grants received by the Group are all government grants related to income.

For a government grant related to income, if the grant is a compensation for related cost expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs or losses are recognised. If the grant is a compensation for related cost expenses or losses already incurred, the grant is included immediately in profit or loss for the period.

A government grant related to the Group's daily activities is included in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is included in non-operating revenue.

26. Deferred tax assets/deferred tax liabilities

Income tax expenses consist of current income taxes and deferred income taxes.

26.1 Current income tax

At the balance sheet date, for current income tax liabilities (or assets) arising from current and prior periods, the amount of income tax expected to be paid (or refunded) is measured at the amount calculated in accordance with the tax laws.

26.2 Deferred tax assets/deferred tax liabilities

Deferred tax assets and deferred tax liabilities are recognised using the balance sheet liability method for differences arising from differences between the carry amount of certain items of assets and liabilities and their tax bases, and for temporary differences arising from differences between the carry amount and 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 laws.

Generally, all temporary differences are recognised for related deferred income tax purposes. However, for deductible temporary differences, the Group recognises a related deferred tax asset to the extent that it is more likely than not that the Group will be able to realize the taxable income used to offset the deductible temporary differences. In addition, related deferred income tax assets or liabilities are not recognised for temporary differences that relate to the initial recognition of goodwill and to the initial recognition of assets or

liabilities arising from transactions that are neither business combinations nor, when they occur, affect accounting profit and taxable income (or deductible losses) and does not give rise to equal taxable and deductible temporary differences at the time of transaction.

Deferred tax assets are recognized for deductible losses and tax credits that can be carried forward to future years to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be utilized.

The Group recognises deferred tax liabilities arising from taxable temporary differences related to investments in subsidiaries, associates, and joint ventures, unless the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, the Group recognises a deferred tax asset only when it is probable that the temporary difference will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the related asset is recovered or the related liability is settled, in accordance with the provisions of the tax laws.

Current and deferred tax expenses or income are included in profit or loss for the period, except for current income taxes and deferred income taxes related to transactions and events that are directly included in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity; and deferred income taxes arising from business combinations, in which case the carrying amount of goodwill is adjusted.

At the balance sheet date, the carry amount of deferred tax assets are reviewed and the carry amount of deferred tax assets are written down to the extent that it is more likely than not that sufficient taxable income will not be available in the future to offset the benefit of the deferred tax assets. To the extent that it is probable that sufficient taxable income will be available, the amount of the write-down is reversed.

26.3 Offset of income taxes

When there is a legal right to settle on a net basis and the intention is to settle on a net basis or to acquire assets and settle liabilities simultaneously, the Group's current tax assets and current tax liabilities are presented on a net basis after offsetting.

The Group's deferred tax assets and deferred tax liabilities are presented net of offset when there is a legally enforceable right to settle current tax assets and current tax liabilities on a net basis and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities, provided

that, in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity involved intends to settle current income tax assets and liabilities on a net basis, or to acquire the assets and settle the liabilities simultaneously.

27. Lease

A lease is a contract in which the lessor gives the right to use an asset to the lessee for a certain period of time in return for consideration.

At the contract commencement date, the Group assesses whether the contract is a lease or contains a lease. The Group does not reassess whether a contract is a lease or contains a lease unless there is a change in the terms and conditions of the contract.

27.1 The Group as the lessee

27.1.1 Separation of leases

Where a contract contains one or more lease and non-lease components, the Group separates each individual lease and non-lease component and apportions the contract consideration in relative proportions to the sum of the separate prices of each lease component and the separate prices of the non-lease components.

27.1.2 Right-of-use asset

With the exception of short-term leases and leases of low-value assets, the Group recognises a right-of-use asset for leases at the lease term start date. The lease term start date is the date on which the lessor makes the leased asset available for use by the Group. Right-of-use assets are initially measured at cost which comprises:

- The initial measurement amount of the lease liability;
- Lease payments made on or before the start date of the lease term, where a lease incentive exists, are reduced by the amount associated with the lease incentive already enjoyed;
- Initial direct costs incurred by the Group;
- The costs that the Group expects to incur to dismantle and remove the leased asset, rehabilitate the site where the leased asset is located or restore the leased asset to the condition agreed under the terms of the lease.

The Group depreciates right-of-use assets with reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No.4 – Fixed Assets. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the right-of-use asset

is depreciated over the remaining useful life of the leased asset. Otherwise, the Group depreciates the leased assets over the shorter of the lease term or the remaining useful life of the leased assets.

The Group determines whether the right-of-use assets have suffered impairment in accordance with the provisions of Accounting Standards for Business Enterprises No. 8 – Impairment of Assets, and makes accounting treatment for the identified impairment losses.

27.1.3 Lease liability

Except for short-term leases and leases of low-value assets, the Group initially measures the lease liability at the start date of the lease term based on the present value of the lease payments outstanding at that date. In calculating the present value of the lease payments, the Group uses the intrinsic lease rate as the discount rate, where the intrinsic lease rate cannot be determined, the incremental borrowing rate as the discount rate.

Lease payments are payments made by the Group to the lessor relating to the right to use the leased asset over the lease term and including:

- Fixed payments and substantive fixed payments, net of lease incentives, if there are lease incentives related amounts;
- Variable lease payments depend on an index or rate;
- The exercise price of a purchase option that the Group is reasonably certain to exercise;
- The amount to be paid to exercise a lease termination option if the lease term reflects that the Group will exercise such option;
- Expected payments based on the residual value of guarantees provided by the Group.

After the start date of the lease term, the Group calculates the interest expense of the lease liability for each period during the lease term at a fixed periodic interest rate and records it in the current profit or loss or costs of the related assets.

After the lease term starts, the Group remeasures the lease liability and adjusts the corresponding right-of-use asset if any of the following occurs; if the carrying amount of the right-of-use asset has been reduced to zero but the lease liability is subject to further reduction, the Group recognises the difference in the current profit or loss:

- In the event of a change in the lease term or a change in the valuation of a purchase option, the Group remeasures the lease liability at the present value of the lease payments after the change and at a revised discount rate;

- Where there is a change in the amount expected to be payable based on the remaining value of the guarantee or in the index or rate used to determine lease payments, the Group remeasures the lease liability according to its present value calculated using the revised lease payments and original discount rates.

27.1.4 The basis for judgment and accounting treatment methods for lessees to simplify the handling of short-term leases and low-value asset leases

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases and low-value asset leases. Short-term leases are leases with a lease term of less than 12 months at the start date of the lease term and do not include purchase options. Leases of low-value assets are leases where the value of a single leased asset does not exceed RMB50,000 when the asset is brand new. The Group recognises the lease payments for short-term leases and low-value asset leases in the current profit or loss or the cost of the related assets in each period of the lease term on a straight-line basis.

27.1.5 Lease modification

The Group shall account for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use of one or more underlying assets;

- the additional consideration is equivalent to the adjusted amount of the separate price of the expanded portion of the lease scope in accordance with the circumstances of the contract.

If the lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Group reassesses the consideration for the changed contract, redetermines the lease term, and remeasures the lease liability according to its present value calculated using the revised lease payments and revised discount rates. If the lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the carrying amount of the right-of-use asset accordingly and recognises the gain or loss relating to the partial or complete

termination of the lease in the current profit or loss. If other lease changes result in a remeasurement of the lease liability, the Group adjusts the carrying amount of the right-of-use asset accordingly.

27.2 The Group as the lessor

27.2.1 Separation of leases

Where the contract contains both leased and non-leased components, the Group apportioned the contract consideration in accordance with the provisions of Accounting Standard for Business Enterprises No. 14 – Revenue on transaction price apportionment, based on the separate prices of each of the leased and non-leased components.

27.2.2 Classification of leases and accounting treatment as lessor

A lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset is a finance lease. Other leases which are not finance leases are operating leases.

27.2.2.1 The Group records operating lease business as lessor

At various periods during the lease term, the Group recognises lease receipts for operating leases as rental income using the straight-line method. Initial direct costs incurred by the Group in connection with operating leases are capitalized as incurred and are amortised over the lease term on the same basis as rental income recognition and charged to the current profit or loss.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in lease receipts are charged to the current profit or loss when they are incurred.

27.2.2.2 The Group records finance lease business as lessor

At the start date of the lease term, the Group records the net lease investment as the value of the finance lease receivables and derecognises the finance lease asset. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receivables not yet received at the start date of the lease term, discounted at the intrinsic lease rate.

Lease receipts, which represent amounts receivable by the Group from lessees in connection with the assignment of the right to use a leased asset during the lease term, including:

- The amount of the fixed payments to be paid by the lessee and the amount of the substantive fixed payments, less the amount related to the lease incentive, if there is a lease incentive;

- Variable lease payments that depend on an index or rate;
- The exercise price of the purchase option, provided that it is reasonably certain that the lessee will exercise the option;
- Payments required to be made by a lessee exercising a lease termination option, provided that the lease term reflects that the lessee will exercise the lease termination option;
- The residual value of the guarantee provided to the Group by the lessee, a party related to the lessee and an independent third party with the financial ability to meet the guarantee obligations.

Variable lease receipts that are not included in the net lease investment measurement are charged to the current profit or loss when they occur.

The Group calculates and recognises interest income at a fixed periodic rate for each period of the lease term.

28. Related party

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Where enterprises are subject to state control but are otherwise unrelated, they are not related parties of the Company.

29. Segment information

In accordance with the Group's internal organisational structure, management requirements, and internal reporting system, the Group's operations are divided into five operating segments whose operating results are regularly evaluated by the Group's management to determine the allocation of resources to them and evaluate their performance. On the basis of operating segments, the Group determined five reporting segments, which are securities and futures brokerage, proprietary securities trading, investment banking, asset management and others.

30. Significant accounting judgments and estimates

In the application of the accounting policies, the inherent uncertainty in operating activities requires the Group to make judgments, estimates, and assumptions about the carry amount of statement items that cannot be measured accurately. These judgments, estimates, and assumptions are based on the historical experience of the management and other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed by the Group regularly on a going concern basis. The effect of a change in accounting estimate is recognised in the period of the change, if the change affects that period only; or recognised in the period of the change and future periods, if the change affects both.

30.1 Judgments

The Group has made the following significant judgments in the application of accounting policies, which have had a material impact on the amounts recognized in the financial statements:

30.1.1 Business model

The classification of financial assets held by the Group at initial recognition depends on the business model of the Group's management of financial assets. In determining the business model, the Group takes into account the corporate evaluation and ways to report the performance of financial assets to key management personnel, risks affecting the performance of financial assets and their management style, and the manner in which relevant business management personnel are paid. In assessing whether the business model is based on the objective of collection of contractual cash flows, the Group needs to make analysis and judgements on the reasons, timing, frequency and value of the sale of financial assets before the maturity date.

30.1.2 Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets. When it is necessary to determine whether the contractual cash flow is only the payment of the principal and the interest based on the outstanding principal, including the assessment of the correction of the time value of money, it is necessary to determine whether there is a significant difference compared with the benchmark cash flow, and to determine whether the fair value of financial assets with prepayment characteristics is insignificant.

30.2 Estimation uncertainty

At the balance sheet date, the key assumptions and uncertainties in accounting estimates that are likely to lead to significant adjustments to the carrying amount of assets and liabilities in the future are as follows:

30.2.1 Impairment of financial instruments

The Group uses the ECL model to assess the impairment of financial instruments. The application of the ECL model requires significant judgments and estimations, and all reasonable and evidenced information, including forward-looking information, shall be taken into account. In making such judgments and estimations, the Group infers the expected changes in the debtor's credit risk based on the historical repayment data in

combination with economic policies, macroeconomic indicators, and industry risks. Different estimates may affect the provision for impairment, and the impairment provision already made may not be equal to the actual impairment loss in the future.

30.2.2 Fair value of financial instruments

For financial instruments which lack active market, the Group adopts a valuation method 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 make the best use of observable market information; however, when observable market information is not available, an estimate is made by the management of the significant unobservable information included in the valuation method.

30.2.3 Determination of consolidation scope

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The definition of control includes the following three elements: (a) power over the investee; (b) exposure to variable returns from involvement within the relevant activities of the investee; and (c) the ability to use power over the investee to affect the amount of its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above elements.

For structured entities (such as funds and asset management plans, etc.) managed and invested by the Group, the Group assesses whether the maximum exposure to variable returns arising from the structured entities it holds, together with the remuneration of the managers, is significant enough to indicate that the Group has control over the structured entities. If the Group has control over the structured entities it manages, such structured entities are included in the consolidation scope of the consolidated financial statements. For the shares of structured entities held by parties other than the Group, the Group recognizes them as other liabilities.

30.2.4 Income tax and deferred income tax

In the ordinary course of business, the final tax treatment and calculation of some transactions of the Group are subject to a certain degree of uncertainty. In the event that the ultimate determination of these tax matters differs from the amounts initially recorded, such differences will impact the current income tax and deferred income tax for the period in which the final determination is made.

According to the provisions of the tax law, deferred tax assets and liabilities are measured at the applicable tax rates that are expected to apply to the period when the assets are realized or when the liabilities are settled. Deferred income tax assets are

recognised by the Group for all unused deductible losses, to the extent that it is probable that there will be sufficient taxable income available to offset deductible losses. This requires the management to exercise a significant amount of judgment in estimating the timing and amount of future taxable income and the applicable tax rates, together with the tax planning strategies, to determine the amount of deferred tax assets and liabilities to be recognised.

30.2.5 Provisions

Provisions are recognised when there is a present obligation as a result of pending litigation or terms in agreement(s), and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The initial measurement of provisions is based on the best estimate to the outflow of present obligation by the Group with considering relevant risks, uncertainty and time value of money, etc. The Group reviews the carrying amount of provisions at the balance sheet date and makes appropriate adjustments in order to reflect the current best estimate. If the actual economic benefit outflows arising from the litigation differ from the best estimate, such difference will affect the amounts of non-operating expenses and provisions for the relevant period.

31. Changes in accounting policies and accounting estimates

On October 25, 2023, the Ministry of Finance issued the Interpretation No. 17 of Accounting Standards for Business Enterprises (Cai Kuai [2023] No. 21) (hereinafter referred to as "**Interpretation No. 17**"), which stipulated the presentation, disclosure or accounting treatment of "Classification of Current and Non-current Liabilities", "Disclosures Regarding Suppliers Financing Arrangements" and "Accounting Treatment for Sale and Leaseback Transactions", which were implemented and effective since January 1, 2024.

The implementation of the Interpretation No. 17 does not have any material impact on the financial position and operating results of the Group and the Company.

On December 6, 2024, the Ministry of Finance issued the Interpretation No. 18 of Accounting Standards for Business Enterprises (hereinafter referred to as "**Interpretation No. 18**"), which stipulated the "accounting treatment of warranties that do not fall within the category of standalone performance obligations" to be implemented from the date of issue, and enterprises are allowed to implement it in advance from the year of issuance.

The implementation of the Interpretation No. 18 does not have any material impact on the financial position and operating results of the Group and the Company.

On August 1, 2023, the Ministry of Finance issued the Interim Provisions on Accounting Treatment of Enterprise Data Resources (Cai Kuai [2023] No. 11) (hereinafter referred to as "**Interim Provisions**"), which clarifies the Interim Provisions apply to the data resources that meet the requirements of Accounting Standards for Business Enterprises and can be recognized as relevant assets, as well as data resources legally owned or controlled by enterprises which are expected to

generate economic benefits but fail to meet the relevant asset recognition criteria under the Accounting Standards for Business Enterprises and therefore are not recognized as assets, and were implemented and effective since January 1, 2024.

The implementation of above Interim Provisions has no significant impact on the financial position and operating results of the Group and the Company.

IV. TAXATION

1. Main Types of Taxes and Corresponding Rates

Types of taxes	Basis of taxation	Tax rates
Value-added Tax ("**VAT**")	Sales of goods or provision of taxable services	6%/3%
City maintenance and construction tax	Amount of payable turnover tax	5%/7%
Education surcharges	Amount of payable turnover tax	3%
Local educational surcharge	Amount of payable turnover tax	2%
Enterprise income tax	Amount of taxable profit	16.5%/25%

According to the Notice on the Relevant Issues of Value-added Tax on Asset Management Products (Cai Shui [2017] No. 56, hereinafter referred to as "**Document No. 56**") jointly issued by the Ministry of Finance and the State Administration of Taxation, a simplified tax calculation method is temporarily applicable for the value-added tax taxable activities occurred by the manager of asset management products during the operation of asset management products, and the VAT shall be paid at the rate of 3% since January 1, 2018. The manager shall consolidate and file VAT returns for the operation of asset management products within the prescribed tax filing deadlines.

The income tax rate for the Company and its major domestic subsidiaries is 25%. The income tax rate applicable to the subsidiaries registered in Hong Kong, China is 16.5%.

V. NOTES TO MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

(1) By categories

Items	As at December 31, 2025	As at December 31, 2024
Cash on hand	49,586.77	54,742.85
Deposits with banks	26,752,634,650.38	22,129,827,765.24
Including: Client deposits	23,093,498,629.29	18,862,654,413.74
Corporate deposits	3,659,136,021.09	3,267,173,351.50
Other monetary funds	7,639,438.80	7,733,937.55
Total	26,760,323,675.95	22,137,616,445.64

(2) By currencies

Items	As at December 31, 2025			As at December 31, 2024		
	Amount in the original currency	Exchange rate	Amount in RMB	Amount in the original currency	Exchange rate	Amount in RMB
Cash on hand						
RMB	42,274.28	1.0000	42,274.28	43,384.28	1.0000	43,384.28
HKD	8,096.02	0.9032	7,312.49	12,266.27	0.9260	11,358.57
Subtotal			49,586.77			54,742.85
Client deposits						
RMB	23,044,264,615.97	1.0000	23,044,264,615.97	18,820,432,038.81	1.0000	18,820,432,038.81
USD	4,458,004.02	7.0288	31,334,418.68	3,858,417.31	7.1884	27,735,846.99
HKD	19,817,535.75	0.9032	17,899,594.64	15,644,198.64	0.9260	14,486,527.94
Subtotal			23,093,498,629.29			18,862,654,413.74
Corporate deposits						
RMB	3,446,810,808.56	1.0000	3,446,810,808.56	2,990,765,303.73	1.0000	2,990,765,303.73
USD	13,186,027.71	7.0288	92,681,951.57	24,179,386.55	7.1884	173,811,102.29
HKD	132,135,345.26	0.9032	119,347,286.55	110,538,504.45	0.9260	102,358,655.12
EUR	2,288.69	8.2355	18,848.49	2,276.97	7.5257	17,135.80
JPY	3,722,457.14	0.0448	166,766.08	3,702,650.43	0.0462	171,062.45
AUD	2.20	4.6892	10.30	11,114.29	4.5070	50,092.11
CAD	21,577.09	5.1142	110,349.54	–	5.0498	
Subtotal			3,659,136,021.09			3,267,173,351.50
Other monetary funds						
RMB	581,627.01	1.0000	581,627.01	475,314.74	1.0000	475,314.74
HKD	7,814,056.14	0.9032	7,057,811.79	7,838,685.54	0.9260	7,258,622.81
Subtotal			7,639,438.80			7,733,937.55
Total			26,760,323,675.95			22,137,616,445.64

Among which, margin financing and securities lending business:

	As at December 31, 2025			As at December 31, 2024		
	Amount in the original currency	Exchange rate	Amount in RMB	Amount in the original currency	Exchange rate	Amount in RMB
Corporate credit capital						
RMB	53,775,709.57	1.0000	53,775,709.57	114,495,652.89	1.0000	114,495,652.89
Client credit capital (a)						
RMB	2,126,727,130.08	1.0000	2,126,727,130.08	1,990,466,141.11	1.0000	1,990,466,141.11
Total			2,180,502,839.65			2,104,961,794.00

(a) Client credit deposits represent client funds deposited by the Group with banks or other financial institutions for conducting margin financing and securities lending business, as well as guarantee funds that clients have deposited for margin financing and securities lending.

(3) As at December 31, 2025, the Group had restricted cash in cash and bank balances of RMB581,394,924.98 (December 31, 2024: RMB536,361,103.80), of which RMB569,732,359.52 represented risk reserve funds set aside by the Group, and RMB11,662,565.46 represented pledged deposits for banking facilities of Cinda International Holdings Limited, a subsidiary.

(4) As at December 31, 2025, the Group's cash and bank balances held overseas were equivalent to RMB250,138,803.26 (December 31, 2024: equivalent to RMB274,160,510.99). These funds were mainly held by Cinda International Holdings Limited, a subsidiary of the Company, overseas.

2. Deposits with clearing houses

(1) By categories

Items	**As at December 31, 2025**	**As at December 31, 2024**
Deposits with corporate	772,185,509.55	1,121,664,901.44
Deposits with clients	3,053,994,912.61	3,542,394,589.50
Total	3,826,180,422.16	4,664,059,490.94

(2) By currencies

Items	As at December 31, 2025			As at December 31, 2024		
	Amount in the original currency	Exchange rate	Amount in RMB	Amount in the original currency	Exchange rate	Amount in RMB
Self-owned deposits with corporate						
RMB	772,185,509.55	1.0000	772,185,509.55	1,121,664,901.44	1.0000	1,121,664,901.44
Ordinary deposits with clients						
RMB	2,596,076,412.16	1.0000	2,596,076,412.16	3,030,262,163.33	1.0000	3,030,262,163.33
USD	8,115,286.08	7.0288	57,040,722.80	9,844,896.12	7.1884	70,769,051.27
HKD	20,194,288.57	0.9032	18,239,885.32	24,462,583.36	0.9260	22,652,352.19
Subtotal			2,671,357,020.28			3,123,683,566.79
Credit deposits with clients						
RMB	382,637,892.33	1.0000	382,637,892.33	418,711,022.71	1.0000	418,711,022.71
Total			3,826,180,422.16			4,664,059,490.94

3. Receivable from margin clients

(1) By categories

Items	As at December 31, 2025	As at December 31, 2024
Domestic		
Including: Individuals	15,833,367,287.68	11,936,347,189.14
Institutions	960,248,096.64	610,076,448.10
Subtotal	16,793,615,384.32	12,546,423,637.24
Overseas (Margin financing)		
Including: Individuals	46,256,693.55	84,372,551.47
Original carrying value in total	16,839,872,077.87	12,630,796,188.71
Less: Impairment loss allowance	112,978,867.18	60,842,575.82
Net amount of receivable from margin clients	16,726,893,210.69	12,569,953,612.89

(2) Analysed by residual maturity

	As at December 31, 2025			
Aging	Carrying amount	Percentage (%)	Provision for bad debts	Percentage (%)
Overdue	39,008,442.76	0.23	11,677,496.09	29.94
Within 3 months	4,307,080,970.20	25.58	26,170,968.51	0.61
3 to 6 months	11,964,070,890.30	71.04	71,949,358.46	0.60
Over 6 months	529,711,774.61	3.15	3,181,044.12	0.60
Total	16,839,872,077.87	100.00	112,978,867.18	0.67

	As at December 31, 2024			
Aging	Carrying amount	Percentage (%)	Provision for bad debts	Percentage (%)
Overdue	39,647,458.50	0.31	26,836,496.69	67.69
Within 3 months	1,716,101,325.00	13.59	4,975,895.55	0.29
3 to 6 months	10,538,129,579.46	83.43	28,126,887.18	0.27
Over 6 months	336,917,825.75	2.67	903,296.40	0.27
Total	12,630,796,188.71	100.00	60,842,575.82	0.48

*(3) **Fair value of collaterals provided by customers to the Company for margin financing and securities lending business:***

Types of collateral	As at December 31, 2025	As at December 31, 2024
Capital	2,410,775,002.87	2,306,237,752.55
Bonds	163,062,610.50	317,506,567.53
Stocks	45,398,431,685.47	32,266,099,985.09
Funds	1,246,670,862.96	809,911,995.25
Total	49,218,940,161.80	35,699,756,300.42

(4) There were no receivables from margin clients who were shareholders holding 5% (inclusive) or more of the voting rights of the Company.

4. Derivative financial instruments

	As at December 31, 2025			As at December 31, 2024		
	Non-hedging instruments			Non-hedging instruments		
	Notional amount	Fair value		Notional amount	Fair value	
Type		Assets	Liabilities		Assets	Liabilities
Interest rate derivatives	6,843,855,000.00	–	–	21,210,849,000.00	–	–
– Interest rate swaps	6,450,000,000.00	–	–	13,620,000,000.00	–	–
– Treasury bond futures	393,855,000.00	–	–	7,590,849,000.00	–	–
Equity derivatives	786,385,965.00	108,603,361.96	1,507,004.34	962,123,987.78	21,323,254.84	18,624,487.99
– Stock index futures	177,137,300.00	–	–	163,258,840.00	–	–
– Other derivatives	609,248,665.00	108,603,361.96	1,507,004.34	798,865,147.78	21,323,254.84	18,624,487.99
Total	7,630,240,965.00	108,603,361.96	1,507,004.34	22,172,972,987.78	21,323,254.84	18,624,487.99

Under a daily mark-to-market settlement arrangement, any gains or losses of the Group's position in treasury bonds futures, stock index futures and interest rate swap contracts were included in deposits with clearing houses as at December 31, 2025 and December 31, 2024. Accordingly, the net position of treasury bonds futures, stock index futures and interest rate swaps in derivative instruments was RMB0.

As at December 31, 2025, among the interest rate derivatives held by the Group, the fair value of outstanding interest rate swap contracts for non-hedging purposes was an unrealized losses of RMB3,990,237.59 (December 31, 2024: unrealized losses of RMB4,538,913.57). The fair value of outstanding treasury futures contracts held for non-hedging purposes was an unrealized profits of RMB418,100.00 (December 31, 2024: unrealized losses of RMB16,643,180.00). As at December 31, 2025, among the equity derivatives held by the Group, the fair value of outstanding stock index futures contracts for non-hedging purposes was an unrealized losses of RMB3,606,040.00 (December 31, 2024: unrealized profits of RMB1,054,260.00).

5. Refundable deposits

(1) By categories

Type	As at December 31, 2025	As at December 31, 2024
Trading deposits	3,329,083,998.17	2,155,988,555.41
Performance deposits	914,815,756.32	434,054,728.96
Credit deposits	25,050,902.37	20,865,098.08
Securities trading seat deposits	1,405,760.00	1,437,680.00
Total	4,270,356,416.86	2,612,346,062.45

(2) By currencies

	As at December 31, 2025			As at December 31, 2024		
Items	Amount in the original currency	Exchange rate	Amount in RMB	Amount in the original currency	Exchange rate	Amount in RMB
Trading deposits						
RMB	3,310,604,527.76	1.0000	3,310,604,527.76	2,146,480,512.19	1.0000	2,146,480,512.19
USD	70,000.00	7.0288	492,016.00	70,000.00	7.1884	503,188.00
HKD	19,914,809.69	0.9032	17,987,454.41	9,724,465.68	0.9260	9,004,855.22
Subtotal			3,329,083,998.17			2,155,988,555.41
Performance deposits						
RMB	914,815,756.32	1.0000	914,815,756.32	434,054,728.96	1.0000	434,054,728.96
Credit deposits						
RMB	25,050,902.37	1.0000	25,050,902.37	20,865,098.08	1.0000	20,865,098.08
Securities trading seat deposits						
USD	200,000.00	7.0288	1,405,760.00	200,000.00	7.1884	1,437,680.00
Total			4,270,356,416.86			2,612,346,062.45

6. Accounts receivable

(1) By details

Items	As at December 31, 2025	As at December 31, 2024
Clearing funds receivable	198,224,229.31	183,240,239.58
Asset management fees receivables	181,178,841.05	159,302,043.61
Commission and fee receivables	67,823,107.60	28,835,899.96
Subtotal	447,226,177.96	371,378,183.15
Less: Provision for bad debts	97,934,067.79	9,431,547.52
Carrying amount of accounts receivable	349,292,110.17	361,946,635.63

(2) Analysed by aging

	As at December 31, 2025			
Aging	Gross carrying amount	Percentage (%)	Provision for bad debts	Percentage (%)
Within 1 year (inclusive)	360,751,159.67	80.66	22,551,595.78	6.25
1 to 2 years (inclusive)	26,971,291.45	6.03	22,534,490.10	83.55
2 to 3 years (inclusive)	36,920,526.88	8.26	32,768,095.08	88.75
More than 3 years	22,583,199.96	5.05	20,079,886.83	88.92
Total	447,226,177.96	100.00	97,934,067.79	21.90

	As at December 31, 2024			
Aging	Gross carrying amount	Percentage (%)	Provision for bad debts	Percentage (%)
Within 1 year (inclusive)	307,733,695.95	82.86	1,085,198.15	0.35
1 to 2 years (inclusive)	38,688,854.90	10.42	5,253,058.64	13.58
2 to 3 years (inclusive)	19,065,183.81	5.13	–	–
More than 3 years	5,890,448.49	1.59	3,093,290.73	52.51
Total	371,378,183.15	100.00	9,431,547.52	2.54

(3) Disclosure under methods of provision for bad debts

	As at December 31, 2025			
	Gross carrying amount	**Percentage (%)**	**Provision for bad debts**	**Percentage (%)**
Provision for bad debts by individual	93,163,932.05	20.83	93,163,932.05	100.00
Provision for bad debts by portfolio	354,062,245.91	79.17	4,770,135.74	1.35
Total	447,226,177.96	100.00	97,934,067.79	21.90

	As at December 31, 2024			
	Gross carrying amount	**Percentage (%)**	**Provision for bad debts**	**Percentage (%)**
Provision for bad debts by individual	9,414,024.44	2.53	9,414,024.44	100.00
Provision for bad debts by portfolio	361,964,158.71	97.47	17,523.08	–
Total	371,378,183.15	100.00	9,431,547.52	2.54

(4) Top five accounts receivable

	As at December 31, 2025			
Name of entities	Cost	Nature	Aging	Percentage of balance of accounts receivable (%)
Cinda Xingrong No. 4 Collective Asset Management Plan (信達興融4號集合資產管理計劃)	86,843,198.34	Asset management fees receivables	Within 1 year and 1-3 years	19.42
Hong Kong Securities Clearing Company Limited	29,975,233.07	Clearing funds receivable	Within 1 year	6.7
Zhongtai Securities Co., Ltd. (中泰證券股份有限公司)	10,000,000.00	Fees and commissions receivable	Within 1 year	2.24
Jingu · Jinzhao No. 35 Fund Trust (金谷•今朝35號資金信託)	9,873,237.72	Fees and commissions receivable	Within 1 year	2.21
Hong Kong Futures Exchange	6,912,507.10	Clearing funds receivable	Within 1 year	1.55
Total	143,604,176.23			32.12

	As at December 31, 2024			
Name of entities	Cost	Nature	Aging	Percentage of balance of accounts receivable (%)
Hong Kong Securities Clearing Company Limited	67,263,936.03	Clearing funds receivable	Within 1 year	18.11
Cinda Xingrong No. 4 Collective Asset Management Plan (信達興融4號集合資產管理計劃)	64,304,591.76	Asset management fees receivables	1-3 years	17.32
Hong Kong Futures Exchange	10,850,457.95	Clearing funds receivable	Within 1 year	2.92
Anhui Xinfu Equity Investment Fund (Limited Partnership) (安徽信富股權投資基金 (有限合夥))	6,320,733.71	Asset management fees receivables	1-2 years	1.70
The SEHK Options Clearing House Limited	6,033,928.59	Clearing funds receivable	Within 1 year	1.62
Total	154,773,648.04			41.67

7. Reverse REPOs

(1) Presented by business types

Items	As at December 31, 2025	As at December 31, 2024
Stock-pledged repurchase	1,436,964,965.32	443,834,293.00
Bond-pledged repurchase	155,735,261.96	101,266,881.21
Subtotal	1,592,700,227.28	545,101,174.21
Less: Impairment loss allowance	30,500,442.66	3,110,338.94
Total	1,562,199,784.62	541,990,835.27

(2) Presented by collateral types

Items	As at December 31, 2025	As at December 31, 2024
Stocks	1,436,964,965.32	443,834,293.00
Bonds	155,735,261.96	101,266,881.21
Subtotal	1,592,700,227.28	545,101,174.21
Less: Impairment loss allowance	30,500,442.66	3,110,338.94
Total	1,562,199,784.62	541,990,835.27

(3) The remaining life of stock-pledged repurchase and bond-pledged repurchase

Stock-pledged repurchase classified by remaining life

Remaining life	As at December 31, 2025	As at December 31, 2024
Within 1 month	–	–
1 month to 3 months	–	–
3 months to 12 months	399,744,157.60	229,395,130.54
Over 12 months	1,037,220,807.72	214,439,162.46
Total	1,436,964,965.32	443,834,293.00
Less: Impairment loss allowance	30,500,442.66	3,110,338.94
Carrying amount	1,406,464,522.66	440,723,954.06

Bond-pledged repurchase classified by remaining life

Remaining life	As at December 31, 2025	As at December 31, 2024
Within 1 month	155,735,261.96	101,266,881.21
1 month to 3 months	–	–
3 months to 12 months	–	–
Over 12 months	–	–
Total	155,735,261.96	101,266,881.21
Less: Impairment loss allowance	–	–
Carrying amount	155,735,261.96	101,266,881.21

(4) Fair value of collateral for reverse REPOs

Collateral	As at December 31, 2025	As at December 31, 2024
Stocks	4,698,206,059.47	1,181,923,335.25
Bonds	96,378,354.09	–
Total	4,794,584,413.56	1,181,923,335.25

For bond reverse repurchase transactions conducted through exchanges, where matching is automatically executed by exchanges and the adequacy of the collateral value is guaranteed, it is unavailable to obtain information about the counterparty's pledged collateral. Consequently, the fair value of the above collateral received does not include the fair value of any collateral acquired through bond reverse repurchase transactions through exchanges.

The Group holds collateral under repurchase agreements. If the collateral held under stock-pledged repurchase depreciate in value, the Group may, in certain circumstances, require additional collateral. The Group has an obligation to return the collateral to its counterparties at the expiration of the contracts.

(5) None of the financial assets held under resale agreements by the Group were acquired from shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights as counterparties.

8. Financial assets held for trading

(1) Presented by product types

	As at December 31, 2025					
	Fair value			Initial cost		
Items	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss	Total fair value	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss	Total initial cost
Bonds	26,595,135,323.76	–	26,595,135,323.76	26,781,130,713.98	–	26,781,130,713.98
Mutual funds	2,926,188,614.20	–	2,926,188,614.20	2,881,671,564.74	–	2,881,671,564.74
Asset management plans and private funds	1,560,765,959.29	–	1,560,765,959.29	1,567,400,247.44	–	1,567,400,247.44
Asset-backed securities	3,532,187,807.00	–	3,532,187,807.00	3,449,828,356.86	–	3,449,828,356.86
Trust schemes	3,198,566,363.43	–	3,198,566,363.43	3,180,102,182.90	–	3,180,102,182.90
Bank wealth management products	3,666,983,504.25	–	3,666,983,504.25	3,664,746,482.91	–	3,664,746,482.91
Stocks	777,055,467.87	–	777,055,467.87	927,654,686.80	–	927,654,686.80
Equity of unlisted companies	98,527,034.78	–	98,527,034.78	110,288,866.10	–	110,288,866.10
Total	42,355,410,074.58	–	42,355,410,074.58	42,562,823,101.73	–	42,562,823,101.73

	As at December 31, 2024					
	Fair value			Initial cost		
Items	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss	Total fair value	Financial assets classified as at fair value through profit or loss	Financial assets designated as at fair value through profit or loss	Total initial cost
Bonds	19,450,212,512.10	–	19,450,212,512.10	19,457,964,870.22	–	19,457,964,870.22
Mutual funds	3,515,975,651.05	–	3,515,975,651.05	3,514,743,409.46	–	3,514,743,409.46
Asset management plans and private funds	2,573,579,561.18	–	2,573,579,561.18	2,479,757,435.72	–	2,479,757,435.72
Asset-backed securities	2,948,690,688.40	–	2,948,690,688.40	2,868,974,687.71	–	2,868,974,687.71
Trust schemes	1,147,136,539.73	–	1,147,136,539.73	1,148,474,058.33	–	1,148,474,058.33
Bank wealth management products	4,615,761,007.35	–	4,615,761,007.35	4,615,338,153.91	–	4,615,338,153.91
Stocks	110,450,762.92	–	110,450,762.92	220,685,886.45	–	220,685,886.45
Equity of unlisted companies	101,502,128.28	–	101,502,128.28	110,790,209.60	–	110,790,209.60
Total	34,463,308,851.01	–	34,463,308,851.01	34,416,728,711.40	–	34,416,728,711.40

(2) The Group's balance of financial assets held for trading includes securities lending. For details, please refer to note V.18.

(3) For details on the categories and value of assets with restrictions on ownership or right of use included in the Group's balance of financial assets held for trading, please refer to Note V.57.

9. Other debt investments

	As at December 31, 2025				
Items	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated impairment loss allowance
Local government bonds	16,353,736,000.00	1,577,544,210.64	197,003,183.50	18,128,283,394.14	9,506,720.54
Enterprise bonds	5,421,258,055.76	67,557,683.83	88,474,001.81	5,577,289,741.40	22,446,755.65
Total	21,774,994,055.76	1,645,101,894.47	285,477,185.31	23,705,573,135.54	31,953,476.19

	As at December 31, 2024				
Items	Initial cost	Interest	Fair value changes	Carrying amount	Accumulated impairment loss allowance
Local government bonds	16,237,980,000.00	1,151,642,249.54	534,700,491.57	17,924,322,741.11	20,411,339.60
Enterprise bonds	7,673,686,825.83	99,133,048.71	104,877,234.35	7,877,697,108.89	42,748,948.04
Total	23,911,666,825.83	1,250,775,298.25	639,577,725.92	25,802,019,850.00	63,160,287.64

For details on the categories and value of assets with restrictions on ownership or right of use included in the Group's balance of other debt investments, please refer to Note V.57.

10. Investments in other equity instruments

(1) Investments in other equity instruments

	As at December 31, 2025		
Items	**Cost**	**Fair value**	**Dividend income recognised in the period**
Stocks	6,599,023,547.15	7,344,483,636.72	437,456,738.58
Other non-trading equity instruments	1,526,340,279.94	1,532,905,901.05	45,798,184.12
Total	8,125,363,827.09	8,877,389,537.77	483,254,922.70

	As at December 31, 2024		
Items	**Cost**	**Fair value**	**Dividend income recognised in the period**
Stocks	678,205,996.28	702,235,948.59	39,567,615.45
Other non-trading equity instruments	1,460,311,687.63	1,476,362,840.00	–
Total	2,138,517,683.91	2,178,598,788.59	39,567,615.45

(2) Derecognised investments in other equity instruments in the period

	Cost upon derecognition in the period	Fair value upon derecognition in the period	Cumulative gains or losses transferred from other comprehensive income to retained profits upon derecognition in the period	Reasons for disposal of the investment
Stocks	302,755,535.46	318,635,673.71	15,880,138.25	Due to strategic adjustments

11. Long-term equity investments

(1) By categories

Items	As at December 31, 2025	As at December 31, 2024
Associates	372,583,121.21	438,620,486.47
Joint ventures	27,952,894.85	27,214,461.00
Total	400,536,016.06	465,834,947.47

(2) Details of long-term equity investments

Name of investees	Investment cost	As at January 1, 2025	Change in the current year: Increase for the year	Decrease for the year	Investment income recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Exchange differences	As at December 31, 2025	Ending balance of impairment loss allowance	Percentage of shareholding in the investee	Percentage of voting right in the investee
Associates														
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	41,500,000.00	35,761,031.47	–	–	17,353.72	–	–	–	–	–	35,778,385.19	–	41.50%	41.50%
Guangzhou Cinda Yueshang Private Equity Fund Management Co., Ltd. (廣州信達粵商私募基金管理有限公司)	20,000,000.00	4,358,572.12	–	–	(92,550.60)	–	–	–	–	–	4,266,021.52	–	40.00%	40.00%
Sino Rock Investment Management Company Limited	110,129,691.49	281,800,101.44	–	–	12,000,202.73	3,317,975.88	–	–	–	(10,911,617.01)	286,206,663.04	–	27.59%	27.59%
CPI Absolute Return Fund (a)	–	71,306,561.67	–	(68,343,600.00)		–	–	–	–	(2,962,961.67)	–	–	–	–
CPI Investment Holdings Limited	2,936,251.34	44,165,860.54	–	–	2,083,892.69	–	–	–	–	(1,115,791.07)	45,133,962.16	–	40.00%	40.00%
Cinda International Investment Holdings Limited	2,470,884.00	1,228,359.23	–	–	–	–	–	–	–	(30,269.93)	1,198,089.30	–	47.00%	47.00%
Joint ventures														
Shengyunda (Shanghai) Investment Consulting Co., Ltd. (盛雲達(上海)投資諮詢有限公司) (b)	16,482,121.67	16,482,121.67	–	–	2,146,464.51	–	–	–	–	(434,416.42)	18,194,169.76	–	50.00%	50.00%
Shengda Lingxian (Shenzhen) Private Equity Fund Management Co., Ltd. (盛達領先(深圳)私募股權基金管理有限公司) (c)	10,732,339.33	10,732,339.33	–	–	(718,601.08)	–	–	–	–	(255,013.16)	9,758,725.09	–	50.00%	50.00%
Total	204,251,287.83	465,834,947.47	–	(68,343,600.00)	15,436,761.97	3,317,975.88	–	–	–	(15,710,069.26)	400,536,016.06	–		

Name of investees	Investment cost	As at January 1, 2024	Change in the current year								As at December 31, 2024	Ending balance of impairment loss allowance	Percentage of shareholding in the investee	Percentage of voting right in the investee
			Increase for the year	Decrease for the year	Investment income recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Exchange differences				
Associates														
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	41,500,000.00	35,897,427.48	-	-	(136,396.01)	-	-	-	-	-	35,761,031.47	-	41.50%	41.50%
Guangzhou Cinda Yueshang Private Equity Fund Management Co., Ltd. (廣州信達粵商私募基金管理有限公司)	20,000,000.00	5,517,968.77	-	-	(1,159,396.65)	-	-	-	-	-	4,358,572.12	-	40.00%	40.00%
Sino Rock Investment Management Company Limited	110,129,691.49	264,724,612.65	-	-	13,482,310.92	1,661,714.12	-	(4,026,868.66)	-	5,958,332.41	281,800,101.44	-	27.60%	27.60%
CPI Absolute Return Fund (a)	68,343,600.00	69,292,662.35	-	-	490,952.50	-	-	-	-	1,522,946.82	71,306,561.67	-	16.61%	16.61%
CPI Investment Holdings Limited	2,936,251.34	72,272,476.68	-	-	4,909,225.33	-	-	(34,153,217.28)	-	1,137,373.81	44,165,860.54	-	40.00%	40.00%
Cinda International Investment Holdings Limited	2,470,884.00	1,188,606.65	-	-	-	13,551.07	-	-	-	26,201.51	1,228,359.23	-	47.00%	47.00%
Joint ventures														
Shengyunda (Shanghai) Investment Consulting Co., Ltd. (盛雲達(上海)投資諮詢有限公司) (b)	16,482,121.67	-	16,482,121.67	-	-	-	-	-	-	-	16,482,121.67	-	50.00%	50.00%
Shengda Lingxian (Shenzhen) Private Equity Fund Management Co., Ltd. (盛達領先(深圳)私募股權基金管理有限公司) (c)	10,732,339.33	-	10,732,339.33	-	-	-	-	-	-	-	10,732,339.33	-	50.00%	50.00%
Total	272,594,887.83	448,893,756.58	27,214,461.00	-	17,586,696.09	1,675,265.19	-	(38,180,085.94)	-	8,644,854.55	465,834,947.47	-		

(a) As at December 31, 2024, Cinda International Holdings Limited ("**Cinda International**"), a secondary subsidiary of the Company, holds a 16.61% equity interest in CPI Absolute Return Fund, and serves as its investment advisor, enabling it to exert significant influence over the financial and operating policies of CPI Absolute Return Fund. Consequently, the Company accounts for CPI Absolute Return Fund by equity method as an associate. On July 14, 2025 and August 13, 2025, Cinda International redeemed all its shares in the associate, CPI Absolute Return Fund. Consequently, CPI Absolute Return Fund ceased to be considered an associate of Cinda International.

(b) Cinda International, a subsidiary of the Company, and CPI (China) Management Limited each hold a 50.00% equity interest in Shengyunda (Shanghai) Investment Consulting Co., Ltd. (盛雲達(上海)投資諮詢有限公司, hereinafter referred to as "**Shengyunda**"). All relevant activities of Shengyunda, including decisions on the nomination of directors, the acquisition or disposal of significant assets, require the unanimous approval of all shareholders. Therefore, Cinda International and CPI (China) Management Limited jointly control Shengyunda.

(c) Cinda International, a subsidiary of the Company, and Guizhou Shengyun Investment Co., Ltd. (貴州盛雲投資有限公司) each hold a 50.00% equity interest in Shengda Lingxian (Shenzhen) Private Equity Fund Management Co., Ltd. (盛達領先(深圳)私募股權基金管理有限公司, hereinafter referred to as "**Shengda Lingxian**"). All relevant activities of Shengda Lingxian, including decisions on the nomination of directors, the acquisition or disposal of significant assets, require the unanimous approval of all shareholders. Therefore, Cinda International and Guizhou Shengyun Investment Co., Ltd. jointly control Shengda Lingxian.

The operating results and net assets of the associates, whether considered individually or in aggregate, are not material to the Company.

As at December 31, 2025, the ability of the investee to transfer funds to the Company was not restricted.

12. Fixed assets

Items	Buildings	Mechanical power equipment	Communication and electronic equipment	Electrical appliances for office	Security and defense equipment	Transportation equipment	Total
I. Gross carrying amount:							
As at January 1, 2025	48,743,025.32	2,292,948.12	292,128,261.07	56,774,959.10	1,903,895.54	7,771,641.49	409,614,730.64
Increase for the year	72,663.89	33,539.82	17,133,242.35	1,720,626.28	35,770.84	–	18,995,843.18
(1) Purchases	72,663.89	33,539.82	17,133,242.35	1,720,626.28	35,770.84	–	18,995,843.18
Decrease for the year	3,014,757.11	227,514.18	30,142,905.81	6,171,074.90	53,072.89	1,446,530.82	41,055,855.71
(1) Disposal or retirement	3,014,757.11	227,514.18	30,142,905.81	6,171,074.90	53,072.89	1,446,530.82	41,055,855.71
Exchange differences on translation of foreign operations	(497,668.39)	–	–	(1,540,371.04)	–	–	(2,038,039.43)
As at December 31, 2025	45,303,263.71	2,098,973.76	279,118,597.61	50,784,139.44	1,886,593.49	6,325,110.67	385,516,678.68
II. Accumulated depreciation:							
As at January 1, 2025	22,059,009.09	2,047,703.94	225,821,858.85	46,819,922.48	1,607,872.49	5,678,967.00	304,035,333.85
Increase for the year	1,011,534.56	46,281.44	24,637,392.87	3,108,437.07	71,210.47	422,751.67	29,297,608.08
(1) Provision	1,011,534.56	46,281.44	24,637,392.87	3,108,437.07	71,210.47	422,751.67	29,297,608.08
Decrease for the year	2,902,726.63	214,673.64	28,771,797.32	6,130,837.40	50,172.22	1,391,198.63	39,461,405.84
(1) Disposal or retirement	2,902,726.63	214,673.64	28,771,797.32	6,130,837.40	50,172.22	1,391,198.63	39,461,405.84
Exchange differences on translation of foreign operations	(497,206.00)	–	–	(1,424,662.51)	–	–	(1,921,868.51)
As at December 31, 2025	19,670,611.02	1,879,311.74	221,687,454.40	42,372,859.64	1,628,910.74	4,710,520.04	291,949,667.58
III. Impairment provision:							
As at January 1, 2025	–	–	–	–	–	–	–
Increase for the year	–	–	–	–	–	–	–
Decrease for the year	–	–	–	–	–	–	–
As at December 31, 2025	–	–	–	–	–	–	–
IV. Carrying amount:							
As at December 31, 2025	25,632,652.69	219,662.02	57,431,143.21	8,411,279.80	257,682.75	1,614,590.63	93,567,011.10
As at January 1, 2025	26,684,016.23	245,244.18	66,306,402.22	9,955,036.62	296,023.05	2,092,674.49	105,579,396.79

Items	Buildings	Mechanical power equipment	Communication and electronic equipment	Electrical appliances for office	Security and defense equipment	Transportation equipment	Total
I. Gross carrying amount:							
As at January 1, 2024	49,372,763.33	2,363,803.31	278,503,214.00	55,415,867.65	2,039,429.68	12,043,605.14	399,738,683.11
Increase for the year	–	–	24,881,111.70	4,163,137.11	40,904.87	339,292.04	29,424,445.72
(1) Purchases	–	–	24,881,111.70	4,163,137.11	40,904.87	339,292.04	29,424,445.72
Decrease for the year	708,009.76	70,855.19	11,256,064.63	3,506,245.97	176,439.01	4,611,255.69	20,328,870.25
(1) Disposal or retirement	708,009.76	70,855.19	11,256,064.63	3,506,245.97	176,439.01	4,611,255.69	20,328,870.25
Exchange differences on translation of foreign operations	78,271.75	–	–	702,200.31	–	–	780,472.06
As at December 31, 2024	48,743,025.32	2,292,948.12	292,128,261.07	56,774,959.10	1,903,895.54	7,771,641.49	409,614,730.64
II. Accumulated depreciation:							
As at January 1, 2024	21,326,934.14	2,036,533.28	214,391,522.13	45,998,482.64	1,696,828.45	9,642,017.83	295,092,318.47
Increase for the year	1,152,351.03	50,675.03	22,102,493.02	3,401,013.66	78,823.09	417,642.06	27,202,997.89
(1) Provision	1,152,351.03	50,675.03	22,102,493.02	3,401,013.66	78,823.09	417,642.06	27,202,997.89
Decrease for the year	495,373.69	39,504.37	10,672,156.30	3,161,614.98	167,779.05	4,380,692.89	18,917,121.28
(1) Disposal or retirement	495,373.69	39,504.37	10,672,156.30	3,161,614.98	167,779.05	4,380,692.89	18,917,121.28
Exchange differences on translation of foreign operations	75,097.61	–	–	582,041.16	–	–	657,138.77
As at December 31, 2024	22,059,009.09	2,047,703.94	225,821,858.85	46,819,922.48	1,607,872.49	5,678,967.00	304,035,333.85
III. Impairment provision:							
As at January 1, 2024	–	–	–	–	–	–	–
Increase for the year	–	–	–	–	–	–	–
Decrease for the year	–	–	–	–	–	–	–
As at December 31, 2024	–	–	–	–	–	–	–
IV. Carrying amount:							
As at December 31, 2024	26,684,016.23	245,244.18	66,306,402.22	9,955,036.62	296,023.05	2,092,674.49	105,579,396.79
As at January 1, 2024	28,045,829.19	327,270.03	64,111,691.87	9,417,385.01	342,601.23	2,401,587.31	104,646,364.64

As at December 31, 2025 and December 31, 2024, the Group had no buildings with pending property right procedures.

As at December 31, 2025 and December 31, 2024, the Group had no significant fixed assets with ownership restrictions, or held on a temporary idle basis.

13. Right-of-use assets

Items	Buildings	Machinery and equipment	Total
I. Gross carrying amount:			
As at January 1, 2025	694,151,323.15	15,129,407.13	709,280,730.28
Increase for the year	131,719,068.26	16,798,908.52	148,517,976.78
(1) Purchases	131,719,068.26	16,798,908.52	148,517,976.78
Decrease for the year	181,384,881.08	3,784,953.20	185,169,834.28
(1) Disposal or retirement	181,384,881.08	3,784,953.20	185,169,834.28
Exchange differences on translation of foreign operations	(1,182,313.72)	–	(1,182,313.72)
As at December 31, 2025	643,303,196.61	28,143,362.45	671,446,559.06
II. Accumulated depreciation:			
As at January 1, 2025	353,525,849.04	5,719,416.82	359,245,265.86
Increase for the year	140,509,685.27	13,901,474.20	154,411,159.47
(1) Provision	140,509,685.27	13,901,474.20	154,411,159.47
Decrease for the year	175,675,453.73	3,784,953.20	179,460,406.93
(1) Disposal or retirement	175,675,453.73	3,784,953.20	179,460,406.93
Exchange differences on translation of foreign operations	(727,476.44)	–	(727,476.44)
As at December 31, 2025	317,632,604.14	15,835,937.82	333,468,541.96
III. Impairment provision:			
As at January 1, 2025	–	–	–
Increase for the year	–	–	–
Decrease for the year	–	–	–
As at December 31, 2025	–	–	–
IV. Carrying amount:			
As at December 31, 2025	325,670,592.47	12,307,424.63	337,978,017.10
As at January 1, 2025	340,625,474.11	9,409,990.31	350,035,464.42

Items	Buildings	Machinery and equipment	Total
I. Gross carrying amount:			
As at January 1, 2024	705,841,857.95	16,587,745.17	722,429,603.12
Increase for the year	40,575,552.76	15,129,407.15	55,704,959.91
(1) Purchases	40,575,552.76	15,129,407.15	55,704,959.91
Decrease for the year	53,667,079.28	16,587,745.19	70,254,824.47
(1) Disposal or retirement	53,667,079.28	16,587,745.19	70,254,824.47
Exchange differences on translation of foreign operations	1,400,991.72	–	1,400,991.72
As at December 31, 2024	694,151,323.15	15,129,407.13	709,280,730.28
II. Accumulated depreciation:			
As at January 1, 2024	262,237,308.98	8,293,872.58	270,531,181.56
Increase for the year	140,304,723.65	14,013,289.43	154,318,013.08
(1) Provision	140,304,723.65	14,013,289.43	154,318,013.08
Decrease for the year	50,154,515.81	16,587,745.19	66,742,261.00
(1) Disposal or retirement	50,154,515.81	16,587,745.19	66,742,261.00
Exchange differences on translation of foreign operations	1,138,332.22	–	1,138,332.22
As at December 31, 2024	353,525,849.04	5,719,416.82	359,245,265.86
III. Impairment provision:			
As at January 1, 2024	–	–	–
Increase for the year	–	–	–
Decrease for the year	–	–	–
As at December 31, 2024	–	–	–
IV. Carrying amount:			
As at December 31, 2024	340,625,474.11	9,409,990.31	350,035,464.42
As at January 1, 2024	443,604,548.97	8,293,872.59	451,898,421.56

14. Intangible assets

Items	Securities trading seat rights	Land use rights	Software and others	Total
I. Gross carrying amount:				
As at January 1, 2025	22,460,528.89	559,293.00	432,911,303.56	455,931,125.45
Increase for the year	–	–	23,241,195.63	23,241,195.63
(1) Purchases	–	–	23,241,195.63	23,241,195.63
Decrease for the year	–	–	965,205.35	965,205.35
(1) Disposal or retirement	–	–	965,205.35	965,205.35
Exchange differences on translation of foreign operations	(30,104.45)	–	(1,292.64)	(31,397.09)
As at December 31, 2025	22,430,424.44	559,293.00	455,186,001.20	478,175,718.64
II. Accumulated amortization:				
As at January 1, 2025	–	261,612.71	325,878,959.67	326,140,572.38
Increase for the year	–	15,832.87	39,148,523.79	39,164,356.66
(1) Provision	–	15,832.87	39,148,523.79	39,164,356.66
Decrease for the year	–	–	855,373.17	855,373.17
(1) Disposal or retirement	–	–	855,373.17	855,373.17
Exchange differences on translation of foreign operations	–	–	–	–
As at December 31, 2025	–	277,445.58	364,172,110.29	364,449,555.87
III. Impairment provision:				
As at January 1, 2025	–	–	–	–
Increase for the year	–	–	–	–
Decrease for the year	–	–	–	–
As at December 31, 2025	–	–	–	–
IV. Carrying amount:				
As at December 31, 2025	22,430,424.44	281,847.42	91,013,890.91	113,726,162.77
As at January 1, 2025	22,460,528.89	297,680.29	107,032,343.89	129,790,553.07

Items	Securities trading seat rights	Futures membership	Land use rights	Software and others	Total
I. Gross carrying amount:					
As at January 1, 2024	22,434,382.08	1,400,000.00	559,293.00	400,413,448.88	424,807,123.96
Increase for the year	–	–	–	32,958,565.64	32,958,565.64
(1) Purchases	–	–	–	32,958,565.64	32,958,565.64
Decrease for the year	–	1,400,000.00	–	463,089.36	1,863,089.36
(1) Disposal or retirement	–	1,400,000.00	–	463,089.36	1,863,089.36
Exchange differences on translation of foreign operations	26,146.81	–	–	2,378.40	28,525.21
As at December 31, 2024	22,460,528.89	–	559,293.00	432,911,303.56	455,931,125.45
II. Accumulated amortization:					
As at January 1, 2024	–	–	245,779.84	286,271,935.14	286,517,714.98
Increase for the year	–	–	15,832.87	40,070,113.89	40,085,946.76
(1) Provision	–	–	15,832.87	40,070,113.89	40,085,946.76
Decrease for the year	–	–	–	463,089.36	463,089.36
(1) Disposal or retirement	–	–	–	463,089.36	463,089.36
Exchange differences on translation of foreign operations	–	–	–	–	–
As at December 31, 2024	–	–	261,612.71	325,878,959.67	326,140,572.38
III. Impairment provision:					
As at January 1, 2024	–	–	–	–	–
Increase for the year	–	–	–	–	–
Decrease for the year	–	–	–	–	–
As at December 31, 2024	–	–	–	–	–
IV. Carrying amount:					
As at December 31, 2024	22,460,528.89	–	297,680.29	107,032,343.89	129,790,553.07
As at January 1, 2024	22,434,382.08	1,400,000.00	313,513.16	114,141,513.74	138,289,408.98

Note: As at December 31, 2025 and December 31, 2024, the Group had no intangible assets used as collateral or guarantee.

15. Goodwill

(1) Original carrying amount of goodwill

Matters resulting in goodwill	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Combination of Cinda International (a)	98,822,734.82	–	–	98,822,734.82
Acquisition of Business Unit of China Jingu International Trust Co., Ltd. (中國金谷國際信託投資有限責任公司) (b)	80,052,310.92	–	–	80,052,310.92
Acquisition of Cinda Futures (c)	15,456,911.47	–	–	15,456,911.47
Total	194,331,957.21	–	–	194,331,957.21

Matters resulting in goodwill	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Combination of Cinda International (a)	98,822,734.82	–	–	98,822,734.82
Acquisition of Business Unit of China Jingu International Trust Co., Ltd. (中國金谷國際信託投資有限責任公司) (b)	80,052,310.92	–	–	80,052,310.92
Acquisition of Cinda Futures (c)	15,456,911.47	–	–	15,456,911.47
Total	194,331,957.21	–	–	194,331,957.21

(2) Allowance for impairment of goodwill

Matters resulting in goodwill	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Combination of Cinda International (a)	98,822,734.82	–	–	98,822,734.82
Acquisition of Business Unit of China Jingu International Trust Co., Ltd. (中國金谷國際信託投資有限責任公司) (b)	79,046,338.16	–	–	79,046,338.16
Acquisition of Cinda Futures (c)	15,456,911.47	–	–	15,456,911.47
Total	193,325,984.45	–	–	193,325,984.45

Matters resulting in goodwill	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Combination of Cinda International (a)	98,822,734.82	–	–	98,822,734.82
Acquisition of Business Unit of China Jingu International Trust Co., Ltd. (中國金谷國際信託投資有限責任公司) (b)	79,046,338.16	–	–	79,046,338.16
Acquisition of Cinda Futures (c)	15,456,911.47	–	–	15,456,911.47
Total	193,325,984.45	–	–	193,325,984.45

(a) In 2019, the Company acquired a 63% equity interest in Cinda International in cash. Cinda International is an indirectly controlled subsidiary of China Cinda, the parent company of the Group. As both parties to the combination were under the control of China Cinda before and after the combination, and this control was not transitory, the combination was a business combination under common control. The goodwill was obtained by the Company from the ultimate controlling party in the business combination under common control, and the impairment provisions had been fully made for the goodwill in previous years.

(b) In December 2008, the Company acquired the securities business of China Jingu International Trust Co., Ltd. (formerly known as China Jingu International Trust and Investment Co., Ltd. (中國金谷國際信託投資有限責任公司), hereinafter referred to as "**Jingu Trust**"). After confirming the identifiable assets and liabilities of the acquired business, the Company recognized the excess of the purchase cost over the fair value of the identifiable net assets obtained in the acquisition as goodwill. The recoverable amount of the asset group was determined based on the present value of its estimated future cash flows. As the recoverable amount of the asset group was lower than its carrying amount, an allowance for impairment of goodwill of RMB79,046,338.16 was recognized. As at December 31, 2025 and December 31, 2024, the original value and net value of the goodwill arising from the acquisition were RMB80,052,310.92 and RMB1,005,972.76, respectively.

The recoverable amount of the asset group was determined based on the present value of the expected future cash flows. The cash flows for the next five years were predicted on the basis of the current financial situation of the asset group, and the cash flows beyond five years were calculated on a perpetuity basis. The key assumptions were mainly based on the historical returns of the asset group and the management's expectations regarding market development. The discount rate was 7%. The growth rate range was determined to be -15% to -5% by taking into account the long-term average growth rate of the macro economy and the development cycle of the securities industry. (2024: the discount rate was 8%, the growth rate range was -15% to -5%)

(c) In November 2007, the Company acquired Cinda Futures. After confirming the identifiable assets and liabilities of the acquired business, the Company recognized the excess of the purchase cost over the fair value of the identifiable net assets obtained in the acquisition as goodwill. The impairment provisions had been fully made for the goodwill in previous years.

16. Deferred tax assets and deferred tax liabilities

(1) Recognised deferred tax assets and liabilities which have not been offset

Items	As at December 31, 2025		As at December 31, 2024	
	Deductible/ taxable temporary differences	Deferred tax assets/liabilities	Deductible/ taxable temporary differences	Deferred tax assets/liabilities
Deferred tax assets:				
Change in fair value of financial assets held for trading	222,468,949.58	55,617,237.39	8,994,163.65	2,248,540.91
Change in fair value of derivative financial instruments	6,578,933.72	1,644,733.44	38,618,557.69	9,654,639.43
Amortisation of intangible assets	13,169,575.85	3,292,393.96	23,629,107.80	5,907,276.95
Impairment loss allowance for assets	252,626,817.98	63,144,667.69	69,812,323.95	17,422,935.35
Accrued and unpaid staff costs	39,150,750.89	9,787,687.74	143,605,473.22	35,901,368.30
Allowance for risk of broker	11,012,769.75	2,753,192.44	11,339,342.55	2,834,835.64
Unused tax losses	–	–	294,180,128.00	73,545,032.00
Lease liabilities	335,004,744.67	83,751,186.16	361,582,014.12	90,395,503.53
Others	191,103,798.29	47,775,949.55	61,704,631.13	15,426,157.77
Total	1,071,116,340.73	267,767,048.37	1,013,465,742.11	253,336,289.88
Deferred tax liabilities:				
Change in fair value of financial assets held for trading	11,351,884.44	2,837,971.11	85,795,087.53	21,448,771.89
Change in fair value of other debt investments	262,691,260.54	65,672,815.13	674,926,711.05	168,731,677.76
Change in fair value of investments in other equity instruments	881,015,501.49	220,253,875.37	40,081,104.68	10,020,276.17
Right-of-use assets	309,665,255.29	77,416,313.82	343,201,368.85	85,800,342.19
Others	–	–	4,148,560.21	1,037,140.08
Total	1,464,723,901.76	366,180,975.43	1,148,152,832.32	287,038,208.09
Net amount	(393,607,561.03)	(98,413,927.06)	(134,687,090.21)	(33,701,918.21)

(2) Deferred tax assets and deferred tax liabilities are presented as the net amount after offsetting

	As at December 31, 2025		As at December 31, 2024	
Items	Offset amount	Balance after offsetting	Offset amount	Balance after offsetting
Deferred tax assets	(266,680,646.35)	1,086,402.02	(249,334,015.03)	4,002,274.85
Deferred tax liabilities	(266,680,646.35)	99,500,329.08	(249,334,015.03)	37,704,193.06

17. Other assets

Items	As at December 31, 2025	As at December 31, 2024
Other receivables (1)	406,273,731.54	387,719,589.57
Long-term prepaid expenses (2)	36,737,740.43	48,258,637.90
Prepaid expenses	23,872,615.20	17,948,773.37
Others	8,659,971.12	54,165,671.64
Subtotal	475,544,058.29	508,092,672.48
Less: Provision for bad debts	14,846,512.70	15,100,731.56
Total	460,697,545.59	492,991,940.92

(1) Other receivables

By nature:

Nature of the amounts	As at December 31, 2025	As at December 31, 2024
Receivables from joint ventures for collections on behalf of the Company	102,939,452.64	100,869,053.72
Margins	69,159,415.57	88,724,198.76
Deposits	32,710,079.42	39,862,473.92
Dividends receivable	96,037,727.96	55,210,206.21
Prepayments	19,604,373.14	32,562,896.91
Advances	2,131,935.01	1,999,731.41
Others	83,690,747.80	68,491,028.64
Subtotal	406,273,731.54	387,719,589.57
Less: Provision for bad debts	14,846,512.70	15,100,731.56
Total	391,427,218.84	372,618,858.01

Analysed by aging:

	As at December 31, 2025			
Items	Gross carrying amount	% of total	Provision for bad debts	Proportion %
Within 1 year (inclusive)	213,308,123.45	52.50	9,920.14	–
1 to 2 years (inclusive)	145,040,379.43	35.70	250,025.46	0.17
2 to 3 years (inclusive)	3,527,650.58	0.87	233,584.90	6.62
More than 3 years	44,397,578.08	10.93	14,352,982.20	32.33
Total	406,273,731.54	100.00	14,846,512.70	3.65

	As at December 31, 2024			
Items	Gross carrying amount	% of total	Provision for bad debts	Proportion %
Within 1 year (inclusive)	337,056,733.34	86.93	155,259.95	0.05
1 to 2 years (inclusive)	3,742,594.75	0.97	143,462.48	3.83
2 to 3 years (inclusive)	21,847,540.37	5.63	73,259.91	0.34
More than 3 years	25,072,721.11	6.47	14,728,749.22	58.74
Total	387,719,589.57	100.00	15,100,731.56	3.89

Other receivables do not include receivables from shareholders holding 5% (inclusive) or more of the shares of the Company with voting rights.

(2) Long-term prepaid expenses

Items	As at December 31, 2025	As at December 31, 2024
Costs of improvements to fixed assets under leases	33,764,507.71	44,497,648.03
Network	1,222,611.76	1,653,779.86
Others	1,750,620.96	2,107,210.01
Total	36,737,740.43	48,258,637.90

(3) Top five accounts receivable

	As at December 31, 2025				
Name of entities	Cost	Provision for bad debts	Nature	Aging	Proportion of total other receivables (%)
Shengyunda	149,032,446.74	252,901.60	Receivables from joint ventures for collections on behalf of the Company and dividends receivable	1-2 years	36.68
Jin Tong Ling Technology Group Co., Ltd.	30,000,000.00	–	Margins	Within 1 year	7.38
CPI Investment Holdings Limited	17,703,112.00	–	Amounts due to/from related parties	1-2 years	4.36
BBMG Asset Management Co., Ltd. (北京金隅資產運營有限公司)	17,673,321.57	–	Deposits	More than 3 years	4.35
China Construction Bank Corporation	17,242,240.00	–	Dividends receivable	Within 1 year	4.24
Total	231,651,120.31	252,901.60			57.01

	As at December 31, 2024				
Name of entities	Cost	Provision for bad debts	Nature	Aging	Proportion of the carrying amount of other receivables (%)
Shengyunda	130,970,876.84	129,645.60	Receivables from joint ventures for collections on behalf of the Company and dividends receivable	Within 1 year	33.78
Tibet Development Co., Ltd. (西藏發展股份有限公司)	78,624,000.00	–	Investment deposits	Within 1 year	20.28
Cinda Ruiyi Xinxiang Hybrid Collective Asset Management Plan (信達睿益鑫享混合型集合資產管理計劃)	18,696,075.07	–	Redemption proceeds	Within 1 year	4.82
BBMG Hongye Ecological Science and Technology Co., Ltd. (北京金隅宏業生態科技有限責任公司)	17,673,321.57	–	Deposits	Within 1 year	4.56
CPI Investment Holdings Limited	17,566,881.20	–	Receivables from disposal of subsidiaries	Within 1 year	4.53
Total	263,531,154.68	129,645.60			67.97

18. Securities lending arrangement

	As at December 31, 2025	As at December 31, 2024
Securities lending arrangement		
– Financial assets held for trading	17,426,460.17	16,365,570.89

19. Impairment loss allowance for assets

Items	As at January 1, 2025	Increase for the year	Reversal for the year	Amounts written off and transferred out for the year	Changes in exchange rates or others	As at December 31, 2025
Allowance for bad debts of accounts receivable	9,431,547.52	88,507,054.15	4,533.88	–	–	97,934,067.79
Allowance for impairment of receivable from margin clients	60,842,575.82	79,516,758.29	26,906,675.20	–	(473,791.73)	112,978,867.18
Allowance for bad debts of other receivables	15,100,731.56	177,621.70	426,959.04	–	(4,881.52)	14,846,512.70
Allowance for impairment of reverse REPOs	3,110,338.94	29,503,346.61	2,113,242.89	–	–	30,500,442.66
Allowance for impairment of other debt investments	63,160,287.64	30,205,526.80	61,230,052.08	–	(182,286.17)	31,953,476.19
Subtotal of allowance for credit impairment of financial instruments (1)	151,645,481.48	227,910,307.55	90,681,463.09	–	(660,959.42)	288,213,366.52
Allowance for impairment of goodwill	193,325,984.45	–	–	–	–	193,325,984.45
Total	344,971,465.93	227,910,307.55	90,681,463.09	–	(660,959.42)	481,539,350.97

Items	As at January 1, 2024	Increase for the year	Reversal for the year	Amounts written off and transferred out for the year	Changes in exchange rates or others	As at December 31, 2024
Allowance for bad debts of accounts receivable	3,139,683.25	10,567,968.49	–	4,264,551.37	(11,552.85)	9,431,547.52
Allowance for impairment of receivable from margin clients	37,773,532.25	51,693,096.60	29,112,689.38	–	488,636.35	60,842,575.82
Allowance for bad debts of other receivables	15,012,309.32	401,142.63	–	–	(312,720.39)	15,100,731.56
Allowance for impairment of reverse REPOs	–	3,110,338.94	–	–	–	3,110,338.94
Allowance for impairment of other debt investments	48,597,688.71	17,138,149.86	2,630,071.00	–	54,520.07	63,160,287.64
Subtotal of allowance for credit impairment of financial instruments (1)	104,523,213.53	82,910,696.52	31,742,760.38	4,264,551.37	218,883.18	151,645,481.48
Allowance for impairment of goodwill	193,325,984.45	–	–	–	–	193,325,984.45
Total	297,849,197.98	82,910,696.52	31,742,760.38	4,264,551.37	218,883.18	344,971,465.93

(1) Table of allowance for ECL of financial instruments

	As at December 31, 2025			
Items	Next 12-month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Allowance for bad debts of accounts receivable	–	4,770,135.74	93,163,932.05	97,934,067.79
Allowance for impairment of receivable from margin clients	100,115,205.55	1,186,165.54	11,677,496.09	112,978,867.18
Allowance for bad debts of other receivables	–	1,065,944.15	13,780,568.55	14,846,512.70
Allowance for impairment of reverse REPOs	30,500,442.66	–	–	30,500,442.66
Allowance for impairment of other debt investments	21,681,352.92	10,272,123.27	–	31,953,476.19
Total	152,297,001.13	17,294,368.70	118,621,996.69	288,213,366.52

	As at December 31, 2024			
Items	Next 12-month ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Allowance for bad debts of accounts receivable	–	17,523.08	9,414,024.44	9,431,547.52
Allowance for impairment of receivable from margin clients	33,010,657.95	995,421.18	26,836,496.69	60,842,575.82
Allowance for bad debts of other receivables	15,100,731.56	–	–	15,100,731.56
Allowance for impairment of reverse REPOs	3,110,338.94	–	–	3,110,338.94
Allowance for impairment of other debt investments	22,179,124.36	40,981,163.28	–	63,160,287.64
Total	73,400,852.81	41,994,107.54	36,250,521.13	151,645,481.48

20. Short-term borrowings

(1) By the borrowing conditions

Items	As at December 31, 2025	As at December 31, 2024
Unsecured loans	966,862,633.42	616,629,822.07
Total	966,862,633.42	616,629,822.07

(2) Breakdowns of short-term borrowings

Type	Completion date	Maturity date	Interest rate %	Closing balance	Opening balance
Unsecured loans	August 22, 2024	February 24, 2025	3.60	–	26,932,470.00
Unsecured loans	August 28, 2024	February 28, 2025	3.15	–	20,903,391.14
Unsecured loans	September 12, 2024	March 12, 2025	3.15	–	27,827,248.89
Unsecured loans	September 16, 2024	March 16, 2025	3.15	–	27,827,248.89
Unsecured loans	September 19, 2024	March 19, 2025	3.75	–	27,866,441.29
Unsecured loans	October 14, 2024	January 14, 2025	3.80	–	8,935,392.50
Unsecured loans	October 17, 2024	January 17, 2025	3.80	–	20,842,523.96
Unsecured loans	October 21, 2024	January 21, 2025	3.80	–	24,804,011.37
Unsecured loans	October 25, 2024	January 27, 2025	3.80	–	27,766,120.04
Unsecured loans	November 19, 2024	May 19, 2025	3.95	–	22,753,473.32
Unsecured loans	December 4, 2024	January 6, 2025	5.40	–	10,227,129.99
Unsecured loans	December 11, 2024	January 13, 2025	5.15	–	72,434,950.28
Unsecured loans	December 11, 2024	January 13, 2025	5.15	–	46,432,660.44
Unsecured loans	December 11, 2024	January 13, 2025	5.45	–	23,220,135.86
Unsecured loans	December 13, 2024	January 13, 2025	5.47	–	27,856,140.74
Unsecured loans	December 27, 2024	January 27, 2025	5.24	–	6,486,002.43
Unsecured loans	December 27, 2024	June 27, 2025	3.60	–	13,793,313.07
Unsecured loans	December 30, 2024	February 3, 2025	5.29	–	43,530,187.98
Unsecured loans	December 30, 2024	February 3, 2025	5.29	–	88,912,724.38
Unsecured loans	December 30, 2024	February 28, 2025	4.40	–	19,699,273.12
Unsecured loans	December 30, 2024	March 30, 2025	4.40	–	27,578,982.38
Unsecured loans	July 22, 2025	January 22, 2026	4.10	15,372,085.64	–
Unsecured loans	August 15, 2025	February 15, 2026	3.60	27,488,961.31	–
Unsecured loans	September 12, 2025	March 12, 2026	2.35	28,332,216.24	–
Unsecured loans	September 16, 2025	March 16, 2026	2.62	18,222,551.82	–
Unsecured loans	September 17, 2025	March 17, 2026	2.35	28,323,334.02	–
Unsecured loans	September 19, 2025	March 19, 2026	2.55	19,227,282.96	–
Unsecured loans	October 14, 2025	January 14, 2026	3.80	9,115,759.02	–

Type	Completion date	Maturity date	Interest rate %	Closing balance	Opening balance
Unsecured loans	October 14, 2025	April 14, 2026	2.64	54,566,704.12	–
Unsecured loans	October 15, 2025	January 15, 2026	4.23	71,063,506.04	–
Unsecured loans	October 15, 2025	January 15, 2026	4.23	45,553,529.51	–
Unsecured loans	October 15, 2025	January 15, 2026	4.23	22,776,764.76	–
Unsecured loans	October 15, 2025	January 15, 2026	4.23	27,332,117.70	–
Unsecured loans	October 15, 2025	January 15, 2026	4.23	15,488,200.03	–
Unsecured loans	October 15, 2025	April 16, 2026	4.40	7,291,088.79	–
Unsecured loans	October 17, 2025	January 19, 2026	4.40	21,289,004.86	–
Unsecured loans	October 17, 2025	April 17, 2026	4.43	54,295,649.55	–
Unsecured loans	October 17, 2025	April 17, 2026	4.43	14,579,560.47	–
Unsecured loans	October 21, 2025	April 21, 2026	2.72	23,233,046.26	–
Unsecured loans	October 27, 2025	April 27, 2026	2.80	24,235,795.19	–
Unsecured loans	October 27, 2025	April 27, 2026	2.80	28,275,094.40	–
Unsecured loans	October 28, 2025	April 28, 2026	2.69	47,449,607.54	–
Unsecured loans	October 28, 2025	January 28, 2026	4.59	3,905,024.61	–
Unsecured loans	November 21, 2025	February 23, 2026	5.08	48,130,721.82	–
Unsecured loans	December 22, 2025	January 22, 2026	3.92	21,698,219.36	–
Unsecured loans	December 22, 2025	January 22, 2026	3.92	26,218,681.73	–
Unsecured loans	December 24, 2025	June 24, 2026	2.28	14,076,892.12	–
Unsecured loans	December 25, 2025	March 25, 2026	4.66	39,591,338.11	–
Unsecured loans	December 29, 2025	January 29, 2026	4.15	42,460,994.72	–
Unsecured loans	December 29, 2025	January 29, 2026	4.15	86,728,840.27	–
Unsecured loans	December 29, 2025	January 29, 2026	4.15	6,323,977.94	–
Unsecured loans	December 29, 2025	January 29, 2026	4.15	31,619,889.68	–
Unsecured loans	December 30, 2025	March 30, 2026	4.00	28,144,672.83	–
Unsecured loans	December 31, 2025	March 31, 2026	4.13	14,451,520.00	–
Total				966,862,633.42	616,629,822.07

21. Short-term debt securities issued

Name	Nominal value	Interest commencement date	Bond maturity (days)	Maturity date	Issuing amount	Coupon rate %	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Beneficiary certificates	1.00	February 2025 – April 2025	Within one year	April 2025 – July 2025	4,600,000,000.00	2.00-2.33	2,814,073,219.36	4,625,579,269.74	7,439,652,489.10	-
Total							2,814,073,219.36	4,625,579,269.74	7,439,652,489.10	-

Name	Nominal value	Interest commencement date	Bond maturity (days)	Maturity date	Issuing amount	Coupon rate %	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Beneficiary certificates	1.00	March 2024 – October 2024	Within one year	April 2024 – February 2025	5,849,510,000.00	1.97-2.50	4,669,264,050.82	5,914,535,363.27	7,769,726,194.73	2,814,073,219.36
Total							4,669,264,050.82	5,914,535,363.27	7,769,726,194.73	2,814,073,219.36

22. Placements from financial institutions

Items	As at December 31, 2025	As at December 31, 2024
Placements from banks	16,795,699,642.63	11,841,818,940.52
Placements from securities lending and refinancing (1)	8,735,703,944.89	4,011,198,333.61
Total	25,531,403,587.52	15,853,017,274.13

(1) The remaining life and the interest rate range of the placements from securities lending and refinancing

	As at December 31, 2025		As at December 31, 2024	
Remaining life	Carrying amount	Interest rate range %	Carrying amount	Interest rate range %
Within 1 month	705,782,000.59	1.68	–	–
1 to 3 months	3,021,537,777.43	2.36-2.42	1,005,472,500.22	1.99
3 months to 12 months	5,008,384,166.87	1.85	3,005,725,833.39	2.35-2.40
Total	8,735,703,944.89		4,011,198,333.61	

23. Financial liabilities held for trading

	As at December 31, 2025			As at December 31, 2024		
Type	Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss	Total	Financial liabilities classified as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss	Total
Bonds	25,301.36	–	25,301.36	293,742.48	–	293,742.48
Total	25,301.36	–	25,301.36	293,742.48	–	293,742.48

24. Accounts payable

Items	As at December 31, 2025	As at December 31, 2024
Fund sales and service fees payable	102,123,048.44	89,751,588.15
Clearing funds payable	23,037,401.21	1,316,720.26
Service fees and asset purchase payable	3,173,165.25	5,768,072.19
Others	18,797.94	121,198.21
Total	128,352,412.84	96,957,578.81

25. Contract liabilities

Items	As at December 31, 2025	As at December 31, 2024
Fee and commission advances	4,860,513.26	3,032,389.94

26. REPOs

(1) Presented by business types

Items	As at December 31, 2025	As at December 31, 2024
Pledged sale and repurchase	18,965,469,662.70	18,356,405,077.86
Pledged quotation and repurchase	1,274,879,526.92	1,393,052,422.49
Total	20,240,349,189.62	19,749,457,500.35

(2) Presented by collateral types

Items	As at December 31, 2025	As at December 31, 2024
Bonds	18,965,469,662.70	18,356,405,077.86
Funds	1,274,879,526.92	1,393,052,422.49
Total	20,240,349,189.62	19,749,457,500.35

(3) Carrying amount of collateral

Items	As at December 31, 2025	As at December 31, 2024
Bonds	25,686,917,684.03	20,892,391,258.06
Funds	1,846,590,201.46	1,801,270,310.63
Total	27,533,507,885.49	22,693,661,568.69

(4) Remaining life and interest rate range of pledged quotation and repo transactions

Remaining life	As at December 31, 2025	Interest rate range %	As at December 31, 2024	Interest rate range %
Within 1 month	1,230,038,590.22	1.00-8.00	1,153,582,708.53	1.80-8.00
1 to 3 months	43,934,855.33	3.28-8.00	37,071,509.92	3.28-8.00
3 months to 1 year	906,081.37	3.28	202,398,204.04	1.88-3.28
Total	1,274,879,526.92		1,393,052,422.49	

(5) The categories and values of assets pledged by the Group for repurchase agreements are detailed in Note V.57.

(6) There were no financial assets purchased from shareholders holding 5% (inclusive) or more of the voting rights of the Company as counterparties within the balance of REPOs of the Group.

27. Accounts payable to brokerage clients

Items	As at December 31, 2025	As at December 31, 2024
General brokerage business		
Including: Individuals	20,581,589,952.52	17,075,202,345.87
Institutions	5,795,314,409.22	4,337,696,511.80
Subtotal	26,376,904,361.74	21,412,898,857.67
Credit business		
Including: Individuals	2,331,092,314.41	2,244,462,372.59
Institutions	79,719,605.05	61,833,946.14
Subtotal	2,410,811,919.46	2,306,296,318.73
Total	28,787,716,281.20	23,719,195,176.40

28. Employee benefits payable

Items		As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Short-term employee benefits	(1)	132,105,036.50	925,453,980.90	963,918,582.34	93,640,435.06
Post-employment benefits – defined contribution plan	(2)	77,158,116.25	156,775,785.14	159,756,320.71	74,177,580.68
Termination benefits		5,144,669.67	3,706,866.13	4,210,028.70	4,641,507.10
Total		214,407,822.42	1,085,936,632.17	1,127,884,931.75	172,459,522.84

Items		As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Short-term employee benefits	(1)	489,597,719.71	868,086,037.55	1,225,578,720.76	132,105,036.50
Post-employment benefits – defined contribution plan	(2)	70,697,990.73	168,182,230.26	161,722,104.74	77,158,116.25
Termination benefits		7,332,612.36	4,259,187.65	6,447,130.34	5,144,669.67
Total		567,628,322.80	1,040,527,455.46	1,393,747,955.84	214,407,822.42

(1) Short-term employee benefits

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Wages or salaries, bonuses, allowances and subsidies	48,172,310.35	736,690,000.00	774,848,221.70	10,014,088.65
Employee welfare	12,727,716.82	32,457,188.16	44,282,601.95	902,303.03
Social insurance	1,381,391.62	64,442,823.31	54,566,590.52	11,257,624.41
Including: Medical insurance	1,226,317.82	62,474,633.48	52,598,244.63	11,102,706.67
Work injury insurance	144,276.24	1,420,054.51	1,420,221.74	144,109.01
Maternity insurance	10,797.56	548,135.32	548,124.15	10,808.73
Housing funds	633,375.54	68,144,937.91	68,258,177.08	520,136.37
Labor union fees and staff education expenses	69,189,196.16	11,847,086.20	10,391,045.77	70,645,236.59
Other short-term employee benefits	1,046.01	11,871,945.32	11,571,945.32	301,046.01
Total	132,105,036.50	925,453,980.90	963,918,582.34	93,640,435.06

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Wages or salaries, bonuses, allowances and subsidies	410,575,130.75	656,690,000.00	1,019,092,820.40	48,172,310.35
Employee welfare	6,217,769.50	51,432,886.29	44,922,938.97	12,727,716.82
Social insurance	1,456,957.57	65,677,999.48	65,753,565.43	1,381,391.62
Including: Medical insurance	1,303,228.73	63,813,382.82	63,890,293.73	1,226,317.82
Work injury insurance	145,801.29	1,327,242.29	1,328,767.34	144,276.24
Maternity insurance	7,927.55	537,374.37	534,504.36	10,797.56
Housing funds	638,680.11	70,026,039.18	70,031,343.75	633,375.54
Labor union fees and staff education expenses	70,629,904.44	10,006,607.33	11,447,315.61	69,189,196.16
Other short-term employee benefits	79,277.34	14,252,505.27	14,330,736.60	1,046.01
Total	489,597,719.71	868,086,037.55	1,225,578,720.76	132,105,036.50

(2) Post-employment benefits – defined contribution plan

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Basic pension insurance	4,801,514.20	91,393,148.25	91,555,266.54	4,639,395.91
Unemployment insurance	147,728.36	3,220,200.45	3,225,199.44	142,729.37
Enterprise annuity	72,208,873.69	62,162,436.44	64,975,854.73	69,395,455.40
Total	77,158,116.25	156,775,785.14	159,756,320.71	74,177,580.68

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Basic pension insurance	5,042,853.09	89,310,139.81	89,551,478.70	4,801,514.20
Unemployment insurance	155,460.80	3,282,009.52	3,289,741.96	147,728.36
Enterprise annuity	65,499,676.84	75,590,080.93	68,880,884.08	72,208,873.69
Total	70,697,990.73	168,182,230.26	161,722,104.74	77,158,116.25

29. Taxes payable

Items	As at December 31, 2025	As at December 31, 2024
Corporate income tax	116,952,750.23	14,739,200.34
Individual income tax	14,429,053.01	18,684,175.75
Value-added tax	20,297,543.56	18,212,050.53
Urban maintenance and construction tax	1,395,891.63	1,173,902.44
Educational surtax and local educational surtax	997,583.09	848,432.29
Dividends and interest taxes withheld for clients	113,636.86	130,395.95
Others	286,670.62	398,889.76
Total	154,473,129.00	54,187,047.06

30. Long-term debt securities issued

Type	Name of bond	Nominal value	Interest commencement date	Maturity date	Issuing amount	Coupon rate %	Opening balance	Increase for the year	Decrease for the year	Closing balance
Corporate bonds	20 Cinda 02 (20信達02)	100	March 27, 2020	March 27, 2025	1,000,000,000.00	3.57	1,027,289,686.79	8,508,122.93	1,035,797,809.72	–
Corporate bonds	23 Cinda 01 (23信達01)	100	April 13, 2023	April 13, 2026	2,000,000,000.00	3.23	2,045,930,613.61	64,848,038.45	64,862,241.48	2,045,916,410.58
Corporate bonds	24 Cinda 01 (24信達01)	100	February 26, 2024	February 28, 2025	2,000,000,000.00	2.33	2,039,183,837.63	7,799,175.02	2,046,983,012.65	–
Corporate bonds	24 Cinda 02 (24信達02)	100	March 19, 2024	March 19, 2027	1,200,000,000.00	2.65	1,224,127,630.32	32,198,026.95	31,800,349.60	1,224,525,307.67
Corporate bonds	24 Cinda 03 (24信達03)	100	March 19, 2024	March 19, 2029	1,100,000,000.00	2.85	1,123,725,492.24	31,592,117.40	31,380,070.37	1,123,937,539.27
Corporate bonds	24 Cinda C1 (24信達C1)	100	July 8, 2024	July 8, 2027	1,000,000,000.00	2.25	1,010,004,572.67	22,829,421.09	22,500,000.00	1,010,333,993.76
Corporate bonds	24 Cinda 04 (24信達04)	100	November 7, 2024	November 10, 2025	2,000,000,000.00	2.00	2,004,270,046.43	36,058,720.29	2,040,328,766.72	–
Corporate bonds	24 Cinda 05 (24信達05)	100	November 25, 2024	November 25, 2027	2,000,000,000.00	2.26	2,003,955,457.33	45,442,975.32	45,247,002.79	2,004,151,429.86
Corporate bonds	24 Cinda 06 (24信達06)	100	December 12, 2024	December 12, 2026	3,000,000,000.00	1.96	3,002,316,408.98	59,252,827.59	58,806,751.02	3,002,762,485.55
Corporate bonds	24 Cinda 07 (24信達07)	100	December 17, 2024	December 20, 2025	1,700,000,000.00	1.72	1,700,702,203.31	28,778,125.81	1,729,480,329.12	–
Corporate bonds	25 Cinda C1 (25信達C1)	100	May 14, 2025	May 21, 2026	2,000,000,000.00	1.81	–	2,022,092,375.94	–	2,022,092,375.94
Corporate bonds	Cinda KC01 (信達KC01)	100	June 23, 2025	June 26, 2026	1,000,000,000.00	1.73	–	1,008,531,632.79	–	1,008,531,632.79
Corporate bonds	25 Cinda 01 (25信達01)	100	August 21, 2025	August 24, 2026	2,000,000,000.00	1.80	–	2,007,447,808.62	–	2,007,447,808.62
Corporate bonds	25 Cinda 02 (25信達02)	100	December 1, 2025	December 4, 2026	1,500,000,000.00	1.74	–	1,498,071,615.83	–	1,498,071,615.83
Corporate bonds	25 Cinda 03 (25信達03)	100	December 11, 2025	December 14, 2026	1,500,000,000.00	1.75	–	1,497,250,040.23	–	1,497,250,040.23
Beneficiary certificates	Beneficiary certificates	1	December 2024 – November 2025	January 2026 – December 2026	4,200,000,000.00	1.97-2.35	1,000,836,986.28	3,238,348,217.76	30,158,629.69	4,209,026,574.35
Total							18,182,342,935.59	11,609,049,242.02	7,137,344,963.16	22,654,047,214.45

Type	Name of bond	Nominal value	Interest commencement date	Maturity date	Issuing amount	Coupon rate %	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Corporate bonds	20 Cinda 02 (20信達02)	100	March 27, 2020	March 27, 2025	1,000,000,000.00	3.57	1,026,785,206.82	36,225,228.75	35,720,748.78	1,027,289,686.79
Corporate bonds	21 Cinda 01 (21信達01)	100	March 24, 2021	March 24, 2024	1,500,000,000.00	3.70	1,542,107,917.84	13,544,135.30	1,555,652,053.14	–
Corporate bonds	23 Cinda 01 (23信達01)	100	April 13, 2023	April 13, 2026	2,000,000,000.00	3.23	2,045,766,193.02	65,026,453.73	64,862,033.14	2,045,930,613.61
Corporate bonds	23 Cinda S2 (23信達S2)	100	June 9, 2023	April 24, 2024	2,000,000,000.00	2.41	2,027,035,062.45	15,222,470.40	2,042,257,532.85	–
Corporate bonds	23 Cinda 02 (23信達02)	100	December 1, 2023	December 3, 2024	3,000,000,000.00	2.86	3,004,254,764.44	82,250,439.90	3,086,505,204.34	–
Corporate bonds	24 Cinda 01 (24信達01)	100	February 26, 2024	February 28, 2025	2,000,000,000.00	2.33	–	2,039,183,837.63	–	2,039,183,837.63
Corporate bonds	24 Cinda 02 (24信達02)	100	March 19, 2024	March 19, 2027	1,200,000,000.00	2.65	–	1,224,128,347.64	717.32	1,224,127,630.32
Corporate bonds	24 Cinda 03 (24信達03)	100	March 19, 2024	March 19, 2029	1,100,000,000.00	2.85	–	1,123,757,242.49	31,750.25	1,123,725,492.24
Corporate bonds	24 Cinda C1 (24信達C1)	100	July 8, 2024	July 8, 2027	1,000,000,000.00	2.25	–	1,010,004,572.67	–	1,010,004,572.67
Corporate bonds	24 Cinda 04 (24信達04)	100	November 7, 2024	November 10, 2025	2,000,000,000.00	2.00	–	2,004,270,046.43	–	2,004,270,046.43
Corporate bonds	24 Cinda 05 (24信達05)	100	November 25, 2024	November 25, 2027	2,000,000,000.00	2.26	–	2,003,981,917.94	26,460.61	2,003,955,457.33
Corporate bonds	24 Cinda 06 (24信達06)	100	December 12, 2024	December 12, 2026	3,000,000,000.00	1.96	–	3,002,321,917.80	5,508.82	3,002,316,408.98
Corporate bonds	24 Cinda 07 (24信達07)	100	December 17, 2024	December 20, 2025	1,700,000,000.00	1.72	–	1,700,702,203.31	–	1,700,702,203.31
Beneficiary certificates	Beneficiary certificates	1	December 19, 2024	January 16, 2026	1,000,000,000.00	2.35	–	1,000,836,986.28	–	1,000,836,986.28
Total							9,645,949,144.57	15,321,455,800.27	6,785,062,009.25	18,182,342,935.59

31. Lease liabilities

Items	As at December 31, 2025	As at December 31, 2024
Buildings	318,213,451.33	332,362,556.64
Machinery and equipment	12,895,254.47	10,076,962.51
Total	331,108,705.80	342,439,519.15

32. Provisions

Items	As at December 31, 2025	As at December 31, 2024
Pending litigation	55,391,040.10	851,346.30

As of December 31, 2025, the balance of provisions was RMB55,391,040.10, mainly consisting of provisions arising from the tort liability dispute over securities misrepresentation involving Huazhu Bonds (華珠債證券).

33. Other liabilities

Items		As at December 31, 2025	As at December 31, 2024
Interests in structured entities held by third parties	(1)	1,715,143,093.39	360,450,282.97
Other payables	(2)	179,971,405.31	274,401,405.07
Dividends payable		73,550,000.00	23,900,000.00
Futures risk reserve	(3)	86,949,077.39	82,567,475.63
Securities investor protection fund	(4)	10,918,389.95	9,455,116.96
Deferred income		–	6,833,600.00
Futures investor protection fund	(5)	226,308.13	220,645.76
Others		2,729,936.56	6,498.01
Total		2,069,488,210.73	757,835,024.40

(1) Interests in structured entities held by third parties represent the investors' interests payable arising from the structured entities consolidated by the Group.

(2) Other payables presented by nature

Items	As at December 31, 2025	As at December 31, 2024
Underwriting fees of long-term debt securities issued	28,272,452.83	–
Deposits and margins	23,023,136.00	85,062,280.00
Payments withheld	11,850,830.83	33,822,543.30
Broker risk reserve payable	11,094,913.75	11,446,015.34
Amounts payable for acquisition of Cinda International	8,728,123.76	8,948,641.23
Sales service fee and facility usage fee payable	7,165,114.43	7,349,802.04
Securities settlement funds	–	41,268,455.73
Others	89,836,833.71	86,503,667.43
Total	179,971,405.31	274,401,405.07

(3) The futures risk reserve is provided for at a rate of 5% of the net income derived from the agency commission income of the subsidiary, Cinda Futures, after deducting the fees payable to futures exchanges.

(4) In 2025, the Company provided for the Securities Investor Protection Fund payable to China Securities Investor Protection Fund Corporation Limited at a rate of 0.75% of its operating revenue.

(5) In 2025, the Futures Investor Protection Fund was provided for at a rate of 0.000006% of the agency trading volume of the subsidiary, Cinda Futures.

34. Share capital

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
I. Shares subject to selling restrictions	2,551,400,000.00	–	–	2,551,400,000.00
1. State-owned shares	–	–	–	–
2. State-owned legal person shares	2,551,400,000.00	–	–	2,551,400,000.00
3. Other domestically owned shares	–	–	–	–
Including: Domestic legal person shares	–	–	–	–
II. Tradable shares without selling restriction	691,600,000.00	–	–	691,600,000.00
1. RMB ordinary shares	691,600,000.00	–	–	691,600,000.00
Total	3,243,000,000.00	–	–	3,243,000,000.00

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
I. Shares subject to selling restrictions	2,918,700,000.00	–	367,300,000.00	2,551,400,000.00
1. State-owned shares	–	–	–	–
2. State-owned legal person shares	2,758,700,000.00	–	207,300,000.00	2,551,400,000.00
3. Other domestically owned shares	160,000,000.00	–	160,000,000.00	–
Including: Domestic legal person shares	160,000,000.00	–	160,000,000.00	–
II. Tradable shares without selling restriction	324,300,000.00	367,300,000.00	–	691,600,000.00
1. RMB ordinary shares	324,300,000.00	367,300,000.00	–	691,600,000.00
Total	3,243,000,000.00	367,300,000.00	367,300,000.00	3,243,000,000.00

35. Other equity instruments

Items	As at December 31, 2025	As at December 31, 2024
Perpetual bonds	7,000,000,000.00	4,500,000,000.00
Total	7,000,000,000.00	4,500,000,000.00

The Company completed the public issuance of 2024 Perpetual Subordinated Bonds (Tranche 1) on July 19, 2024. The bond was abbreviated as "24 Cinda Y1". The actual issuance scale of this tranche of bonds was RMB1.0 billion, with a face value of RMB100 per bond, and issued at par. The coupon rate was 2.39%.

The Company completed the public issuance of 2024 Perpetual Subordinated Bonds (Tranche 2) on September 12, 2024. The bond was abbreviated as "24 Cinda Y2". The actual issuance scale of this tranche of bonds was RMB1.0 billion, with a face value of RMB100 per bond, and issued at par. The coupon rate was 2.42%.

The Company completed the public issuance of 2024 Perpetual Subordinated Bonds (Tranche 3) on November 21, 2024. The bond was abbreviated as "24 Cinda Y3". The actual issuance scale of this tranche of bonds was RMB1.0 billion, with a face value of RMB100 per bond, and issued at par. The coupon rate was 2.75%.

The Company completed the public issuance of 2024 Perpetual Subordinated Bonds (Tranche 4) on December 9, 2024. The bond was abbreviated as "24 Cinda Y4". The actual issuance scale of this tranche of bonds was RMB1.5 billion, with a face value of RMB100 per bond, and issued at par. The coupon rate was 2.45%.

The Company completed the public issuance of 2025 Perpetual Subordinated Bonds (Tranche 1) on July 11, 2025. The bond was abbreviated as "25 Cinda Y1". The actual issuance scale of this tranche of bonds was RMB1.5 billion, with a face value of RMB100 per bond, and issued at par. The coupon rate was 2.39%.

The Company completed the public issuance of 2025 Perpetual Subordinated Bonds (Tranche 2) on November 3, 2025. The bond was abbreviated as "25 Cinda Y2". The actual issuance scale of this tranche of bonds was RMB1.0 billion, with a face value of RMB100 per bond, and issued at par. The coupon rate was 2.48%.

The above six tranches of bonds all include an issuer's extension option and do not include an investor's sell-back option. This means that at the end of each repricing period for these bonds, the issuer has the option to either extend the bonds for an additional repricing period (i.e. for another 5 years) or redeem the bonds in full, whereas the investors do not have the right to require the issuer to redeem these bonds.

The coupon rate of the perpetual bonds remains unchanged during the first 5 interest-bearing years. If the Company does not exercise the redemption right, the coupon rate will be adjusted to the sum of the then-prevailing benchmark interest rate, the initial spread, and 200 basis points from the sixth interest-bearing year, and remain unchanged until the tenth interest-bearing year. The then-prevailing benchmark interest rate shall be arithmetic mean (rounded to 0.01%) of treasury bond yield with five-year maturity periods as shown in China Bond Inter-bank Fixed Rate Treasury Bond Yield Curve which is published on ChinaBond.com.cn for five working days before the date of coupon rate reset. Thereafter, the coupon rate will be reset every five years at the sum of the then-prevailing benchmark interest rate, the initial spread, and 200 basis points.

This tranche of bonds is attached with a right of the issuer to defer interest payment. Unless a mandatory interest payment event has occurred, on each interest payment date of the bonds, the Company may, at its discretion, defer the current interest, along with all deferred interest and its accrued interest under this clause, to the next interest payment date. There is no limit on the number of times of deferred interest payment. A mandatory interest payment event refers to the Company distributing dividends to ordinary shareholders or reducing its registered capital within the 12 months prior to an interest payment date.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and are presented within owners' equity in the balance sheets of the Group and the Company. As at December 31, 2025, the interest payable on the perpetual bonds of the Company was RMB59,750,000.00 (December 31, 2024: RMB23,900,000.00).

36. Capital reserve

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Capital reserve	4,012,148,107.93	–	7,250,000.00	4,004,898,107.93
Total	4,012,148,107.93	–	7,250,000.00	4,004,898,107.93

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Capital reserve	4,016,100,938.11	–	3,952,830.18	4,012,148,107.93
Total	4,016,100,938.11	–	3,952,830.18	4,012,148,107.93

37. Other comprehensive income

		Amount incurred in the period							
	As at January 1, 2025	Amount incurred before tax in the period	Less: Income tax expense	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained profits from other comprehensive income	Total	Amount attributable to the parent after tax	Amount attributable to the minority shareholders after tax	As at December 31, 2025
Other comprehensive income not reclassified to profit or loss	30,060,828.50	806,830,991.12	214,203,633.77	-	11,910,103.69	580,717,253.66	580,717,253.66	-	610,778,082.16
Change in fair value of investments in other equity instruments	30,060,828.50	806,830,991.12	214,203,633.77	-	11,910,103.69	580,717,253.66	580,717,253.66	-	610,778,082.16
Other comprehensive income to be reclassified to profit or loss	581,111,738.22	(198,014,695.94)	(53,896,034.35)	178,699,681.52	-	(322,818,343.11)	(329,319,018.03)	6,500,674.92	251,792,720.19
Other comprehensive income that may be reclassified to profit or loss under the equity method	12,750,762.27	3,317,975.88	-	-	-	3,317,975.88	2,090,328.28	1,227,647.60	14,841,090.55
Change in fair value of other debt investments	489,974,796.94	(115,834,298.58)	(43,492,302.12)	178,699,681.52	-	(251,041,677.98)	(272,551,533.72)	21,509,855.74	217,423,263.22
Credit impairment provisions for other debt investments	41,366,122.09	(31,024,525.28)	(10,403,732.23)	-	-	(20,620,793.05)	(24,539,231.29)	3,918,438.24	16,826,890.80
Foreign currency translation differences	37,020,056.92	(54,473,847.96)	-	-	-	(54,473,847.96)	(34,318,581.30)	(20,155,266.66)	2,701,475.62
Total	611,172,566.72	608,816,295.18	160,307,599.42	178,699,681.52	11,910,103.69	257,898,910.55	251,398,235.63	6,500,674.92	862,570,802.35

		Amount incurred in the previous period							
	As at January 1, 2024	Amount incurred before tax in the period	Less: Income tax expense	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained profits from other comprehensive income	Total	Amount attributable to the parent after tax	Amount attributable to the minority shareholders after tax	As at December 31, 2024
Other comprehensive income not reclassified to profit or loss	(28,101,238.36)	81,816,770.26	20,454,192.57	-	3,200,510.83	58,162,066.86	58,162,066.86	-	30,060,828.50
Change in fair value of investments in other equity instruments	(28,101,238.36)	81,816,770.26	20,454,192.57	-	3,200,510.83	58,162,066.86	58,162,066.86	-	30,060,828.50
Other comprehensive income to be reclassified to profit or loss	160,521,611.83	650,115,671.50	164,701,445.26	62,904,430.92	-	422,509,795.32	420,590,126.39	1,919,668.93	581,111,738.22
Other comprehensive income that may be reclassified to profit or loss under the equity method	11,695,343.44	1,675,265.19	-	-	-	1,675,265.19	1,055,418.83	619,846.36	12,750,762.27
Change in fair value of other debt investments	108,128,524.06	605,760,387.87	160,416,907.79	76,782,849.59	-	368,560,630.49	381,846,272.88	(13,285,642.39)	489,974,796.94
Credit impairment provisions for other debt investments	30,169,457.19	14,508,078.86	4,284,537.47	-	-	10,223,541.39	11,196,664.90	(973,123.51)	41,366,122.09
Foreign currency translation differences	10,528,287.14	28,171,939.58	-	(13,878,418.67)	-	42,050,358.25	26,491,769.78	15,558,588.47	37,020,056.92
Total	132,420,373.47	731,932,441.76	185,155,637.83	62,904,430.92	3,200,510.83	480,671,862.18	478,752,193.25	1,919,668.93	611,172,566.72

38. Surplus reserve

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Statutory surplus reserve	1,212,415,228.40	163,615,141.90	–	1,376,030,370.30
Total	1,212,415,228.40	163,615,141.90	–	1,376,030,370.30

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Statutory surplus reserve	1,089,788,131.69	122,627,096.71	–	1,212,415,228.40
Total	1,089,788,131.69	122,627,096.71	–	1,212,415,228.40

In accordance with the Company Law of the People's Republic of China, the Company's articles of association and the resolution of the board of directors, the Company shall appropriate 10% of net profit (after making up for prior years' losses) for the year to the statutory surplus reserve. The Company can cease appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the registered capital after approval from the appropriate authorities. Apart from being used to cover losses, the balance of the statutory surplus reserve after being used to increase the registered capital shall not be less than 25% of the registered capital before the increase.

39. General reserves

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
General reserves	1,552,619,718.07	204,642,496.49	–	1,757,262,214.56
Trading risk reserves	1,203,558,750.24	163,615,141.90	–	1,367,173,892.14
Total	2,756,178,468.31	368,257,638.39	–	3,124,436,106.70

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
General reserves	1,385,805,119.69	166,814,598.38	–	1,552,619,718.07
Trading risk reserves	1,080,931,653.53	122,627,096.71	–	1,203,558,750.24
Total	2,466,736,773.22	289,441,695.09	–	2,756,178,468.31

The general reserves increased in this period:

(1) In accordance with the Financial Rules for Financial Enterprises, Cinda Securities and Cinda Futures are required to appropriate 10% of after-tax profit upon making up for losses in previous years to the general reserves. The total amounts appropriated for the period amounted to RMB168,444,217.75.

(2) In accordance with the Guidelines for the Large Collective Asset Management Business of Securities Companies on Implementing the Guiding Opinions for Regulating the Asset Management Business of Financial Institutions (CSRC Announcement [2018] No. 39), Cinda Securities is required to appropriate 10% of the asset management business income from large collective products during the period to the general reserves. The amounts appropriated for the period amounted to RMB1,850,961.77.

(3) In accordance with the Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds, Cinda Fund is required to appropriate 10% of fund management fee income from after-tax profit to the general reserves. The appropriation may be discontinued once the balance reaches 1% of the net asset value of the fund. For the period, the amounts appropriated by Cinda Fund amounted to RMB63,606,142.54. Among them, the amounts attributable to the parent company amounted to RMB34,347,316.97.

The trading risk reserve increased in this period:

(1) In accordance with the Securities Law of the People's Republic of China, Cinda Securities is required to appropriate 10% of after-tax profit upon making up for losses in previous years to the trading risk reserve. The trading risk reserve is used to cover losses from securities trading. The total amounts appropriated for the period amounted to RMB163,615,141.90.

40. Retained profits

Items	**As at December 31, 2025**	**As at December 31, 2024**
Retained profits at the beginning of the period	7,473,897,386.94	6,810,946,084.86
Add: Net profits attributable to owners of the parent during the current period	1,893,704,022.18	1,364,888,583.05
Less: Appropriation to statutory surplus reserve	163,615,141.90	122,627,096.71
Appropriation to general reserves	204,642,496.49	166,814,598.38
Appropriation to trading risk reserves	163,615,141.90	122,627,096.71
Interests on perpetual bonds payable	148,200,000.00	23,900,000.00
Distribution to shareholders	239,982,000.00	269,169,000.00
Add: Other comprehensive income carried forward to retained earnings	11,910,103.69	3,200,510.83
Retained profits at the end of the period	8,459,456,732.52	7,473,897,386.94

On June 28, 2024, approved by the general meeting, the Company made the following cash distribution: based on the Company's total share capital of 3,243,000,000.00 shares after the public offering of RMB ordinary shares (A shares), a cash dividend of RMB0.046 (tax inclusive) per share was distributed to all A shareholders, amounting to a total cash dividend of RMB149,178,000.00 (tax inclusive).

On August 27, 2024, approved by a resolution of the seventh meeting of the sixth session of the board of directors of the Company, as authorized by the general meeting held on June 28, 2024, the Company made the following cash distribution: based on the Company's total share capital of 3,243,000,000.00 shares after the public offering of RMB ordinary shares (A shares), a cash dividend of RMB0.037 (tax inclusive) per share was distributed to all A shareholders, amounting to a total cash dividend of RMB119,991,000.00 (tax inclusive).

On June 20, 2025, approved by the general meeting, the Company made the following cash distribution: based on the Company's total share capital of 3,243,000,000.00 shares after the public offering of RMB ordinary shares (A shares), a cash dividend of RMB0.027 (tax inclusive) per share was distributed to all A shareholders, amounting to a total cash dividend of RMB87,561,000.00 (tax inclusive).

On August 27, 2025, approved by a resolution of the fifteenth meeting of the sixth session of the board of directors of the Company, as authorized by the general meeting held on June 20, 2025, the Company made the following cash distribution: based on the Company's total share capital of 3,243,000,000.00 shares after the public offering of RMB ordinary shares (A shares), a cash dividend of RMB0.047 (tax inclusive) per share was distributed to all A shareholders, amounting to a total cash dividend of RMB152,421,000.00 (tax inclusive).

41. Net interest income

Items	2025	2024
Interest income	1,738,373,055.02	1,523,757,392.93
Interest income from cash and bank balances and deposits with clearing houses	424,569,571.64	496,693,905.02
Interest income from receivable from margin clients	692,177,193.28	574,287,509.94
Interest income from reverse REPOs	67,351,725.38	31,290,176.15
Interest income from stock-pledged repurchase	64,606,101.76	15,324,089.55
Interest income from other debt investments	554,274,421.75	421,485,624.56
Interest income on financial assets calculated by the effective interest rate method	142.97	177.26
Interest expenses	1,322,730,955.28	1,050,476,387.64
Interest expenses on short-term borrowings	29,378,275.00	24,732,675.54
Interest expenses on placements from financial institutions	341,631,608.47	215,579,552.15
Including: Interest expenses of securities lending and refinancing	123,890,055.73	47,368,306.01
Interest expenses on REPOs	378,344,057.32	285,093,607.19
Including: Interest expenses on quotation and repurchase	25,402,007.19	27,623,661.04
Interest expenses on accounts payable to brokerage clients	62,016,770.60	96,807,502.32
Interest expenses on long-term debt securities issued	452,025,878.24	395,056,253.70
Including: Interest expenses on subordinated bonds	56,753,429.82	11,004,572.67
Interest expenses on other financial liabilities calculated by the effective interest rate method	59,334,365.65	33,206,796.74
Net interest income	415,642,099.74	473,281,005.29

42. Net fee and commission income

Items	2025	2024
Net income from securities brokerage business	972,243,328.87	771,414,025.82
Income from securities brokerage business	1,314,115,735.47	988,228,145.43
Including: Brokerage trading of securities	1,184,717,752.47	814,556,174.38
Leasing of trading unit seats	92,881,554.85	150,738,105.63
Agency sale of financial products	36,516,428.15	22,933,865.42
Expenses on securities brokerage business	341,872,406.60	216,814,119.61
Including: Brokerage trading of securities	341,872,406.60	216,814,119.61
Net income from futures brokerage business	88,606,026.00	81,655,886.12
Income from futures brokerage business	319,227,117.67	235,684,003.48
Expenses on futures brokerage business	230,621,091.67	154,028,117.36
Net income from investment banking business	137,773,398.43	126,732,215.52
Income from investment banking business	139,172,687.56	130,329,958.47
Including: Securities underwriting business	118,893,841.87	101,154,999.18
Securities sponsorship business	6,516,037.73	7,329,559.73
Financial advisory business (1)	13,762,807.96	21,845,399.56
Expenses of investment banking business	1,399,289.13	3,597,742.95
Including: Securities underwriting business	1,333,251.39	3,201,516.53
Financial advisory business (1)	66,037.74	396,226.42
Net income from asset management business (2)	141,764,340.06	155,810,332.38
Income from asset management business (3)	143,506,251.76	156,280,137.91
Expenses of asset management business	1,741,911.70	469,805.53
Net income from fund management business	371,017,270.34	420,138,666.65
Income from fund management business	572,654,339.09	599,815,518.68
Expenses on fund management business	201,637,068.75	179,676,852.03
Net income from investment advisory business	62,274,978.39	43,468,241.08
Income from investment advisory business	66,296,545.74	45,904,959.34
Expenses on investment advisory business	4,021,567.35	2,436,718.26

Items	2025	2024
Net income from other fee and commission	15,487,220.74	19,599,070.25
Income from other fee and commission	17,081,601.15	21,396,512.87
Expenses on other fee and commission	1,594,380.41	1,797,442.62
Total	1,789,166,562.83	1,618,818,437.82
Including: Fee and commission income	2,572,054,278.44	2,177,639,236.18
Fee and commission expenses	782,887,715.61	558,820,798.36

(1) Net income from financial advisory business:

Items	2025	2024
Net income from financial advisory business for mergers and acquisitions and restructuring – Domestically listed companies	6,603,773.59	–
Net income from financial advisory business for mergers and acquisitions and restructuring – Others	188,679.25	–
Net income from other financial advisory business	6,904,317.38	21,449,173.14
Total	13,696,770.22	21,449,173.14

(2) Asset management business and net income

Items	2025 Collective asset management business	Directional asset management business	Special asset management business
Product quantity at the end of the period	250	126	4
Number of clients at the end of the period	2,666	126	72
Including: Individual clients	1,676	11	–
Institutional clients	990	115	72
Entrusted funds at the beginning of the period	26,244,364,558.77	31,110,982,685.65	20,667,640,000.00
Including: Own capital investment	294,833,389.97	–	80,000,000.00
Individual clients	5,875,669,290.29	124,666,329.66	–
Institutional clients	20,073,861,878.51	30,986,316,355.99	20,587,640,000.00
Entrusted funds at the end of the period	46,360,951,953.19	46,245,538,677.05	12,719,540,000.00
Including: Own capital investment	574,629,685.72	10,000,000.00	–
Individual clients	2,165,869,879.63	296,932,425.65	–
Institutional clients	43,620,452,387.84	45,938,606,251.40	12,719,540,000.00
Initial cost of the main entrusted assets at the end of the period	35,733,086,378.31	44,763,572,696.81	12,687,838,700.00
Including: Stocks	6,161,008,932.67	23,136,106,133.05	–
Bonds	15,917,261,482.02	17,590,146,127.05	–
Funds	11,456,350,502.61	860,384,219.26	–
Asset-backed securities	618,123,511.90	–	–
Others	1,580,341,949.11	3,176,936,217.45	12,687,838,700.00
Net income from asset management business in the current period	85,305,506.64	34,920,810.62	987,735.57

Items	2024 Collective asset management business	Directional asset management business	Special asset management business
Product quantity at the end of the period	170	70	12
Number of clients at the end of the period	26,815	71	236
Including: Individual clients	26,359	8	–
Institutional clients	456	63	236
Entrusted funds at the beginning of the period	8,016,820,576.30	27,139,725,671.78	36,243,872,500.00
Including: Own capital investment	251,595,000.13	723,200,000.00	–
Individual clients	3,576,116,493.47	14,208,864.22	–
Institutional clients	4,189,109,082.70	26,402,316,807.56	36,243,872,500.00
Entrusted funds at the end of the period	26,244,364,558.77	31,110,982,685.65	20,667,640,000.00
Including: Own capital investment	294,833,389.97	–	80,000,000.00
Individual clients	5,875,669,290.29	124,666,329.66	–
Institutional clients	20,073,861,878.51	30,986,316,355.99	20,587,640,000.00
Initial cost of the main entrusted assets at the end of the period	21,323,012,504.57	31,554,434,226.75	20,623,819,100.00
Including: Stocks	1,644,994,370.01	18,288,066,957.31	–
Bonds	8,681,474,167.45	11,949,232,195.43	–
Funds	8,867,680,483.76	37,759,996.47	–
Asset-backed securities	570,258,883.31	–	–
Others	1,558,604,600.04	1,279,375,077.54	20,623,819,100.00

Items	2024 Collective asset management business	Directional asset management business	Special asset management business
Net income from asset management business in the current period	112,438,439.26	23,247,861.04	4,217,804.45

(3) Income from asset management business

In 2025, the income from asset management business of the Group amounted to RMB143,506,251.76 (2024: RMB156,280,137.91). Among them, the income from advisory services provided for external parties was RMB20,550,287.23 (2024: RMB15,906,227.63).

43. Investment income

(1) Investment income

Items	2025	2024
Long-term equity investment income accounted for under the equity method	15,436,761.97	17,586,696.09
Investment income from financial instruments	2,118,679,293.68	1,052,885,089.08
Including: Gains generated during the holding period	2,230,049,035.34	1,308,752,035.72
– Financial instruments held for trading	1,746,794,112.64	1,269,184,420.27
– Investments in other equity instruments	483,254,922.70	39,567,615.45
(Losses) arising from the disposal of financial instruments	(111,369,741.66)	(255,866,946.64)
– Financial instruments held for trading	(195,874,338.07)	(354,290,719.80)
– Other debt investments	233,635,438.67	126,100,957.65
– Derivative financial instruments	(149,130,842.26)	(27,677,184.49)
Investment (losses) from the disposal of long-term equity investments	(1,074,760.01)	(14,626,703.26)
Others	(18,391,033.50)	(13,256,624.36)
Total	2,114,650,262.14	1,042,588,457.55

(2) Investment income from financial instruments held for trading

Items	2025	2024
Financial assets classified as at fair value through profit or loss		
Gains generated during the holding period	1,746,794,112.64	1,269,184,420.27
Gains arising from the disposal of financial instruments	(211,471,757.54)	(358,210,760.93)
Financial liabilities classified as at fair value through profit or loss		
Gains generated during the holding period	–	–
Gains arising from the disposal of financial instruments	15,597,419.47	3,925,991.13
Financial liabilities designated as at fair value through profit or loss		
Gains generated during the holding period	–	–
Gains arising from the disposal of financial instruments	–	(5,950.00)

44. Other income

Items	2025	2024
Government subsidy related to daily activities	14,726,921.61	18,552,152.53
Refund of handling fees for withholding individual income tax	3,565,137.58	6,009,181.06
Others	29,106,510.31	–
Total	47,398,569.50	24,561,333.59

45. Gains and losses from changes in fair value

Items	2025	2024
Financial assets held for trading	(378,271,543.38)	167,143,298.43
Financial liabilities held for trading	3,495,823.17	9,632.54
Derivative financial instruments	32,793,716.90	(31,277,515.50)
Total	(341,982,003.31)	135,875,415.47

46. Other operating revenue

Items	2025	2024
Income from house rentals	2,137,613.43	3,291,559.59
Others	3,592,707.33	909,102.16
Total	5,730,320.76	4,200,661.75

47. Gains and losses on the disposal of assets

Items	2025	2024
Net gains on the disposal of fixed assets	46,729.61	160,629.02
Others	(299,752.95)	(29,827.13)
Total	(253,023.34)	130,801.89

48. Tax and surcharges

Items	2025	2024
Urban maintenance and construction tax	15,014,647.02	10,427,622.55
Educational surtax and local educational surtax	10,834,374.93	7,464,483.57
Housing property tax	567,594.05	585,262.87
Land use tax	97,073.88	97,636.38
Stamp duty	336,888.81	175,071.87
Vehicle and vessels use tax	8,405.00	15,265.00
Environmental protection tax	–	73,101.56
Others	1,536.00	–
Total	26,860,519.69	18,838,443.80

49. Operating and administrative expenses

Items	2025	2024
Staff costs	1,085,936,632.17	1,040,527,455.46
Depreciation and amortization expenses	237,767,638.60	234,307,247.35
Electronic equipment operating expenses	98,252,080.11	86,258,547.39
Postal and telecommunication expenses	34,603,871.14	33,550,343.45
Exchange facility usage fees	31,944,108.46	24,184,185.47
Rental and building management fees	29,964,533.11	64,886,401.76

Items	2025	2024
Advisory fees	26,047,077.87	21,849,665.85
Investor protection funds	22,292,404.17	17,426,101.05
Fund marketing fees	19,871,606.33	27,966,315.85
Travelling and transportation expenses	16,023,268.50	20,712,007.45
Entertainment expenses	10,585,506.74	20,009,877.02
Agency fees for distribution of funds and asset management plans	5,986,778.73	8,930,703.38
Others	96,749,925.42	81,150,737.09
Total	1,716,025,431.35	1,681,759,588.57

50. Provision for impairment losses under expected credit loss model

Items	2025	2024
Impairment losses on reverse REPOs	27,390,103.72	3,110,338.94
Bad debts losses on accounts receivables	88,502,520.27	10,567,968.49
Bad debts losses on other receivables	(249,337.34)	401,142.63
Impairment losses on receivable from margin clients	52,610,083.09	22,580,407.22
Impairment losses on other debt investments	(31,024,525.28)	14,508,078.86
Total	137,228,844.46	51,167,936.14

51. Non-operating revenue

Items	2025	2024	Amount included in non-recurring profit or loss in the current period
Unpayable provisions	–	1,441,548.42	–
Gains on disposal of non-current assets	4,886.53	9,995.64	4,886.53
Others	175,348.97	50,792.50	175,348.97
Total	180,235.50	1,502,336.56	180,235.50

52. Non-operating expenses

Items	2025	2024	Amount recognized in non-recurring profit or loss for the current period
Donations	3,999,999.99	4,500,000.00	3,999,999.99
Losses on disposal of non-current assets	1,225,541.23	579,208.09	1,225,541.23
Compensation payments	3,604,680.90	22,833.73	3,604,680.90
Pending litigation	55,391,040.10	–	55,391,040.10
Others	4,871,404.81	14,003.99	4,871,404.81
Total	69,092,667.03	5,116,045.81	69,092,667.03

53. Income tax expense

Items	2025	2024
Current income tax expenses	175,564,065.36	51,107,173.72
Deferred income tax expenses	(32,059,961.63)	70,375,474.50
Total	143,504,103.73	121,482,648.22

Reconciliation between income tax expense and accounting profit:

Items	2025	2024
Profit before taxation	2,094,845,573.60	1,536,167,746.44
Income tax expense calculated at applicable tax rates	523,711,393.40	384,041,936.61
Effect of non-deductible expenses	13,854,865.44	33,659,218.72
Effect of non-taxable income	(388,691,474.92)	(279,248,182.42)
Effect of different applicable tax rates of subsidiaries	(6,490,019.37)	(2,114,147.60)
Effect of deductible temporary differences or unused tax losses with no deferred tax asset recognised	–	1,158,891.54
Effect of utilisation of the deductible temporary differences or unused tax losses with no deferred tax asset recognised in previous years	(9,180,589.34)	–
Tax adjustments for previous years	47,349,928.51	(10,210,753.16)
Others (1)	(37,049,999.99)	(5,804,315.47)
Total	143,504,103.73	121,482,648.22

(1) In 2024 and 2025, others mainly represent the income tax impact of dividends on perpetual subordinated bonds in other equity instruments.

54. Earnings per share

The basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue. The number of newly issued ordinary shares are calculated in accordance with the specific terms of issuance contracts, starting from the date when the consideration is receivable (usually the issuance date).

The numerator of the diluted earnings per share is determined by adjusting the net profit for the period attributable to ordinary shareholders of the Company for the following factors: (1) the interest of dilutive potential ordinary shares recognized as expenses in the period; (2) the income or expenses from the conversion of dilutive potential ordinary shares; (3) the dilutive effect of potential ordinary shares of subsidiaries; and (4) the income tax impact of the above adjustments.

The denominator of the diluted earnings per share is the sum of the following two items: (1) the weighted average number of ordinary shares issued by the parent company in basic earnings per share; and (2) the weighted average number of additional ordinary shares that would result from the assumed conversion of dilutive potential ordinary shares into ordinary shares.

When calculating the weighted average number of additional ordinary shares resulting from the conversion of dilutive potential ordinary shares into issued ordinary shares, dilutive potential ordinary shares issued in previous periods are assumed to have been converted at the beginning of the current period; and dilutive potential ordinary shares issued in the current period are assumed to have been converted on the issue date.

As of December 31, 2025 and December 31, 2024, the Company had no potentially dilutive ordinary shares. Therefore, diluted earnings per share were the same as basic earnings per share.

The calculations of basic and diluted earnings per share are as follows:

Items	**2025**	**2024**
Income:		
Profit for the year attributable to the parent company	1,893,704,022.18	1,364,888,583.05
Less: Profit attributable to other equity instruments holders (Note 1)	148,200,000.00	23,900,000.00
Profit attributable to ordinary shareholders of the Company	1,745,504,022.18	1,340,988,583.05
Adjusted profit attributable to ordinary shareholders of the Company	1,745,504,022.18	1,340,988,583.05

Items	2025	2024
Shares:		
Weighted average number of outstanding ordinary shares of the Company	3,243,000,000.00	3,243,000,000.00
Basic earnings per share	0.54	0.41
Diluted earnings per share	0.54	0.41

Note 1: For the purpose of calculating basic earnings per share in 2025, total dividends attributable to perpetual subordinated bonds of RMB148,200,000.00 were deducted from profits attributable to shareholders of the parent company (2024: RMB23,900,000.00).

55. Notes to the cash flow statement

(1) Cash inflows associated with other operating activities

Items	2025	2024
Accounts received for current transactions	168,854,640.81	62,295,534.26
Other operating revenue and non-operating revenue	5,905,669.73	4,251,454.25
Decrease in refundable deposits	–	9,677,728.98
Others	47,398,569.50	24,561,333.59
Total	222,158,880.04	100,786,051.08

(2) Cash outflows associated with other operating activities

Items	2025	2024
Operating expenses paid in cash	393,083,577.70	395,050,477.35
Accounts paid for current transactions	94,429,999.76	195,242,532.34
Increase in refundable deposits	1,658,010,354.41	–
Others	74,424,699.17	147,659,813.98
Total	2,219,948,631.04	737,952,823.67

(3) Cash outflows associated with other financing activities

Items	2025	2024
Repayment of lease liabilities	168,500,933.59	170,609,884.36
Transaction costs paid for the issuance of perpetual subordinated bonds	7,250,000.00	3,952,830.18
Total	175,750,933.59	174,562,714.54

56. Supplemental information on cash flow statement

(1) Reconciliation of net profit to cash flows from operating activities:

Items	2025	2024
Net profit	1,951,341,469.87	1,414,685,098.22
Add: Provision for impairment losses under expected credit loss model	137,228,844.46	51,167,936.14
Depreciation of fixed assets	29,297,608.08	27,202,997.89
Depreciation of right-of-use assets	154,411,159.47	154,318,013.08
Amortisation of intangible assets	39,164,356.66	40,085,946.76
Amortisation of long-term prepaid expenses	14,894,514.39	12,700,289.62
Losses on disposal of fixed assets, intangible assets and other long-term assets	1,473,678.04	438,410.56
Losses/(gains) arising from changes in fair value	341,982,003.31	(135,875,415.47)
Interest (income)/expenses	(15,599,080.47)	28,921,870.34
Investment gains	(712,861,329.83)	(155,371,941.57)
Changes in deferred tax	(32,059,961.63)	70,375,474.50
Increase in operating receivables	(15,249,040,423.98)	(7,358,055,748.88)
Increase in operating payables	15,297,974,877.77	16,126,562,437.28
Exchange gains and losses	(13,520,012.31)	7,908,689.16
Net cash generated from operating activities	1,944,687,703.83	10,285,064,057.63

(2) Net change in cash and cash equivalents:

Items	2025	2024
Closing balance of cash	28,359,270,934.99	26,230,792,300.72
Less: Opening balance of cash	26,230,792,300.72	19,014,873,821.88
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net increase in cash and cash equivalents	2,128,478,634.27	7,215,918,478.84

(3) Composition of cash and cash equivalents:

Items	As at December 31, 2025	As at December 31, 2024
Cash	28,359,270,934.99	26,230,792,300.72
Including: Cash on hand	49,586.77	54,742.85
Bank deposits on demand	24,533,030,385.33	21,567,731,877.54
Other cash and bank balances on demand	7,639,438.80	7,733,937.55
Deposits with clearing houses on demand	3,818,551,524.09	4,655,271,742.78
Total	28,359,270,934.99	26,230,792,300.72

(4) Changes in liabilities arising from financing activities

	Short-term borrowings	Short-term debt securities issued	Long-term debt securities issued	Lease liabilities	Others	Total
As at January 1, 2025	616,629,822.07	2,814,073,219.36	18,182,342,935.59	342,439,519.15	360,450,282.97	22,315,935,779.14
Changes from financing cash flows						
Proceeds from the issuance	986,485,640.43	4,600,000,000.00	11,200,000,000.00	–	–	16,786,485,640.43
Repayments of borrowings	(614,010,822.00)	(7,400,000,000.00)	(6,700,000,000.00)	–	–	(14,714,010,822.00)
Interest/dividends paid	(27,310,746.58)	(39,652,488.60)	(454,742,330.14)	–	(398,209,279.63)	(919,914,844.95)
Others	–	–	–	(168,500,933.59)	1,354,692,810.42	1,186,191,876.83
Non-cash changes	–	–	–	–	–	–
Financing cost recognised	29,378,275.00	25,579,269.24	426,446,609.00	11,393,908.41	45,877,279.63	538,675,341.28
New leases	–	–	–	148,517,976.78	–	148,517,976.78
Disposal of leases	–	–	–	(2,286,927.67)	–	(2,286,927.67)
Others	(24,309,535.50)	–	–	(454,837.28)	352,332,000.00	327,567,627.22
As at December 31, 2025	966,862,633.42	–	22,654,047,214.45	331,108,705.80	1,715,143,093.39	25,667,161,647.06

	Short-term borrowings	Short-term debt securities issued	Long-term debt securities issued	Lease liabilities	Others	Total
As at January 1, 2024	351,054,155.09	4,669,264,050.82	9,645,949,144.57	442,850,573.03	501,225,079.94	15,610,343,003.45
Changes from financing cash flows						
Proceeds from the issuance	280,125,709.80	5,849,510,000.00	15,000,000,000.00	–	–	21,129,635,709.80
Repayments of borrowings	(27,777,585.17)	(7,699,240,000.00)	(6,500,000,000.00)	–	–	(14,227,017,585.17)
Interest/dividends paid	(24,732,675.54)	(70,297,992.77)	(293,825,301.37)	–	(286,088,524.98)	(674,944,494.66)
Others	–	–	–	(170,609,884.36)	(140,774,796.97)	(311,384,681.33)
Non-cash changes						
Financing cost confirmed	24,732,675.54	64,837,161.31	330,219,092.39	13,699,040.68	286,088,524.98	719,576,494.90
New leases	–	–	–	55,704,959.91	–	55,704,959.91
Disposal of leases	–	–	–	526,504.16	–	526,504.16
Others	13,227,542.35	–	–	268,325.73	–	13,495,868.08
As at December 31, 2024	616,629,822.07	2,814,073,219.36	18,182,342,935.59	342,439,519.15	360,450,282.97	22,315,935,779.14

(5) Cash flows presented on a net basis

Items	Relevant facts	Basis of presentation in net amount	Financial impact
Net increase/ decrease in financial assets and liabilities held for trading and derivative financial instruments	Cash flows from the purchase and sale of securities for trading purposes, financial liabilities assumed and derivative transactions in securities business	Relevant items for financial institutions: cash inflows and outflows from the purchase and sale of securities, derivative activities related to financial liabilities, etc	Net amount presented under "Net increase/ decrease in financial assets and liabilities held for trading and derivative financial instruments"
Net increase/ decrease in placements from financial institutions	Cash flows from fund lending activities in securities business	Relevant items for financial institutions: interbank borrowing from other financial institutions	Net amount presented under "Net increase/ decrease in placements from financial institutions"
Net increase/ decrease in repo transactions	Cash flows from repo transactions in securities business	Relevant items for financial institutions: cash inflows and outflows from rapid-turnover, high-volume and short-term projects	Net amount presented under "Net increase/ decrease in repo transactions"
Net increase/ decrease in receivable from margin clients	Cash flows from margin business in securities business	Relevant items for financial institutions: cash inflows and outflows from rapid-turnover, high-volume and short-term projects	Net amount presented under "Net increase/ decrease in receivable from margin clients"
Net increase/ decrease in accounts payable to brokerage clients	Cash flows from brokerage trading of securities in securities business	Relevant items for financial institutions: brokerage trading of securities	Net amount presented under "Net increase/ decrease in accounts payable to brokerage clients"

57. Assets with restricted ownership or right-of-use

Items	As at December 31, 2025	As at December 31, 2024
Cash and bank balances	581,394,924.98	536,361,103.80
Financial assets pledged for pledge-style repo transactions		
Financial assets held for trading	11,765,300,714.42	10,950,099,224.40
Including: Bonds	9,918,710,512.96	9,148,828,913.77
Funds	1,846,590,201.46	1,801,270,310.63
Other debt investments	11,151,356,740.86	7,124,863,837.99
Including: Bonds	11,151,356,740.86	7,124,863,837.99
Investments in other equity instruments	270,673,340.39	–
Including: Medium-term notes	270,673,340.39	–
Financial assets transferred for margin financing and securities lending business		
Financial assets held for trading	17,426,460.17	16,365,570.89
Including: Funds	17,426,460.17	16,365,570.89
Financial assets pledged for bond lending business		
Financial assets held for trading	894,223,726.82	121,827,980.00
Including: Bonds	894,223,726.82	121,827,980.00
Other debt investments	3,437,487,849.00	4,496,870,526.30
Including: Bonds	3,437,487,849.00	4,496,870,526.30
Investments in other equity instruments	14,465,514.00	–
Total	28,132,329,270.64	23,246,388,243.38

VI. INTERESTS IN OTHER ENTITIES

1. Information of subsidiaries

Name of subsidiaries	Principal place of business	Place of registration	Business nature	Registered capital	As at December 31, 2025 Percentage of shareholding/ voting rights (%)		As at December 31, 2024 Percentage of shareholding/ voting rights (%)		Method of acquisition
					Direct	Indirect	Direct	Indirect	
Cinda Futures	Zhejiang	Zhejiang	Futures brokerage and assets management	RMB600 million	100.00	–	100.00	–	Establishment
Xinfeng Investment Management Co., Ltd.	Beijing	Beijing	Investment management advisory	RMB100 million	100.00	–	100.00	–	Establishment
Cinda Innovation Investment Co., Ltd.	Beijing	Beijing	Investment management	RMB1,000 million	100.00	–	100.00	–	Establishment
Cinda Fund Management Co., Ltd.	Shenzhen	Shenzhen	Fund raising and sales	RMB100 million	54.00	–	54.00	–	Business combination under common control
Cinda Securities (H.K.) Holdings Limited	Hong Kong	Hong Kong	Securities brokerage and investment	HKD644,260,400	100.00	–	100.00	–	Establishment

(1) Gain from disposal of subsidiaries by Cinda Securities (H.K.) Holdings Limited

Gain from disposal of subsidiaries:	2024
Consideration receivable from the disposal of subsidiaries	157,798,429.38
Long-term equity investments recognized – Joint ventures	27,214,461.00
Less: Net assets disposed of	185,761,174.97
Less: Foreign currency translation differences	13,878,418.67
Net loss on disposal	(14,626,703.26)

2. Major non-wholly-owned subsidiaries

As at December 31, 2025

Full name of subsidiaries	Percentage of shareholding of minority shareholders (%)	Percentage of voting rights of minority shareholders (%)	Profit or loss attributable to minority shareholders for the period	Dividends declared for distribution to minority shareholders for the period	Closing balance of minority equity
Cinda Fund	46.00	46.00	30,400,075.05	13,800,000.00	328,508,420.54

As at December 31, 2024

Full name of subsidiaries	Percentage of shareholding of minority shareholders (%)	Percentage of voting rights of minority shareholders (%)	Profit or loss attributable to minority shareholders for the year	Dividends declared for distribution to minority shareholders for the year	Closing balance of minority equity
Cinda Fund	46.00	46.00	46,308,423.95	–	311,908,345.49

3. Principal financial information of significant non-wholly-owned subsidiaries

	Cinda Fund	
Items	Closing balance or amount for the current period	Opening balance or amount for the prior period
Total assets	937,970,406.68	830,750,606.74
Total liabilities	223,821,666.37	152,688,986.11
Operating revenue	616,223,123.13	644,086,696.20
Net profit	66,087,119.68	100,670,486.84
Total comprehensive income	66,087,119.68	100,670,486.84
Cash flows from operating activities	45,962,527.56	(59,790,179.36)

4. Interests in joint ventures or associates

Associates/joint ventures	Place of registration	Business nature	Registered capital	As at December 31, 2025 Percentage of shareholding/ voting rights (%)		As at December 31, 2024 Percentage of shareholding/ voting rights (%)	
				Direct	Indirect	Direct	Indirect
Liaoning Equity Exchange Co., Ltd. (遼寧股權交易中心股份有限公司)	Liaoning	Equity exchange	RMB100 million	41.50	–	41.50	–
Guangzhou Cinda Yueshang Private Equity Fund Management Co., Ltd. (廣州信達粵商私募基金管理有限公司)	Guangdong	Investment consultation	RMB100 million	–	40.00	–	40.00
Sino Rock Investment Management Company Limited	Hong Kong	Investment consultation and capital management	RMB65.25 million	–	27.60	–	27.60
CPI Absolute Return Fund	Cayman Islands	Investment funds	USD67.83 million	–	–	–	16.61
CPI Investment Holdings Limited	Cayman Islands	Fund management	HKD10 million	–	40.00	–	40.00
Cinda International Investment Holdings Limited	British Virgin Islands	Investment	USD50.77 million	–	47.00	–	47.00
Shengyunda (Shanghai) Investment Consulting Co., Ltd. (盛雲達(上海)投資諮詢有限公司)	Shanghai	Provision of consultation services	RMB13 million	–	50.00	–	50.00
Shengda Lingxian (Shenzhen) Private Equity Fund Management Co., Ltd. (盛達領先(深圳)私募股權基金管理有限公司)	Shenzhen	Provision of consultation services	RMB20 million	–	50.00	–	50.00

The table above presents the Group's associates. Management believes that the operating results and net assets of these associates are not material to the Group, either on an individual or aggregated basis. For further details, please refer to Note V.11.

5. Interests in consolidated structured entities

In accordance with the requirements of Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements, the Group consolidates structured entities in which it participates with its own funds and which meet the definition of "control" under the standards. As

the manager or investor of structured entities, the Group possesses power over the structured entities, and other investors do not have substantive rights. Furthermore, the Company is exposed, or has rights, to variable returns, and the proportion and variability of such returns are significant. The Group considers that it holds substantive power over the structured entities, acts as a principal, and therefore controls the structured entities.

Items	As at December 31, 2025	As at December 31, 2024
Number of the consolidated products (units)	68	35
Net assets of the consolidated structured entities	7,210,628,001.93	3,829,933,411.88

6. Interests in unconsolidated structured entities

The structured entities initiated by but not included in the consolidated financial statements of the Group primarily consist of asset management plans established by the Group. The nature and purpose of these structured entities are primarily to manage investors' assets and earn management fees, with their financing obtained by issuing investment products to investors or receiving investments from partners under partnership agreements. The interests held by the Group in these unconsolidated structured entities mainly include investment income obtained through direct holding investments or management fee earned by managing these structured entities.

For the unconsolidated structured entities initiated by related parties in which the Group has invested or by independent third-party institutions, the nature and purpose are primarily to manage investors' assets and earn management fees, with their financing obtained by issuing investment products to investors.

As at December 31, 2025 and December 31, 2024, the carrying amounts and maximum exposure to loss of relevant asset and liability items in the Group's balance sheet arising from the Group's interests held directly in structured entities established by the Group, as well as those held through investments in structured entities established by related parties or third-party independent institutions that are not included in the consolidated financial statements are set out as follows:

	As at December 31, 2025	
	Carrying amount	Maximum exposure
Financial assets held for trading	14,884,692,248.17	14,884,692,248.17

	As at December 31, 2024	
	Carrying amount	Maximum exposure
Financial assets held for trading	14,801,143,447.71	14,801,143,447.71

As of December 31, 2025, the Group's fee and commission income from structured entities initiated by the Group but not included in the consolidated financial statements was RMB716,243,048.38 (As of December 31, 2024: RMB756,095,656.59).

VII. NOTES TO MAJOR ITEMS IN FINANCIAL STATEMENTS OF THE PARENT

1. Long-term equity investments

(1) Listed by categories

Items	As at December 31, 2025	As at December 31, 2024
Subsidiaries	2,313,918,826.99	2,313,918,826.99
Associates	39,296,099.70	39,278,745.98
Total	2,353,214,926.69	2,353,197,572.97

(2) Details of long-term equity investments

Name of the investee	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025	Provision for impairment for the year	Closing balance of provision for impairment
Subsidiaries						
Cinda Futures	617,976,250.51	–	–	617,976,250.51	–	–
Xinfeng Investment Management Co., Ltd.	100,000,000.00	–	–	100,000,000.00	–	–
Cinda Innovation Investment Co., Ltd.	1,000,000,000.00	–	–	1,000,000,000.00	–	–
Cinda Fund	125,059,580.16	–	–	125,059,580.16	–	–
Cinda Securities (H.K.) Holdings Limited	470,882,996.32	–	–	470,882,996.32	–	–
Total	2,313,918,826.99	–	–	2,313,918,826.99	–	–

Name of the investee	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024	Provision for impairment for the year	Closing balance of provision for impairment
Subsidiaries						
Cinda Futures	617,976,250.51	–	–	617,976,250.51	–	–
Xinfeng Investment Management Co., Ltd.	400,000,000.00	–	300,000,000.00	100,000,000.00	–	–
Cinda Innovation Investment Co., Ltd.	310,000,000.00	690,000,000.00	–	1,000,000,000.00	–	–
Cinda Fund	125,059,580.16	–	–	125,059,580.16	–	–
Cinda Securities (H.K.) Holdings Limited	470,882,996.32	–	–	470,882,996.32	–	–
Total	1,923,918,826.99	690,000,000.00	300,000,000.00	2,313,918,826.99	–	–

			Change in the current year											
Name of the investee	Investment cost	As at January 1, 2025	Additional investment	Reducing investment	Investment income recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Exchange differences	As at December 31, 2025	Closing balance of provision for impairment	Percentage of shareholding in the investee	Percentage of voting rights in the investee
Associate														
Liaoning Equity Exchange Co., Ltd.	41,500,000.00	39,278,745.98	–	–	17,353.72	–	–	–	–	–	39,296,099.70	–	41.50%	41.50%

			Change in the current year											
Name of the investee	Investment cost	As at January 1, 2024	Additional investment	Reducing investment	Investment income recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Exchange differences	As at December 31, 2024	Closing balance of provision for impairment	Percentage of shareholding in the investee	Percentage of voting rights in the investee
Associate														
Liaoning Equity Exchange Co., Ltd.	41,500,000.00	39,415,141.99	–	–	(136,396.01)	–	–	–	–	–	39,278,745.98	–	41.50%	41.50%

2. Employee benefits payable

Items		As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Short-term employee benefits	(1)	89,197,800.21	643,510,667.20	653,885,755.77	78,822,711.64
Post-employment benefits – defined contribution plan	(2)	59,986,844.86	120,602,275.91	126,639,178.41	53,949,942.36
Termination benefits		4,706,166.16	426,205.13	2,259,823.22	2,872,548.07
Total		153,890,811.23	764,539,148.24	782,784,757.40	135,645,202.07

Items		As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Short-term employee benefits	(1)	285,669,350.75	561,629,938.92	758,101,489.46	89,197,800.21
Post-employment benefits – defined contribution plan	(2)	63,212,255.97	127,390,236.91	130,615,648.02	59,986,844.86
Termination benefits		7,055,612.36	1,908,806.14	4,258,252.34	4,706,166.16
Total		355,937,219.08	690,928,981.97	892,975,389.82	153,890,811.23

(1) Short-term employee benefits

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Wages or salaries, bonuses, allowances and subsidies	10,996,203.17	496,936,719.18	507,185,192.05	747,730.30
Employee welfare	12,630,516.82	28,904,613.11	40,632,826.90	902,303.03
Social insurance	1,073,576.50	53,072,164.73	43,205,649.28	10,940,091.95
Including: Medical insurance	924,322.43	51,746,047.86	41,878,672.73	10,791,697.56
Work injury insurance	138,456.51	1,015,368.44	1,016,239.29	137,585.66
Maternity insurance	10,797.56	310,748.43	310,737.26	10,808.73
Housing funds	633,375.54	53,562,483.99	53,675,723.16	520,136.37
Labor union fees and staff education expenses	63,863,082.17	10,017,238.31	8,168,916.50	65,711,403.98
Other short-term employee benefits	1,046.01	1,017,447.88	1,017,447.88	1,046.01
Total	89,197,800.21	643,510,667.20	653,885,755.77	78,822,711.64

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Wages or salaries, bonuses, allowances and subsidies	212,893,864.30	396,372,419.99	598,270,081.12	10,996,203.17
Employee welfare	6,214,769.50	45,847,597.55	39,431,850.23	12,630,516.82
Social insurance	1,144,855.05	55,253,765.65	55,325,044.20	1,073,576.50
Including: Medical insurance	999,936.20	53,919,984.92	53,995,598.69	924,322.43
Work injury insurance	136,991.30	1,018,493.93	1,017,028.72	138,456.51
Maternity insurance	7,927.55	315,286.80	312,416.79	10,797.56
Housing funds	638,680.11	55,285,739.54	55,291,044.11	633,375.54
Labor union fees and staff education expenses	64,697,904.45	7,975,380.12	8,810,202.40	63,863,082.17
Other short-term employee benefits	79,277.34	895,036.07	973,267.40	1,046.01
Total	285,669,350.75	561,629,938.92	758,101,489.46	89,197,800.21

(2) Post-employment benefits – defined contribution plan

Items	As at January 1, 2025	Increase for the year	Decrease for the year	As at December 31, 2025
Basic pension insurance	4,289,508.76	70,292,998.11	70,467,596.02	4,114,910.85
Unemployment insurance	131,727.91	2,442,008.90	2,447,333.39	126,403.42
Enterprise annuity	55,565,608.19	47,867,268.90	53,724,249.00	49,708,628.09
Total	59,986,844.86	120,602,275.91	126,639,178.41	53,949,942.36

Items	As at January 1, 2024	Increase for the year	Decrease for the year	As at December 31, 2024
Basic pension insurance	4,300,709.05	70,744,395.58	70,755,595.87	4,289,508.76
Unemployment insurance	132,115.42	2,495,800.90	2,496,188.41	131,727.91
Enterprise annuity	58,779,431.50	54,150,040.43	57,363,863.74	55,565,608.19
Total	63,212,255.97	127,390,236.91	130,615,648.02	59,986,844.86

3. Net interest income

Items	2025	2024
Interest income	1,526,266,223.80	1,286,931,309.23
Interest income from cash and bank balances and deposits with clearing houses	303,165,009.16	307,871,388.02
Interest income from receivable from margin clients	689,049,837.18	566,819,272.17
Interest income from reverse REPOs	64,498,969.83	28,794,625.96
Including: Interest income from stock-pledged repurchase	64,606,101.76	15,324,089.55
Interest income from other debt investments	468,968,530.49	383,445,845.82
Interest income from other financial assets calculated by the effective interest rate method	583,877.14	177.26
Interest expenses	1,186,025,952.28	929,689,003.22
Interest expenses on placements from financial institutions	341,631,608.47	215,579,552.15
Including: Interest expenses of securities lending and refinancing	123,890,055.73	47,368,306.01
Interest expenses on REPOs	367,186,372.48	281,719,403.73
Including: Interest expenses on quotation and repurchase	25,402,007.19	26,608,296.14
Interest expenses on accounts payable to brokerage clients	14,061,199.69	23,256,102.51
Interest expenses on long-term debt securities issued	452,025,878.24	395,056,253.70
Including: Interest expenses on subordinated bonds	56,753,429.82	11,004,572.67
Interest expenses on other financial liabilities calculated by the effective interest rate method	11,120,893.40	14,077,691.13
Net interest income	340,240,271.52	357,242,306.01

4. Net fee and commission income

Items	2025	2024
Net income from securities brokerage business	963,466,139.25	771,760,842.89
Income from securities brokerage business	1,288,058,786.88	981,611,591.21
Including: Brokerage trading of securities	1,158,660,803.88	798,200,306.86
Leasing of trading unit seats	92,881,554.85	160,477,418.93
Agency sale of financial products	36,516,428.15	22,933,865.42
Expenses on securities brokerage business	324,592,647.63	209,850,748.32
Including: Brokerage trading of securities	324,592,647.63	209,850,748.32
Net income from investment banking business	122,729,597.14	87,736,208.63
Income from investment banking business	124,128,886.27	91,333,951.58
Including: Securities underwriting business	104,038,719.82	62,158,992.29
Securities sponsorship business	6,516,037.73	7,329,559.73
Financial advisory business (1)	13,574,128.72	21,845,399.56
Expenses of investment banking business	1,399,289.13	3,597,742.95
Including: Securities underwriting business	1,333,251.39	3,201,516.53
Financial advisory business (1)	66,037.74	396,226.42
Net income from asset management business (2)	154,659,185.15	168,435,429.85
Income from asset management business (3)	154,777,119.18	168,638,419.01
Expenses of asset management business	117,934.03	202,989.16
Net income from investment advisory business	19,895,725.83	20,892,175.22
Income from investment advisory business	23,917,293.18	23,300,591.60
Expenses on investment advisory business	4,021,567.35	2,408,416.38
Net income from other fee and commission	(1,594,380.41)	(1,042,725.26)
Income from other fee and commission	–	754,717.36
Expenses on other fee and commission	1,594,380.41	1,797,442.62
Total	1,259,156,266.96	1,047,781,931.33
Including: Income from fee and commission	1,590,882,085.51	1,265,639,270.76
Expenses on fee and commission	331,725,818.55	217,857,339.43

(1) Net income from financial advisory business

Items	2025	2024
Net income from financial advisory business for mergers and acquisitions and restructuring – Domestically listed companies	6,603,773.59	–
Net income from financial advisory business for mergers and acquisitions and restructuring – Others	188,679.25	–
Net income from other financial advisory business	6,715,638.14	21,449,173.14
Total	13,508,090.98	21,449,173.14

(2) Asset management business and net income

	2025		
Items	Collective asset management business	Directional asset management business	Special asset management business
Product quantity at the end of the period	86	53	4
Number of clients at the end of the period	1,682	53	72
Including: Individual clients	1,276	3	–
Institutional clients	406	50	72
Entrusted funds at the beginning of the period	11,889,656,565.10	27,479,138,019.77	20,667,640,000.00
Including: Own capital investment	288,282,011.67	723,200,000.00	80,000,000.00
Individual clients	4,004,596,780.36	18,182,975.16	–
Institutional clients	7,596,777,773.07	26,737,755,044.61	20,587,640,000.00
Entrusted funds at the end of the period	30,725,816,490.92	38,927,805,131.88	12,719,540,000.00
Including: Own capital investment	1,104,282,508.99	171,260,600.00	–
Individual clients	1,635,245,565.39	216,575,748.79	–
Institutional clients	27,986,288,416.54	38,539,968,783.09	12,719,540,000.00
Initial cost of the main entrusted assets at the end of the period	26,774,171,691.44	39,155,358,456.20	12,687,838,700.00
Including: Stocks	6,595,838,856.66	22,774,362,524.94	–
Bonds	13,135,282,013.47	12,968,474,101.72	–
Funds	4,452,121,630.36	235,585,612.09	–
Asset-backed securities	727,104,138.58	–	–
Others	1,863,825,052.37	3,176,936,217.45	12,687,838,700.00
Net income from asset management business in the current period	76,252,679.97	56,868,482.38	987,735.57

Items	2024 Collective asset management business	Directional asset management business	Special asset management business
Product quantity at the end of the period	64	37	12
Number of clients at the end of the period	25,601	37	236
Including: Individual clients	25,339	1	–
Institutional clients	262	36	236
Entrusted funds at the beginning of the period	7,300,919,764.44	26,840,934,305.06	36,243,872,500.00
Including: Own capital investment	206,911,187.75	723,200,000.00	–
Individual clients	3,068,014,019.11	9,193,090.13	–
Institutional clients	4,025,994,557.58	26,108,541,214.93	36,243,872,500.00
Entrusted funds at the end of the period	11,889,656,565.10	27,479,138,019.77	20,667,640,000.00
Including: Own capital investment	288,282,011.67	723,200,000.00	80,000,000.00
Individual clients	4,004,596,780.36	18,182,975.16	–
Institutional clients	7,596,777,773.07	26,737,755,044.61	20,587,640,000.00
Initial cost of the main entrusted assets at the end of the period	11,656,436,262.74	27,635,996,317.78	20,623,819,100.00
Including: Stocks	1,089,057,559.83	18,015,339,846.65	–
Bonds	7,882,994,332.82	7,553,063,146.85	–
Funds	509,685,632.62	65,018,246.74	–
Asset-backed securities	589,729,783.68	–	–
Others	1,584,968,953.79	2,002,575,077.54	20,623,819,100.00
Net income from asset management business in the current period	83,713,168.26	64,598,229.51	4,217,804.45

(3) Income from asset management business

In 2025, the income from asset management business of the Company amounted to RMB154,777,119.18 (2024: RMB168,638,419.01). Among them, the income from advisory services provided for external parties was RMB23,917,293.18 (2024: RMB23,300,591.60).

5. Investment income

(1) Investment income

Items	2025	2024
Long-term equity investment income accounted for under the cost method	66,200,000.00	50,000,000.00
Long-term equity investment income accounted for under the equity method	17,353.72	(136,396.01)
Investment income from financial instruments	1,611,351,559.65	955,180,056.18
Including: Gains generated during the holding period	1,975,964,556.15	1,239,276,086.03
– Financial instruments held for trading	1,492,709,633.45	1,199,708,470.58
– Investments in other equity instruments	483,254,922.70	39,567,615.45
(Losses) arising from the disposal of financial instruments	(364,612,996.50)	(284,096,029.85)
– Financial instruments held for trading	(451,355,411.59)	(362,037,419.95)
– Other debt investments	233,635,438.67	125,823,964.47
– Derivative financial instruments	(146,893,023.58)	(47,882,574.37)
Others	(18,257,016.78)	(13,812,826.40)
Total	1,659,311,896.59	991,230,833.77

(2) Investment income from financial instruments held for trading

Items	2025	2024
Financial assets classified as at fair value through profit or loss		
Gains generated during the holding period	1,492,709,633.45	1,199,708,470.58
Gains arising from the disposal of financial instruments	(466,952,831.06)	(365,957,461.08)

Items	2025	2024
Financial liabilities designated as at fair value through profit or loss		
Gains generated during the holding period	–	–
Gains arising from the disposal of financial instruments	–	(5,950.00)
Financial liabilities classified as at fair value through profit or loss		
Gains generated during the holding period	–	–
Gains arising from the disposal of financial instruments	15,597,419.47	3,925,991.13

6. Gains and losses from changes in fair value

Items	2025	2024
Financial assets held for trading	(204,323,388.84)	64,045,867.44
Financial liabilities held for trading	–	9,632.54
Derivative financial instruments	32,039,623.97	(38,211,427.02)
Total	(172,283,764.87)	25,844,072.96

7. Operating and administrative expenses

Items	2025	2024
Staff costs	764,539,148.24	690,928,981.97
Depreciation and amortization expenses	175,524,000.09	165,924,572.79
Electronic equipment operating expenses	62,494,967.09	50,797,442.98
Exchange facility usage fees	27,547,639.80	22,107,785.25
Postal and telecommunication expenses	24,681,649.23	23,750,608.26
Investor protection funds	22,078,644.96	17,215,324.37
Rental and building management fees	21,776,272.56	56,674,348.81
Advisory fees	14,476,469.62	13,989,625.67
Travelling and transportation expenses	12,932,571.69	17,274,619.07
Entertainment expenses	9,020,113.34	17,654,073.17
Agency fees for distribution of funds and asset management plans	5,986,778.73	8,930,703.38
Others	40,381,689.03	42,400,760.54
Total	1,181,439,944.38	1,127,648,846.26

8. Supplemental information on cash flow statement

(1) Reconciliation of net profit to cash flows from operating activities:

Items	2025	2024
Net profit	1,636,151,418.96	1,226,270,967.09
Add: Provision for impairment losses under expected credit loss model	141,851,970.33	28,772,937.07
Depreciation of fixed assets	17,049,272.36	14,622,757.31
Depreciation of right-of-use assets	119,053,673.55	116,316,723.43
Amortisation of intangible assets	25,978,769.80	26,789,460.17
Amortisation of long-term prepaid expenses	13,442,284.38	8,195,631.88
Losses on disposal of fixed assets, intangible assets and other long-term assets	1,159,420.49	445,360.89
Losses/(gains) arising from changes in fair value	172,283,764.87	(25,844,072.96)
Interest (income)/expenses	(7,849,977.98)	23,099,867.93
Investment income	(764,850,698.31)	(201,442,357.51)
Changes in deferred tax	(19,753,465.21)	31,228,244.05
Increase in operating receivables	(13,299,001,984.69)	(7,360,678,743.92)
Increase in operating payables	13,039,429,888.92	16,152,098,232.11
Foreign exchange gains and losses	1,597,843.96	(1,128,509.50)
Net cash generated from operating activities	1,076,542,181.43	10,038,746,498.04

(2) Net change in cash and cash equivalents:

Items	2025	2024
Closing balance of cash	22,313,485,059.60	19,765,316,589.52
Less: Opening balance of cash	19,765,316,589.52	12,788,473,973.03
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net increase in cash and cash equivalents	2,548,168,470.08	6,976,842,616.49

(3) Composition of cash and cash equivalents:

Items		As at December 31, 2025	As at December 31, 2024
Cash		22,313,485,059.60	19,765,316,589.52
Including:	Cash on hand	3,874.25	3,874.25
	Bank deposits on demand	18,813,829,818.47	15,340,388,348.05
	Other cash and bank balances on demand	7,521,651.95	7,732,785.11
	Deposits with clearing houses on demand	3,492,129,714.93	4,417,191,582.11
Total		22,313,485,059.60	19,765,316,589.52

VIII. SEGMENT REPORTING

Reportable segments are identified based on operating segments which are determined based on the Company's internal organisational structure, management requirements and internal reporting mechanisms. The principal segments of the Company are the five business segments: securities and futures brokerage, proprietary securities trading, investment banking, asset management and other businesses. The asset management business segment mainly includes the asset management of securities companies and the mutual fund management; the other business segment mainly includes overseas business, private equity investment, alternative investment, research business and other businesses of headquarters.

The accounting policies of segments are consistent with the accounting policies adopted in preparing the consolidated financial statements. Inter-segment transactions are calculated based on the actual transaction price. Revenue and expenses indirectly attributable to each segment are recognized based on the actual revenue generated and actual expenses incurred by the respective segments.

	2025					
	Securities and futures brokerage business	Proprietary securities trading business	Investment banking business	Asset management business	Other businesses (1)	Total
Operating revenue						
Net fee and commission income	1,004,546,030.51	89,955.35	120,641,186.77	483,635,380.15	180,254,010.05	1,789,166,562.83
Others	855,566,075.11	1,041,657,649.92	1,611,627.37	46,937,056.86	308,933,828.54	2,254,706,237.80
Total operating revenue	1,860,112,105.62	1,041,747,605.27	122,252,814.14	530,572,437.01	489,187,838.59	4,043,872,800.63

	2025					
	Securities and futures brokerage business	Proprietary securities trading business	Investment banking business	Asset management business	Other businesses (1)	Total
Operating expenses	890,122,271.80	9,060,391.28	50,742,638.50	372,772,475.93	557,417,017.99	1,880,114,795.50
Operating profit	969,989,833.82	1,032,687,213.99	71,510,175.64	157,799,961.08	(68,229,179.40)	2,163,758,005.13
Total assets	49,617,185,230.16	67,004,742,282.62	38,055,497.36	3,752,556,712.51	9,538,279,135.05	129,950,818,857.70
Total liabilities	29,006,390,192.27	36,616,999,216.49	3,840,364.95	2,043,869,413.03	33,526,445,888.82	101,197,545,075.56
Supplementary information:						
Depreciation and amortization expenses	71,983,984.25	1,092,450.61	526,604.22	36,945,904.91	127,218,694.61	237,767,638.60
Capital expenditures	15,602,651.29	236,790.53	114,142.36	8,008,087.87	27,574,868.92	51,536,540.97

	2024					
	Securities and futures brokerage business	Proprietary securities trading business	Investment banking business	Asset management business	Other businesses (1)	Total
Operating revenue						
Net fee and commission income	753,348,750.20	505,888.25	86,162,655.62	516,388,040.49	262,413,103.26	1,618,818,437.82
Others	751,659,707.14	647,117,228.67	69,497,459.32	69,399,222.57	135,055,368.68	1,672,728,986.38
Total operating revenue	1,505,008,457.34	647,623,116.92	155,660,114.94	585,787,263.06	397,468,471.94	3,291,547,424.20
Operating expenses	784,097,803.84	54,497,487.28	65,360,855.94	364,142,376.93	483,667,444.52	1,751,765,968.51
Operating profit	720,910,653.50	593,125,629.64	90,299,259.00	221,644,886.13	(86,198,972.58)	1,539,781,455.69
Total assets	38,708,722,979.74	53,053,851,692.83	1,003,949,526.43	2,342,235,804.23	11,793,644,374.31	106,902,404,377.54
Total liabilities	23,996,594,466.60	31,460,930,054.50	1,169,833.01	487,942,552.12	26,514,412,173.28	82,461,049,079.51
Supplementary information:						
Depreciation and amortization expenses	76,335,474.01	1,032,476.03	606,482.30	39,960,734.63	116,372,080.38	234,307,247.35
Capital expenditures	28,337,687.32	383,281.60	225,141.80	14,834,450.40	43,054,851.03	86,835,412.15

(1) Other businesses included the business of Cinda International, a subsidiary.

IX. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The conditions and pricing of transactions between the Group and the Company, and related parties are conducted in the ordinary course of business. The prices of related party transactions are mainly based on market prices and industry practices, and the pricing principles are consistent with those for transactions with non-related third parties.

1. Parent company of the Company

Name of the company	Legal representative	Type of enterprise	Unified social credit code/registration number	Place of registration	Nature of business	Registered capital	Percentage of voting rights and shareholding (%)
China Cinda	ZHANG Weidong	State-controlled	91110000710924945A	Beijing	Management of non-performing assets	RMB38,164,535,100	78.67

As of December 31, 2024, the parent company of the Company was China Cinda, and the ultimate controlling party was the Ministry of Finance. As of December 31, 2025, the parent company of the Company was China Cinda, and the ultimate controlling party was Huijin Company.

2. Subsidiaries of the Group

Please refer to note VI for detailed information on the Company's subsidiaries.

3. Associates of the Group

Please refer to note V.11 for detailed information on the Group's associates.

4. Other related parties that transacted with the Group but without controlling relationship:

Name of other related parties	Relationship between other related parties and the Group
Cinda Real Estate Co., Ltd.	A company controlled by the same parent company
Cinda Investment Co., Ltd.	A company controlled by the same parent company
Nanyang Commercial Bank, Limited	A company controlled by the same parent company
China Jingu International Trust Co., Ltd.	A company controlled by the same parent company
Shanghai Cinda Liren Investment Management Co., Ltd.	A company controlled by the same parent company
China Cinda (Hong Kong) Holdings Company Limited	A company controlled by the same parent company
International High Grade Fund B, L.P.	A company controlled by the same parent company
Cinda International HGB Investment (UK) Limited	A company controlled by the same parent company
Well Kent International Enterprises (Shenzhen) Co., Ltd.	A company controlled by the same parent company
China Cinda (2020) I Management Limited	A company controlled by the same parent company

Name of other related parties	Relationship between other related parties and the Group
Shanghai Tongda Venture Capital Co., Ltd.	A company controlled by the same parent company
Zhongrun Economic Development Co., Ltd.	A company controlled by the same parent company
Xinsheng Libao Equity Investment Co., Ltd.	A company controlled by the same parent company
Shanghai Pudong Development Bank Co., Ltd.	An associate of the parent company
Shandong Lutai Holding Group Co., Ltd.	An associate of the parent company
Wuhu Xinshi Huayou Investment Partnership (Limited Partnership)	A joint venture of the parent company
China Nuclear Engineering Co., Ltd.	An associate of the parent company
Guizhou Zhongyida Co., Ltd.	An associate of the parent company
Sanya Horizon Industry Co., Ltd.	An associate of companies under the same parent company
Shanghai Cinda Huirong Equity Investment Fund Management Co., Ltd. (上海信達匯融股權投資基金管理有限公司)	An associate of companies under the same parent company
Tongyi Petroleum Chemical Co., Ltd.	A joint venture of companies under the same parent company
Structured entities controlled by China Cinda	Other enterprises and asset management plans under the same parent company

5. Related party transactions with China Cinda and its subsidiaries

(1) Revenue from securities brokerage services

	2025	2024
Nanyang Commercial Bank, Limited	5,348,384.68	2,899,617.31
Structured entities controlled by China Cinda	4,905,468.07	–
Cinda Investment Co., Ltd.	887,215.76	–
Cinda International HGB Investment (UK) Limited	568,539.52	495,955.05
China Cinda Asset Management Co., Ltd.	70,196.81	104,390.69

(2) Revenue from investment consulting services

	2025	2024
China Cinda Asset Management Co., Ltd.	13,764,150.99	13,316,037.79
CPI Investment Holdings Limited	4,648,051.75	2,704,343.43
International High Grade Fund B,L.P.	4,500,000.00	3,114,453.37
Shandong Lutai Holding Group Co., Ltd.	613,207.55	–
Zhongrun Economic Development Co., Ltd.	45,283.02	–

(3) Revenue from underwriting and sponsoring business

	2025	2024
Cinda Real Estate Co., Ltd.	5,289,566.04	–
China Cinda Asset Management Co., Ltd.	1,994,543.40	3,851,924.52
Well Kent International Enterprises (Shenzhen) Co., Ltd.	1,625,518.87	1,769,220.28
Cinda Investment Co., Ltd.	1,295,094.34	4,362,768.74
Guizhou Zhongyida Co., Ltd.	660,377.36	–
China Cinda (2020) I Management Limited	659,620.02	790,147.84
Shanghai Tongda Venture Capital Co., Ltd.	188,679.25	–
Nanyang Commercial Bank, Limited	–	1,494,798.83

(4) Revenue from financial advisory business

	2025	2024
Structured entities controlled by China Cinda	10,979,705.23	28,301.89
Tongyi Petroleum Chemical Co., Ltd.	6,603,773.59	–
China Cinda Asset Management Co., Ltd.	1,919,245.28	14,989,878.56
China Jingu International Trust Co., Ltd.	1,149,444.28	336,020.92
Shanghai Tongda Venture Capital Co., Ltd.	–	943,396.23
Cinda Real Estate Co., Ltd.	–	462,264.15

(5) Revenue from asset management services, fund management services and asset management advisory services

	2025	2024
Structured entities controlled by China Cinda	45,345,188.62	24,456,985.01
Shengyunda (Shanghai) Investment Consulting Co., Ltd. (盛雲達(上海)投資諮詢有限公司)	13,066,779.91	–
China Cinda Asset Management Co., Ltd.	5,661,129.70	136,837.30
International High Grade Fund B,L.P.	2,602,619.47	3,082,761.91
Shengda Lingxian (Shenzhen) Private Equity Fund Management Co., Ltd. (盛達領先(深圳)私募股權基金管理有限公司)	1,108,225.77	–
Cinda International HGB Investment (UK) Limited	–	4,374,236.37
Wuhu Xinshi Huayou Investment Partnership (Limited Partnership)	–	1,859,833.98
Sanya Horizon Industry Co., Ltd.	–	229,841.58

(6) Related leases

		2025			
Name of lessor	Type of the leased assets	Rental fees for short-term leases and low-value leases under simplified methods	Lease payments	Interest expenses on lease liabilities assumed	Right-of-use assets added
Cinda Investment Co., Ltd.	Buildings	–	7,190,536.51	52,307.25	7,138,229.26
China Cinda Asset Management Co., Ltd.	Machinery and equipment	15,281.56	3,867,924.52	178,391.00	–
China Cinda Asset Management Co., Ltd.	Buildings	–	1,651,149.32	43,930.78	748,273.32
Shanghai Cinda Liren Investment Management Co., Ltd.	Buildings	–	261,085.72	16,306.55	–

		2024			
Name of lessor	Type of the leased assets	Rental fees for short-term leases and low-value leases under simplified methods	Lease payments	Interest expenses on lease liabilities assumed	Right-of-use assets added
Cinda Investment Co., Ltd.	Buildings	19,458,470.40	20,431,393.93	–	–
China Cinda Asset Management Co., Ltd.	Machinery and equipment	–	3,867,924.50	284,128.91	11,071,720.11
China Cinda Asset Management Co., Ltd.	Buildings	–	1,651,149.32	75,352.92	745,017.39
Shanghai Cinda Liren Investment Management Co., Ltd.	Buildings	–	254,742.86	24,452.14	–

(7) The Group's purchases of financial products issued by related parties

	Contents of related party transactions	Balance at the end of the period	Profit for the period
China Jingu International Trust Co., Ltd.	Financial assets held for trading	524,763,765.84	41,062,477.04
Xinsheng Libao Equity Investment Co., Ltd.	Financial assets held for trading	96,210,068.51	5,814,442.61
Cinda Real Estate Co., Ltd.	Financial assets held for trading and other debt investments	60,577,803.96	3,043,376.43
China Nuclear Engineering Co., Ltd.	Financial assets held for trading	41,955,421.45	125,518.71
Cinda Investment Co., Ltd.	Financial assets held for trading	17,321,166.66	2,680,208.02
Shanghai Cinda Huirong Equity Investment Fund Management Co., Ltd. (上海信達匯融股權投資基金管理有限公司)	Financial assets held for trading	–	1,349,553.29
Shanghai Pudong Development Bank Co., Ltd.	Financial assets held for trading	–	812,137.51
Well Kent International Enterprises (Shenzhen) Co., Ltd.	Financial assets held for trading	–	175,156.19
Shengyunda (Shanghai) Investment Consulting Co., Ltd.	Financial assets held for trading	–	42,780.00

	Contents of related party transactions	Balance at the beginning of the period	Profit for the previous period
China Jingu International Trust Co., Ltd.	Financial assets held for trading	238,083,306.95	18,047,327.88
Cinda Real Estate Co., Ltd.	Financial assets held for trading and other debt investments	156,507,841.09	11,213,815.40
Shanghai Cinda Huirong Equity Investment Fund Management Co., Ltd. (上海信達匯融股權投資基金管理有限公司)	Financial assets held for trading	100,199,144.93	7,470,958.90

	Contents of related party transactions	Balance at the beginning of the period	Profit for the previous period
Cinda Investment Co., Ltd.	Financial assets held for trading and other debt investments	17,318,853.16	25,437,651.29
Well Kent International Enterprises (Shenzhen) Co., Ltd.	Financial assets held for trading	–	254,001.36

(8) Other related party transactions

Related parties	Items	2025	2024
Shanghai Pudong Development Bank Co., Ltd.	Interest expenses – Short-term borrowings	4,016,813.60	–
Shanghai Pudong Development Bank Co., Ltd.	Interest income – Cash and bank balances	2,341,223.18	–
Nanyang Commercial Bank, Limited	Operating and administrative expenses – Consignment commission	1,782,550.74	3,251,311.07
China Cinda Asset Management Co., Ltd.	Interest expenses – Accounts payable to brokerage clients	57,032.99	289,068.23
Cinda Investment Co., Ltd.	Interest expenses – Accounts payable to brokerage clients	46,862.80	–
Nanyang Commercial Bank, Limited	Interest income – Cash and bank balances	8,192.76	6,806,459.00

(9) Compensation of key management

Unit: RMB in ten thousand

	2025	2024
Compensation of key management	1,124.94	1,612.47

Key management personnel refers to those who have the power and responsibility for planning, directing and controlling the activities of the enterprise, including directors, supervisors, the general manager, the chief financial officer, deputy general managers in charge of various affairs, and personnel performing similar policy functions.

(10) The Group's participation in related party annuity schemes

In 2025, the Group approved payments of RMB64,975,854.73 into the enterprise annuity scheme of China Cinda (2024: RMB68,880,884.08). The Group has no other related party transactions in relation to the enterprise annuity scheme established by China Cinda Asset Management Co., Ltd., apart from normal contributions.

(11) Accounts receivable

		As at December 31, 2025		As at December 31, 2024	
Related parties	Items	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Shanghai Pudong Development Bank Co., Ltd.	Cash and bank balances	1,028,908,594.26	–	–	–
Shengyunda (Shanghai) Investment Consulting Co., Ltd.	Other receivables	119,672,409.72	–	100,869,053.72	–
Structured entities controlled by China Cinda	Accounts receivable	119,529,595.28	88,507,054.15	71,581,447.73	–
CPI Investment Holdings Limited	Other receivables	17,703,112.00	–	17,566,881.20	–
Nanyang Commercial Bank, Limited	Cash and bank balances	10,109,264.41	–	8,266,320.92	–
International High Grade Fund B,L.P.	Accounts receivable	4,500,000.00	–	3,114,453.37	–
Cinda Investment Co., Ltd.	Accounts receivable	2,543,778.55	–	3,044,056.71	–
Shengyunda (Shanghai) Investment Consulting Co., Ltd.	Accounts receivable	700,000.00	–	–	–
China Cinda Asset Management Co., Ltd.	Accounts receivable	262,788.35	–	225,047.54	–

(12) Accounts payable

Related parties	Items	As at December 31, 2025	As at December 31, 2024
Shanghai Pudong Development Bank Co., Ltd.	Short-term borrowings	101,410,483.67	–
Cinda Investment Co., Ltd.	Accounts payable to brokerage clients	85,884,355.77	8,656.25
China Cinda Asset Management Co., Ltd.	Accounts payable to brokerage clients	42,810,102.39	482,962.53
China Cinda (Hong Kong) Holdings Company Limited	Other payables	8,728,123.76	8,948,641.23
Nanyang Commercial Bank, Limited	Accounts payable to brokerage clients	7,666,435.69	–
Shandong Lutai Holding Group Co., Ltd.	Contract liabilities	471,698.11	–
Nanyang Commercial Bank, Limited	Other payables	408,772.40	620,803.04
Cinda International HGB Investment (UK) Limited	Accounts payable to brokerage clients	169,358.59	–
Shanghai Tongda Venture Capital Co., Ltd.	Contract liabilities	125,786.17	–
Structured entities controlled by China Cinda	Contract liabilities	95,104.47	–
Cinda Real Estate Co., Ltd.	Accounts payable to brokerage clients	582.22	581.77

6. Transactions with Huijin Company and its subsidiaries

Items	2025/December 31, 2025
Income from investment banking business	20,993,875.43
Expenses on fund management business	16,243,440.18
Interest income	16,343,061.24
Interest expenses	4,876,908.13
Investment income	(6,265,726.01)
Gains and losses arising from changes in fair value	(512,076.63)
Operating and administrative expenses	247,638.29
Deposits with banks	18,161,936,140.85
Refundable deposits	886,833,089.65
Financial assets held for trading	2,101,594,014.57
Investments in other equity instruments	1,660,882,023.48
Right-of-use assets	1,409,652.30
Placements from financial institutions	10,300,000,000.00
REPOs	3,100,229,906.88
Lease liabilities	1,291,636.28
Other assets	42,531,753.70
Long-term debt securities issued	5,128,100,000.00
Other liabilities	2,770,382.30

X. TRANSFER OF FINANCIAL ASSETS

In the ordinary course of business, the Group transfers certain recognized financial assets to third parties or customers in some transaction. However, since the Group still retains the risks and rewards of these transferred financial assets, such financial assets have not been derecognized in the balance sheet.

(1) Sales and repurchase agreements

The Group obtains funds from counterparties by transferring financial assets held for trading, other debt investments, etc., and enters into agreements with them to repurchase the aforementioned assets. According to the agreements, the counterparties have the right to receive the contractual cash flows from these securities during the agreement period and to reuse these securities as collateral, while also bearing the obligation to return these securities to the Group on the maturity date stipulated in the agreements. The Group believes that the risks and rewards of these financial assets have not been transferred, and therefore, the Group does not derecognize these financial assets in the balance sheet.

As at December 31, 2025, the carrying amounts of the aforementioned transferred assets amounted to RMB27,533,507,885.49 (December 31, 2024: RMB22,693,661,568.69), and the carrying amounts of the associated liabilities amounted to RMB20,240,349,189.62 (December 31, 2024: RMB19,749,457,500.35).

(2) Securities lending arrangement

The Group enters into agreements with clients to lend stocks and funds to them, secured by the clients' securities or deposits. As the Group retains all the risks of those securities, it does not derecognize these securities in the balance sheet. As at December 31, 2025, the carrying amounts of the aforementioned transferred assets amounted to RMB17,426,460.17 (December 31, 2024: RMB16,365,570.89).

XI. RISK MANAGEMENT

1. Policies for and structure of risk management

(1) Policies of risks management

The Group engages in risk management with the aim of achieving an appropriate balance between risk and return, where the negative effects of risks against the operating results of the Group are minimized, so as to maximize the interest of shareholders. Based on such risk management objectives, the fundamental strategy of risk management of the Group is to ascertain and analyse all types of risk exposures of the Group, establish appropriate risk tolerance thresholds, carry out risk management and perform risk measurement and monitoring on all kinds of risks in a timely and reliable manner, thus containing risk exposures within a prescribed scope.

In the ordinary course of its operating activities, the Group is primarily exposed to market risk, credit risk and liquidity risk. The Group has formulated relevant risk management policies and procedures to identify and analyse these risks, and has set appropriate risk indicators, risk limits, risk policies and internal control processes to manage the aforementioned risks through continuous monitoring via information systems.

(2) Risk management organizational structure

The organizational structure of risk management within the Group comprises two aspects: the corporate governance structure and the risk management organizational structure.

Corporate governance structure

The board of directors is the highest decision-making body for risk management within the Group. It establishes risk management strategies and objectives of the Company; reviews and approves basic risk management systems; approves and sets the overall risk appetite and risk limits of the Company; and oversees and inspects the implementation of risk management by the management of the Company. The board of directors has established a compliance and risk management committee, which is responsible for evaluating and reviewing matters such as the overall objectives and basic policies of risk management, the establishment and responsibilities of risk management organizational structure, the risks associated with major decisions requiring board approval, and solutions for significant risks, and for providing opinions thereon. The committee also supervises the performance of risk management duties by the management in accordance with laws, regulations, and the articles of association. The management is the ultimate executor of risk management strategies.

Risk management organizational structure

The legal and compliance department and the risk management department are responsible for assessing, quantifying, monitoring and managing market risks, operational risks and credit risks across the Company's various businesses, progressively achieving rational allocation of economic capital, and managing the compliance risks of the Company. The planning and accounting department is the designated department for liquidity risk management. Each business department is responsible for implementing the risk management strategies and policies of the Company, identifying, monitoring and controlling risks, and fostering a comprehensive risk management awareness.

2. Credit risk

Credit risk refers to the possibility of loss in asset value arising from a counterparty's failure to perform its obligations as agreed, a decrease in the likelihood of performance, or a downgrade in the credit rating of credit instruments. The assets exposed to credit risk within the Group are primarily fixed-income financial assets, margin financing and securities lending financial assets, etc.

Fixed-income financial assets include cash and bank balances, deposits with clearing houses, receivable from margin clients, reverse REPOs, bond investments, etc. Their credit risk primarily refers to counterparty's default risk and the default risk of the issuer of the underlying securities.

The cash and bank balances of the Group are primarily deposited with state-owned commercial banks or joint-stock commercial banks; and deposits with clearing houses are deposited with China Securities Depository and Clearing Corporation Limited. The associated credit risk is relatively low.

To control credit risk arising from counterparties in proprietary trading, securities settlement and funds clearing for all transactions conducted by the Group on exchanges are completed through China Securities Depository and Clearing Corporation Limited, thereby minimizing the likelihood of default risk. Prior to transactions in the interbank market, the Group conducts credit assessments of counterparties and selects counterparties with sound credit ratings to manage corresponding credit risks. The Group has established an internal rating system, setting strict access requirements for the ratings of bonds it invests in, while also continuously monitoring its holdings for negative information and paying timely attention to potential risks. The credit risk associated with the aforementioned proprietary trading is not significant.

Margin financing and securities lending financial assets comprise amounts of margin purchases and short sales made by clients. The primary credit risk associated with these financial assets arises from the possibility of counterparty's default due to failure to make timely principal and interest payments. The Group has established a strict forced liquidation policy and implements comprehensive monitoring of clients' credit accounts for margin financing and securities lending. Two warning thresholds are set based on clients' credit trading risk profiles: the margin call collateral ratio and the forced liquidation collateral ratio. The Group monitors the assets and liabilities in clients' credit accounts according to their collateral ratios to ensure adequate collateral. In accordance with the implementation rules for the management of control indicators in margin financing and securities lending business of the Group, when the collateral ratio of a client's credit account falls below the margin call collateral ratio (150%), the Group is authorized to restrict the client from conducting transactions that increase liabilities, such as margin purchases or short sales, until the collateral ratio is restored to a level above the margin call collateral ratio. When the collateral ratio of a client's credit account falls below the forced liquidation collateral ratio (130%) on T day, the Group will notify the client to provide additional collateral or reduce positions within a specified period, and make the collateral ratio of the credit account reaches 135% or above on T+1 day. Otherwise, the Group will proceed with forced liquidation on T+2 day.

Assessment of ECL

The Group initially measured impairment allowance of financial instruments other than that measured at the simplified approach, at an amount equivalent to the ECLs for the next 12 months ("**12-month ECLs**") of such financial instruments. The 12-month ECLs are the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date (or a expected life if the expected life of the financial instrument is less than 12 months). However, when there has been a significant increase in credit risk since initial recognition, the Group will measured their impairment allowance at an amount equivalent to the lifetime ECLs of such financial instruments.

Both lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the financial instruments. The Group primarily calculates lifetime ECLs of the financial instruments on an individual basis.

The Group has accordingly established a ECL policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group groups debt instrument investments into stages as described below:

Stage 1: When debt instrument investments are initially recognized, the Group recognizes the 12-month ECLs. Stage 1 debt instruments investments also include investments reclassified from stage 2 resulting from improved credit risk.

Stage 2: When debt instruments investments have shown a significant increase in credit risk since initial recognition, the Group recognizes the lifetime ECLs. Stage 2 debt instruments investments also include investments reclassified from stage 3 resulting from improved credit risk.

Stage 3: Debt instruments investments are considered credit-impaired. The Group recognizes an allowance for the lifetime ECLs.

For contractual cash flows of financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced directly. This is considered to be a (partial) derecognition of the financial assets.

When estimating the ECLs, the Group considers different scenarios. Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted debt instruments are expected to be recovered, including the probability that the debt instruments will cure and the value of collateral or the amount that might be received for disposal of the asset.

Criteria of significant increase in credit risk

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group considers reasonable and supportable information that is available without undue cost or effort, including quality and quantity analyses based on historical data of the Group, internal and external credit risk ranking, and forward-looking information. The Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition, on either an individual basis or a collective basis for the underlying portfolio of financial instruments with similar credit risk characteristics, to determine the change in the risk of a default occurring over the expected life of the financial instrument.

Key considerations in assessing whether the credit risk on the financial instrument has increased significantly include:

- Whether the external market indicators of the credit risk of the same financial instrument or similar financial instrument with the same expected life have changed significantly;
- Whether the external credit rating of the financial instruments has changed significantly in the actual or expected;
- Adverse changes in business, financial position or economic conditions that are expected to result in a significant change in the ability of the debtor to meet its obligations;
- Whether the actual or expected operating results of the debtor have changed significantly;
- Whether there has been a significant change in the value of the collateral or in the quality of the collateral or credit enhancement provided by a third party as collateral for a debt;
- Whether the expected performance and repayment behavior of the debtor change significantly;
- Generally, the credit risk on a financial asset is considered to have increased significantly when the contractual payment is more than or equal to 30 days past due regardless of the way in which the Group assesses significant increases in credit risk unless the Group has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly although more than 30 days past due.

Definition of credit-impaired financial asset

To determine whether a financial asset is credit-impaired, the standard used by the Group keeps consistent with internal credit risk management object for relevant financial instruments, and the Group considers quantity and quality criteria simultaneously. It may not be possible to identify a single discrete event-instead, the combined effect of several events may have caused financial assets to become credit-impaired. It is concluded that a financial instrument is credit-impaired when the contractual payment is more than or equal to 90 days past due unless there is reasonable and supportable information to support a more appropriate lagging default criterion.

Parameters of the ECL measurement

Depending on whether the credit risk is significantly increased or credit-impaired, the Group measures the impairment loss allowance for different assets with 12-month ECLs or lifetime ECLs, respectively. The key parameters for ECL measurement include the probability of default ("**PD**"), loss given default ("**LGD**") and exposure at default ("**EAD**"). The Group considers the quantitative analysis of historical data (such as the credit rating of counterparties, ways of guarantee, the category of collateral, and ways of repayment, etc.) and forward-looking information, to establish a model of PD, LGD, and EAD.

Relative definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment in the next 12 months or throughout the remaining lifetime. The Group estimates PD based on the historical default data, internal and external credit ratings and forward-looking information, etc;

- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. LGD varies depending on the category of counterparties, ways and priority of recourse, and the category of collateral. LGD is the percentage of loss when default occurs;

- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the remaining lifetime.

Forward-looking information

Both the assessment of a significant increase in credit risk and the calculation of ECL involve forward-looking information. The Group identifies the key economic factors affecting credit risk and ECL of different kinds of business based on historical data analysis. The Group forecasts economic factors periodically and applies expert judgments to determine the impact of forward-looking information on parameters including PD.

The maximum credit risk exposure at the balance sheet date, without taking into account collateral or other credit enhancement measures, refers to the carrying amount of financial assets after deducting impairment provisions. The maximum credit risk exposure amount of the Group is presented as follows:

Items	As at December 31, 2025	As at December 31, 2024
Cash and bank balances	26,760,274,089.18	22,137,561,702.79
Deposits with clearing houses	3,826,180,422.16	4,664,059,490.94
Receivable from margin clients	16,726,893,210.69	12,569,953,612.89
Derivative financial assets	108,603,361.96	21,323,254.84
Refundable deposits	4,270,356,416.86	2,612,346,062.45
Accounts receivable	349,292,110.17	361,946,635.63
Reverse REPOs	1,562,199,784.62	541,990,835.27
Financial assets held for trading	36,993,155,866.80	28,178,166,318.47
Other debt investments	23,705,573,135.54	25,802,019,850.00
Other assets	371,822,845.70	340,055,961.10
Maximum credit risk exposure	114,674,351,243.68	97,229,423,724.38

3. Market risk

Market risks faced by the Group refer to the risk associated with fluctuations in the fair value of the financial instruments held by the Group or future cash flows as a result of changes in market prices, including interest rate risk, exchange rate risk and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that the financial position and cash flows of the Group may fluctuate due to changes in market interest rates. The interest-earning assets of the Group primarily consist of deposits with banks, deposits with clearing houses, and bond investments. The Group uses sensitivity analysis as the principal tool for monitoring interest rate risk. The sensitivity analysis measures the impact on total profit and equity assuming a reasonably possible change in interest rates, with all other variables held constant. The bond investments of the Group mainly consist of corporate bonds, local government bonds, and other bond types. The Group mitigates the interest rate risk of its portfolio by managing the duration and convexity of the investment portfolio. For securities brokerage business, the currency and maturity of cash held on behalf of clients and accounts payable to brokerage clients are matched accordingly. The Group believes that the currency and maturity structure of interest-sensitive assets and liabilities related to its brokerage business are substantially matched, and the interest rate risk is controllable.

The Group's financial instruments subject to interest rate risk, presented at the earlier of the contractually agreed repricing date or maturity date during the reporting period, are as follows:

	As at December 31, 2025					
	Less than 3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Financial assets						
Cash and bank balances	25,200,114,335.88	1,542,000,000.00	–	–	18,209,340.07	26,760,323,675.95
Deposits with clearing houses	3,818,551,524.09	–	–	–	7,628,898.07	3,826,180,422.16
Receivable from margin clients	4,110,516,231.17	12,167,173,432.23	–	–	449,203,547.29	16,726,893,210.69
Derivative financial assets	20,501,274.44	10,148,542.22	77,953,545.30	–	–	108,603,361.96
Refundable deposits	4,249,204,845.72	–	–	–	21,151,571.14	4,270,356,416.86
Accounts receivable	–	–	–	–	349,292,110.17	349,292,110.17
Reverse REPOs	155,698,644.30	393,972,961.77	1,009,626,373.96	–	2,901,804.59	1,562,199,784.62
Financial assets held for trading	10,478,154,405.50	10,548,123,745.70	14,186,697,537.48	337,672,177.87	6,804,762,208.03	42,355,410,074.58
Other debt investments	243,160,631.83	173,077,646.16	10,136,121,017.54	12,909,322,665.32	243,891,174.69	23,705,573,135.54
Investments in other equity instruments	361,481,330.00	440,037,520.00	625,521,800.00	31,263,180.00	7,419,085,707.77	8,877,389,537.77
Other financial assets	–	–	–	–	371,822,845.70	371,822,845.70
Subtotal	48,637,383,222.93	25,274,533,848.08	26,035,920,274.28	13,278,258,023.19	15,687,949,207.52	128,914,044,576.00

	As at December 31, 2025					
	Less than 3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Financial liabilities						
Short-term borrowings	695,344,594.47	266,831,510.46	–	–	4,686,528.49	966,862,633.42
Placements from financial institutions	20,494,000,000.00	5,000,000,000.00	–	–	37,403,587.52	25,531,403,587.52
Financial liabilities held for trading	–	–	–	–	25,301.36	25,301.36
Derivative financial liabilities	–	–	–	–	1,507,004.34	1,507,004.34
Accounts payable	–	–	–	–	128,352,412.84	128,352,412.84
REPOs	20,229,394,908.71	906,000.00	–	–	10,048,280.91	20,240,349,189.62
Accounts payable to brokerage clients	28,630,669,177.33	–	–	–	157,047,103.87	28,787,716,281.20
Long-term debt securities issued	1,000,000,000.00	16,183,171,686.08	5,297,627,443.59	–	173,248,084.78	22,654,047,214.45
Lease liabilities	29,084,726.98	98,604,433.33	203,419,545.49	–	–	331,108,705.80
Other financial liabilities	–	–	–	–	2,069,488,210.73	2,069,488,210.73
Subtotal	71,078,493,407.49	21,549,513,629.87	5,501,046,989.08	–	2,581,806,514.84	100,710,860,541.28
Net exposure	(22,441,110,184.56)	3,725,020,218.21	20,534,873,285.20	13,278,258,023.19	13,106,142,692.68	28,203,184,034.72

	As at December 31, 2024					
	Less than 3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Financial assets						
Cash and bank balances	21,682,615,227.22	429,000,000.00	–	–	26,001,218.42	22,137,616,445.64
Deposits with clearing houses	4,655,271,742.78	–	–	–	8,787,748.16	4,664,059,490.94
Receivable from margin clients	1,570,875,447.80	10,526,328,729.13	–	–	472,749,435.96	12,569,953,612.89
Derivative financial assets	7,650.00	–	20,593,035.09	–	722,569.75	21,323,254.84
Refundable deposits	2,612,142,811.77	–	–	–	203,250.68	2,612,346,062.45
Accounts receivable	–	–	–	–	361,946,635.63	361,946,635.63
Reverse REPOs	101,257,278.23	227,714,345.99	212,109,608.51	–	909,602.54	541,990,835.27
Financial assets held for trading	8,115,863,388.35	11,996,299,231.67	6,977,093,037.11	687,035,811.48	6,687,017,382.40	34,463,308,851.01
Other debt investments	21,179,646.85	155,605,795.28	10,738,377,001.24	14,619,111,243.44	267,746,163.19	25,802,019,850.00
Investments in other equity instruments	–	–	1,442,951,460.00	32,011,380.00	703,635,948.59	2,178,598,788.59
Other financial assets	–	–	–	–	340,055,961.10	340,055,961.10
Subtotal	38,759,213,193.00	23,334,948,102.07	19,391,124,141.95	15,338,158,434.92	8,869,775,916.42	105,693,219,788.36

	As at December 31, 2024					
	Less than 3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Financial liabilities						
Short-term borrowings	577,571,611.02	36,439,210.98	–	–	2,619,000.07	616,629,822.07
Short-term debt securities issued	2,800,000,000.00	–	–	–	14,073,219.36	2,814,073,219.36
Placements from financial institutions	12,839,000,000.00	3,000,000,000.00	–	–	14,017,274.13	15,853,017,274.13
Financial liabilities held for trading	–	–	–	–	293,742.48	293,742.48
Derivative financial liabilities	18,488,287.99	–	–	–	136,200.00	18,624,487.99
Accounts payable	–	–	–	–	96,957,578.81	96,957,578.81
REPOs	19,490,581,186.42	252,270,000.00	–	–	6,606,313.93	19,749,457,500.35
Accounts payable to brokerage clients	23,291,298,151.91	–	–	–	427,897,024.49	23,719,195,176.40
Long-term debt securities issued	2,999,411,332.09	3,697,743,208.69	11,294,793,051.43	–	190,395,343.38	18,182,342,935.59
Lease liabilities	35,413,129.08	89,001,396.85	218,024,993.22	–	–	342,439,519.15
Other financial liabilities	–	–	–	–	751,001,424.40	751,001,424.40
Subtotal	62,051,763,698.51	7,075,453,816.52	11,512,818,044.65	–	1,503,997,121.05	82,144,032,680.73
Net exposure	(23,292,550,505.51)	16,259,494,285.55	7,878,306,097.30	15,338,158,434.92	7,365,778,795.37	23,549,187,107.63

(2) Foreign exchange risk

The exchange rate risk is mainly the effect of the fluctuation of the exchange rate on the Group's financial position and cash flow. The proportion of assets and liabilities held by the Group in foreign currency to total assets and liabilities is not significant, and the vast majority of the Group's revenue-generating operations are carried out in Renminbi. Therefore, the Group believes that its exposure to exchange rate risks is not significant.

(3) Other price risks

Price risk is the risk associated with fluctuations in the fair value of a financial instrument future cash flow as a result of changes in market prices (other than those arising from interest rate risk or currency risk), regardless of whether those changes are caused by factors specific to the individual financial instrument or the Company, or certain factors affecting all similar financial instruments traded in the market.

The price risks faced by the Group mainly arise from the price fluctuations of financial assets classified as at fair value through profit or loss and those at fair value through other comprehensive income. The relevant financial assets mainly include equities, stocks, funds, etc.

Sensitivity analysis

Assuming a 10% increase or decrease in the market prices of the aforementioned financial assets, with all other variables held constant, the impact on total profit and other comprehensive income (excluding the effect of corporate income tax) of above assets at the balance sheet date is as follows:

	As at December 31, 2025		As at December 31, 2024	
Market price change	Total profit	Other comprehensive income	Total profit	Other comprehensive income
A 10% increase in market price	536,253,707.61	734,448,363.67	630,150,810.34	70,223,594.86
A 10% decrease in market price	(536,253,707.61)	(734,448,363.67)	(630,150,810.34)	(70,223,594.86)

4. Liquidity risk

Liquidity risk refers to the risk that the financial instruments held by the Group cannot be quickly converted into cash at a reasonable price, resulting in losses and the inability to repay maturing debts. The Group has established a reserve of liquid assets to ensure that its liquidity demands can be met under stress scenarios and has formulated an emergency response plan for liquidity risk management.

The Group's financial liabilities are analyzed by the maturity of the undiscounted remaining contractual obligations as follows:

	As at December 31, 2025						
	Overdue/ undated	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Financial liabilities							
Short-term borrowings	–	–	701,831,631.73	271,058,443.24	–	–	972,890,074.97
Placements from financial institutions	–	–	20,541,137,346.18	5,046,511,111.13	–	–	25,587,648,457.31
Financial liabilities held for trading	–	25,301.36	–	–	–	–	25,301.36
Derivative financial liabilities	–	1,507,004.34	–	–	–	–	1,507,004.34
Accounts payable	–	128,352,412.84	–	–	–	–	128,352,412.84
REPOs	–	158,539,415.07	20,107,357,937.73	913,408.85	–	–	20,266,810,761.65
Accounts payable to brokerage clients	–	28,787,716,281.20	–	–	–	–	28,787,716,281.20
Long-term debt securities issued	–	–	1,069,952,739.73	16,589,870,136.98	5,493,550,000.00	–	23,153,372,876.71
Lease liabilities	–	–	30,343,170.20	103,672,443.13	208,023,716.89	–	342,039,330.22
Other financial liabilities	1,715,143,093.39	354,345,117.34	–	–	–	–	2,069,488,210.73
Total	1,715,143,093.39	29,430,485,532.15	42,450,622,825.57	22,012,025,543.33	5,701,573,716.89	–	101,309,850,711.33

	As at December 31, 2024						
	Overdue/ undated	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Financial liabilities							
Short-term borrowings	–	–	629,063,610.67	40,095,891.98	–	–	669,159,502.65
Short-term debt securities issued	–	–	2,818,510,684.93	–	–	–	2,818,510,684.93
Placements from financial institutions	–	–	12,853,023,076.93	3,035,995,555.56	–	–	15,889,018,632.49
Financial liabilities held for trading	–	293,742.48	–	–	–	–	293,742.48
Derivative financial liabilities	–	136,200.00	18,488,287.99	–	–	–	18,624,487.99
Accounts payable	–	96,957,578.81	–	–	–	–	96,957,578.81
REPOs	–	40,297,958.90	19,474,345,496.37	254,954,473.96	–	–	19,769,597,929.23
Accounts payable to brokerage clients	–	23,719,195,176.40	–	–	–	–	23,719,195,176.40
Long-term debt securities issued	–	–	3,145,833,013.70	3,960,909,095.89	11,804,902,739.73	–	18,911,644,849.32
Lease liabilities	–	–	41,274,514.37	95,617,774.48	227,478,614.95	–	364,370,903.80
Other financial liabilities	360,450,282.97	390,551,141.43	–	–	–	–	751,001,424.40
Total	360,450,282.97	24,247,431,798.02	38,980,538,684.96	7,387,572,791.87	12,032,381,354.68	–	83,008,374,912.50

XII. FAIR VALUE MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

1. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The table below sets out the Group's financial instruments measured at fair value evaluated by three levels:

	As at December 31, 2025			
	Level I	Level II	Level III	Total
Financial assets held for trading				
Bonds	11,983,177.31	26,583,152,146.45	–	26,595,135,323.76
Stocks	751,935,481.75	–	25,119,986.12	777,055,467.87
Asset management plans and private equity funds	–	771,196,993.69	789,568,965.60	1,560,765,959.29
Mutual funds	2,866,617,608.20	–	59,571,006.00	2,926,188,614.20
Bank wealth management products	–	3,666,983,504.25	–	3,666,983,504.25
Trust plans	–	976,949,199.38	2,221,617,164.05	3,198,566,363.43
Equity of unlisted companies	–	–	98,527,034.78	98,527,034.78
Asset-backed securities	–	604,473,065.57	2,927,714,741.43	3,532,187,807.00
Subtotal	3,630,536,267.26	32,602,754,909.34	6,122,118,897.98	42,355,410,074.58
Other debt investments	1,177,896,536.52	22,527,676,599.02	–	23,705,573,135.54
Bonds	1,177,896,536.52	22,527,676,599.02	–	23,705,573,135.54
Investments in other equity instruments	7,377,145,867.77	1,458,303,830.00	41,939,840.00	8,877,389,537.77
Stocks	7,344,483,636.72	–	–	7,344,483,636.72
Other non-trading equity instruments	32,662,231.05	1,458,303,830.00	41,939,840.00	1,532,905,901.05
Derivative financial assets	–	108,603,361.96	–	108,603,361.96
Total financial assets	12,185,578,671.55	56,697,338,700.32	6,164,058,737.98	75,046,976,109.85
Financial liabilities held for trading	–	25,301.36	–	25,301.36
Derivative financial liabilities	33,275.00	–	1,473,729.34	1,507,004.34
Total financial liabilities	33,275.00	25,301.36	1,473,729.34	1,532,305.70
Financial instruments, net	12,185,545,396.55	56,697,313,398.96	6,162,585,008.64	75,045,443,804.15

	As at December 31, 2024			
	Level I	Level II	Level III	Total
Financial assets held for trading				
Bonds	50,366,429.09	19,399,846,083.01	–	19,450,212,512.10
Stocks	104,638,748.23	–	5,812,014.69	110,450,762.92
Asset management plans and private equity funds	278,846,986.06	569,854,690.52	1,724,877,884.60	2,573,579,561.18
Mutual funds	3,515,975,651.05	–	–	3,515,975,651.05
Bank wealth management products	–	4,615,761,007.35	–	4,615,761,007.35
Trust plans	–	66,266,259.51	1,080,870,280.22	1,147,136,539.73
Equity of unlisted companies	–	–	101,502,128.28	101,502,128.28
Asset-backed securities	–	321,739,513.32	2,626,951,175.08	2,948,690,688.40
Subtotal	3,949,827,814.43	24,973,467,553.71	5,540,013,482.87	34,463,308,851.01
Other debt investments	573,323,921.43	25,228,695,928.57	–	25,802,019,850.00
Bonds	573,323,921.43	25,228,695,928.57	–	25,802,019,850.00
Investments in other equity instruments	702,235,948.59	1,474,962,840.00	1,400,000.00	2,178,598,788.59
Stocks	702,235,948.59	–	–	702,235,948.59
Other non-trading equity instruments	–	1,474,962,840.00	1,400,000.00	1,476,362,840.00
Derivative financial assets	–	–	21,323,254.84	21,323,254.84
Total financial assets	5,225,387,684.45	51,677,126,322.28	5,562,736,737.71	62,465,250,744.44
Financial liabilities held for trading	–	293,742.48	–	293,742.48
Derivative financial liabilities	–	–	18,624,487.99	18,624,487.99
Total financial liabilities	–	293,742.48	18,624,487.99	18,918,230.47
Financial instruments, net	5,225,387,684.45	51,676,832,579.80	5,544,112,249.72	62,446,332,513.97

2. Valuation of fair value

The fair value of financial assets and financial liabilities is determined based on the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, instead of the amount under forced sale or under liquidation. The following methods and assumptions are used to estimate the fair value.

(1) Basis for determining the market value used for fair value measurement categorised within level I

If there is an active market for a financial assets held for trading, financial liabilities, other debt investments and investment in other equity instruments, the quoted market price is used to establish the fair value of the financial instrument at the end of the reporting period.

(2) Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurement categorised within level II

For financial assets held for trading, and bond investments in other debt investments, the fair value applied the quoted price from the valuation system of the relevant bond registrars and clearing houses. The relevant quotation agencies use observable inputs that reflect market conditions in the process of forming quotations.

The fair values of financial assets and financial liabilities held for trading, other debt investments and financial assets designated as at fair value that are not traded in an active market and structured entities are determined by valuation techniques. Observable inputs required by valuation techniques include and are not limited to valuation parameters such as yield curve and quoted prices of underlying investment portfolio.

As of December 31, 2025 and December 31, 2024, the valuation technique used in the above-mentioned continuous level II fair value measurement of the Group has not changed.

	Fair value			
	As at December 31, 2025	As at December 31, 2024	Valuation technique(s)	Input(s)
Financial assets held for trading				
Bonds	26,583,152,146.45	19,399,846,083.01	Discounted cash flow analysis	Yield curve
Bank wealth management products	3,666,983,504.25	4,615,761,007.35	Market portfolio approach for the underlying investment	Quoted prices of underlying investment portfolio
Asset management plans and private equity funds	771,196,993.69	569,854,690.52	Market portfolio approach for the underlying investment	Quoted prices of underlying investment portfolio
Asset-backed securities	604,473,065.57	321,739,513.32	Discounted cash flow analysis	Yield curve
Trust plans	976,949,199.38	66,266,259.51	Market portfolio approach for the underlying investment	Quoted prices of underlying investment portfolio
Total	32,602,754,909.34	24,973,467,553.71		

	Fair value			
	As at December 31, 2025	As at December 31, 2024	Valuation technique(s)	Input(s)
Other debt investments				
Bonds	22,527,676,599.02	25,228,695,928.57	Discounted cash flow analysis	Yield curve
Investments in other equity instruments				
Other non-trading equity instruments	1,458,303,830.00	1,474,962,840.00	Discounted cash flow analysis/Market portfolio approach for the underlying investment	Yield curve/Quoted prices of underlying investment portfolio
Derivative financial assets	108,603,361.96	–	Discounted cash flow analysis	Yield curve
Financial liabilities held for trading				
Bonds	25,301.36	293,742.48	Market portfolio approach for the underlying investment	Quoted prices of underlying investment portfolio

(3) Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurement categorised within level III

For derivative financial assets, listed equity investments, unlisted equity investments, and structured entities, the Group obtains quotations from counterparties or adopts valuation techniques to determine the fair value. Valuation techniques include discounted cash flow analysis, a market comparison approach and option pricing models. The fair value measurement may involve significant unobservable inputs, such as volatility, liquidity discounts, etc. The financial instruments measured at the fair value in level III on a recurring basis was not materially sensitive to reasonable changes in these unobservable inputs.

As of December 31, 2025 and December 31, 2024, the valuation technique used in the above-mentioned continuous level III fair value measurement of the Group has not changed.

The quantitative information of fair value measurement for level III is as follows:

	Fair value				
	As at December 31, 2025	As at December 31, 2024	Valuation technique(s)	Unobservable input(s)	Sensitivity of unobservable inputs to fair value
Asset-backed securities	2,927,714,741.43	2,626,951,175.08	Discounted cash flow analysis	Future cash flow, present value factor	The higher the future cash flow, the higher the fair value, the higher the present value factor, the lower the fair value
Asset management plans and private equity funds	789,568,965.60	1,724,877,884.60	Market approach/ discounted cash flow analysis	Discount for lack of marketability(DLOM)/ future cash flow, present value factor	The higher the DLOM, the lower the fair value/ the higher the future cash flow, the higher the fair value, the higher the present value factor, the lower the fair value
Trust plans	2,221,617,164.05	1,080,870,280.22	Discounted cash flow analysis	Future cash flow, present value factor	The higher the future cash flow, the higher the fair value, the higher the present value factor, the lower the fair value
Lock-up shares/unlisted equity investments	117,677,739.76	101,502,128.28	Market approach/ net asset values of the investee	Discount for lack of marketability/net value of the underlying investment	The higher the DLOM, the lower the fair value/ the higher the net value of the underlying investment, the higher the fair value
Shares trading on NEEQ	5,969,281.14	5,812,014.69	Market approach	Discount for lack of marketability	The higher the DLOM, the lower the fair value
Other non-trading equity instruments	41,939,840.00	1,400,000.00	Cost approach/ market approach	Not applicable/discount for lack of marketability	Not applicable/the higher the DLOM, the lower the fair value
Mutual funds	59,571,006.00	–	Market approach	Discount for lack of marketability	The higher the DLOM, the lower the fair value
Derivative financial assets	–	21,323,254.84	Option pricing models	Volatility of underlying instruments	The higher the volatility of the underlying instrument, the higher the fair value
Total	6,164,058,737.98	5,562,736,737.71			
Derivative financial liabilities	1,473,729.34	18,624,487.99	Option pricing models	Volatility of underlying instruments	The higher the volatility of the underlying instrument, the higher the fair value

3. Adjustment on fair values measurement

Information on adjustment of persistent measurement of level 3 fair value is as follows:

	Derivative financial assets	Financial assets held for trading	Derivative financial liabilities	Investments in other equity instruments
As at January 1, 2025	21,323,254.84	5,540,013,482.87	18,624,487.99	1,400,000.00
Total gains or losses for the current period	(21,278,871.28)	148,184,290.89	(16,966,258.65)	10,560,000.00
– Included in profit or loss	(21,278,871.28)	148,184,290.89	(16,966,258.65)	–
– Included in other comprehensive income	–	–	–	10,560,000.00
Purchases	–	4,320,123,454.01	–	29,979,840.00
Disposals/settlements	(44,383.56)	(3,859,826,534.81)	(184,500.00)	–
Transferred into Level 3	–	3,239,915.18	–	–
Transferred out of Level 3	–	(29,615,710.16)	–	–
As at December 31, 2025	–	6,122,118,897.98	1,473,729.34	41,939,840.00

4. Fair value hierarchy of assets and liabilities not measured at fair value but disclosed at fair value at the balance sheet date

Financial assets and liabilities in the Group's financial statements measured at amortised cost include financial assets and short-term borrowings, long-term debt securities issued, etc. measured at amortised cost. The Company's management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

XIII. CAPITAL MANAGEMENT

The Company's objectives on capital management are as follows:

(1) To establish a risk control indicators system with net capital as the core to ensure compliance with external regulatory requirements;

(2) To ensure the Group's ability to maintain a stable operation so as to continue to provide returns for shareholders and benefits for other stakeholders;

(3) To maintain a strong capital base to support the development of its business.

The Company calculates net capital, and prepares and submits risk regulatory reports in accordance with the relevant regulations of the CSRC. Among them, net capital refers to a comprehensive risk regulatory indicator derived from the net assets of a securities company after risk adjustments are made to its asset and liability items and other items based on their liquidity.

Meanwhile, the Company has established internal control systems commensurate with risk regulatory indicators, as well as a dynamic risk monitoring and capital replenishment mechanism, to ensure that net capital and other risk regulatory indicators remain in compliance with standards. The Company submits monthly risk regulatory reports to the local regulatory authority.

As at December 31, 2025 and December 31, 2024, the Company met the capital management objectives set by external regulatory requirements.

XIV. CONTINGENCIES

As of the balance sheet date, the Group has no contingencies that need to be disclosed.

XV. LEASE

As lessee

	2025	
Items	**Consolidated**	**Parent company**
Interest expenses of leasing liabilities	10,974,293.07	9,092,674.27
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	1,474,851.89	658,609.52
Lease expenses relating to low value accounted for current profit or loss under the simplified approach	618,551.62	497,795.21
Total cash outflow for leases	159,808,091.03	131,420,658.13

	2024	
Items	**Consolidated**	**Parent company**
Interest expenses of leasing liabilities	13,699,040.68	11,489,460.05
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	36,480,034.27	34,850,813.28
Lease expenses relating to low value accounted for current profit or loss under the simplified approach	572,501.39	470,220.52
Total cash outflow for leases	211,615,250.20	164,064,148.07

XVI. UNDERTAKINGS

As of the balance sheet date, the Group has no material commitments that need to be disclosed.

XVII. SUBSEQUENT EVENTS OF THE BALANCE SHEET

(I) Major Asset Restructuring

The Company, China International Capital Corporation Limited (hereinafter referred to as "**CICC**"), and Dongxing Securities Co., Ltd. (hereinafter referred to as "**Dongxing Securities**") are proposing to merge by way of merger by absorption, in which CICC will issue CICC A Shares to all share-exchange shareholders holding A shares of Dongxing Securities and all share-exchange shareholders holding A shares of the Company to merge with Dongxing Securities and the Company by way of merger by absorption and share exchange (hereinafter referred to as the "**Proposed Mergers**"). The Proposed Mergers will constitute a material asset restructuring under the Administrative Measures for the Material Asset Restructuring of Listed Companies.

From the Closing Date of the Proposed Mergers, CICC will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of each of Dongxing Securities and the Company. After the completion of the Proposed Mergers, Dongxing Securities and the Company will be delisted and deregistered. On December 17, 2025 and May 18, 2026, the Proposed Mergers were considered and approved at the 19th and 22nd meeting of the sixth session of the Board of Directors of the Company, respectively. The Proposed Mergers are still subject to the shareholders' meeting for consideration and approval procedures, and subject to approval from the governmental authority.

(II) Profit Distribution

On March 30, 2026, pursuant to a resolution passed at the 20th meeting of the sixth session of the Company's Board of Directors, the Company proposes to distribute a cash dividend of RMB129,720,000.00 (tax inclusive), representing RMB0.40 per 10 shares (tax inclusive) to all shareholders, no transfer of reserve to share capital. The cash dividend was calculated based on the total share capital of 3,243,000,000.00 shares following the Company's public offering of RMB ordinary shares (A shares). The 2025 profit distribution proposal of the Company is subject to approval by the shareholders' meeting.

XVIII. OTHER MATTERS

As of the balance sheet date, there were no other matters requiring disclosure by the Group.

APPENDIX

I. NON-RECURRING PROFIT OR LOSS

Items	2025	2024
Gains or losses from disposal of non-current assets	(1,473,678.04)	(438,410.56)
Government grants recognised in profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, entitled to under established standards and having a continuous impact on the Company's profit or loss	14,726,921.61	18,552,152.53
Non-recurring loss from the disposal of long-term equity investments	(1,074,760.01)	(14,626,703.26)
Non-operating revenue and expenses other than the above items	(67,691,776.83)	(3,044,496.80)
Subtotal	(55,513,293.27)	442,541.91
Less: Effect of income tax	(12,352,077.79)	3,992,821.75
Effect of non-controlling interests, net of tax	90,396.33	(4,756,459.60)
Total	(43,251,611.81)	1,206,179.76

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

	2025		
	Weighted average return on net	Earnings per share	
Items	assets (%)	Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	8.61	0.54	0.54
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	8.83	0.55	0.55

	2024		
	Weighted average return on net	Earnings per share	
Items	assets (%)	Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	7.23	0.41	0.41
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	7.22	0.41	0.41

B. RECONCILIATION BETWEEN THE ACCOUNTING POLICIES ADOPTED BY THE COMPANY (IFRS ACCOUNTING STANDARDS) AND CINDA GROUP (PRC GAAP)

As described in the section entitled "*Letter from the Board – Waiver from Strict Compliance with Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules*", the Company has applied to the Hong Kong Stock Exchange for, and been granted, a waiver from the requirement to include in this circular an accountants' report on Cinda Group in accordance with Rule 14.67(6)(a)(i) of the Hong Kong Listing Rules.

Instead, this circular contains a copy of the English translation of the audited consolidated financial statements of Cinda Group for the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), which have been prepared by the Directors of the Cinda Group under China Accounting Standard for Business Enterprise ("**PRC GAAP**") (the "**Cinda Group's PRC GAAP Consolidated Financial Statement**"), as set out in Section A of this Appendix.

The accounting policies adopted in the preparation of the Cinda Group PRC GAAP Consolidated Financial Statement (the "**Cinda Group Accounting Policies**") are substantially consistent with the accounting policies adopted by the Company, which comply with IFRS Accounting Standards, except for the classification and presentation of certain the account captions.

Basis of Preparation

The reconciliation information for the Relevant Periods is set out by providing a reconciliation (the "**GAAP Difference Reconciliation**") prepared based on the audited consolidated financial statements of the Cinda Group for the years ended 31 December 2023, 2024 and 2025 prepared under the China Accounting Standard for Business Enterprise ("**PRC GAAP**"), with adjustments made (if any) thereto in arriving at the unaudited financial information of the Cinda Group prepared under the accounting policies adopted by the Group as at and for each of the year ended 31 December 2023, 2024 and 2025 which follow IFRS Accounting Standards.

Reconciliation Process

The GAAP Difference Reconciliation has been prepared by the Directors of the Company by comparing the Cinda Group Accounting Policies and the accounting policies adopted by the Group as at and for each of the year ended 31 December 2023, 2024 and 2025 which follow IFRS Accounting Standards, and quantifying the relevant material financial effects of such differences, where appropriate. Attention is drawn to the fact that as the GAAP Difference Reconciliation has not been subject to an independent audit and accordingly, no opinion is expressed by an auditor or reporting accountants on whether the financial information in the GAAP Difference Reconciliation presents a true and fair view of the Cinda Group's consolidated financial position as at 31 December 2023, 2024 and 2025, nor its consolidated results and its consolidated cash flows for the years then ended under the accounting policies adopted by the Company.

Ernst & Young was engaged by the Company to report on the GAAP Difference Reconciliation in accordance with International Standards on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial

Information ("**ISAE 3000 (Revised)**") issued by the International Auditing and Assurance Standards Board (IAASB) on the GAAP Difference Reconciliation as set out on pages III-355 to III-382.

The work conducted by Ernst & Young consisted primarily of:

(i) comparing the relevant financial information in the columns "Unadjusted Financial Information under PRC GAAP" as disclosed in the GAAP Difference Reconciliation for the years ended 31 December 2023, 2024 and 2025 with the respective line items in the Cinda Group's PRC GAAP Consolidated Financial Statement, as appropriate, as set out in Appendix III of this circular;

(ii) assessing the adjustments made in arriving at the "Unaudited Financial Information under IFRS Accounting Standards" of the Reconciliation Information, which included evaluating the differences between the Cinda Group Accounting Policies and the accounting policies adopted by the Group for the years ended 31 December 2023, 2024 and 2025, as set out in Appendix III of this circular, and obtaining evidence supporting the adjustments made in arriving at the "Unaudited Financial Information under IFRS Accounting Standards"; and

(iii) checking the arithmetic accuracy of the computation of the "Unaudited Financial Information under IFRS Accounting Standards" of the GAAP Difference Reconciliation.

For the purposes of the engagement on the GAAP Difference Reconciliation, Ernst & Young is not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the GAAP Difference Reconciliation, nor has Ernst & Young, in the course of the engagement, performed an audit or review of the financial information used in compiling the GAAP Difference Reconciliation. The work carried out in accordance with ISAE 3000 (Revised) is different in scope from an audit or a review conducted in accordance with International Standards on Auditing or International Standards on Review Engagements issued by the IAASB and consequently, Ernst & Young did not express an audit opinion nor a review conclusion on the GAAP Difference Reconciliation.

Ernst & Young's engagement was intended solely for the use of the Directors in connection with this circular and may not be suitable for another purpose.

Based on the work performed, Ernst & Young has concluded that:

(i) the relevant financial information in the columns "Unadjusted Financial Information under PRC GAAP" as disclosed in the GAAP Difference Reconciliation for the years ended 31 December 2023, 2024 and 2025 is in agreement with the respective line items in the Cinda Group's PRC GAAP Consolidated Financial Statement prepared in accordance with the PRC GAAP;

(ii) the adjustments made in arriving at the "Unaudited Financial Information under IFRS Accounting Standards" of the GAAP Difference Reconciliation reflect, in all material respects, the differences between the accounting policies adopted by the Cinda Group and the accounting policies adopted by the Group for the years ended 31 December 2023, 2024 and 2025, as set out in Appendix III of this circular; and

(iii) the computation of the "Unaudited Financial Information under IFRS Accounting Standards" of the GAAP Difference Reconciliation is arithmetically accurate.

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
				Revenue:
Operating revenue	4,043,872,801			
Net interest income	415,642,099	1,322,730,956	1,738,373,055	Interest income
Including: interest income	1,738,373,055	(1,738,373,055)	–	
interest expenses	1,322,730,955	(1,322,730,955)	–	
Net fee and commission income	1,789,166,563	782,970,173	2,572,136,736	Fee and commission income
Including: net income from brokerage business	1,060,849,355	(1,060,849,355)	–	
net income from investment banking business	137,773,398	(137,773,398)	–	
net income from asset management business	141,764,340	(141,764,340)	–	
Investment income	2,114,650,262	(357,418,765)	1,757,231,497	Investment income
Including: share of profits of associates and joint ventures	15,436,762	(15,436,762)	–	
Other income	47,398,570	(47,398,570)	–	
Gains and losses arising from changes in fair value	(341,982,003)	341,982,003	–	
Foreign exchange gains and losses	13,520,012	(13,520,012)	–	
Other operating revenue	5,730,321	(5,730,321)	–	
Gains and losses on disposal of assets	(253,023)	253,023	–	
			6,067,741,288	**Total revenue**
		66,901,606	66,901,606	Other income, net
			6,134,642,894	**Total revenue and other income**
				Expenses:
Operating expenses	1,880,114,796			
		782,970,173	782,970,173	Fee and commission expenses
		1,322,730,955	1,322,730,955	Interest expenses
Tax and surcharges	26,860,520	–	26,860,520	Tax and surcharges
Operating and administrative expenses	1,716,025,432	(630,088,800)	1,085,936,632	Staff costs
		237,767,639	237,767,639	Depreciation and amortisation expenses
		461,739,319	461,739,319	Other operating expenses and costs
Provision for impairment losses under expected credit loss model	137,228,844	–	137,228,844	Provision for impairment losses under expected credit loss ("**ECL**") model
			4,055,234,082	**Total expenses**
Operating profit	2,163,758,005			
Add: non-operating revenue	180,236	(180,236)	–	
Less: non-operating expenses	69,092,667	(69,092,667)	–	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			2,079,408,812	**Operating profit**
		15,436,762	15,436,762	Share of profits of associates and joint ventures
Profit before income tax	2,094,845,574	–	2,094,845,574	**Profit before income tax**
Less: income tax expense	143,504,104	–	143,504,104	Less: Income tax expense
Profit for the year	1,951,341,470	–	1,951,341,470	**Profit for the year**
Classified by operation continuity				
Profit from continuing operations	1,951,341,470			
				Attributable to:
Classified by attribution				
Attributable to shareholders of the parent company	1,893,704,022	–	1,893,704,022	Shareholders of the Company
Attributable to non-controlling interests	57,637,448	–	57,637,448	Non-controlling interests

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			1,951,341,470	**Profit for the year**
				Other comprehensive income for the year
Other comprehensive income for the year, net of tax	269,809,014	–	269,809,014	**Total other comprehensive income for the year, net of income tax**
Total comprehensive income for the year	2,221,150,484	–	2,221,150,484	**Total comprehensive income for the year**
				Attributable to:
Including: attributable to shareholders of the parent company	2,157,012,361	–	2,157,012,361	Shareholders of the Company
attributable to non-controlling interests	64,138,123	–	64,138,123	Non-controlling interests
Earnings per share				
Basic earnings per share	0.54		0.54	Basic earnings per share (in RMB per share)
Diluted earnings per share	0.54		0.54	Diluted earnings per share (in RMB per share)

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
				Revenue:
Operating revenue	3,291,547,425			
Net interest income	473,281,005	1,050,476,388	1,523,757,393	Interest income
Including: interest income	1,523,757,393	(1,523,757,393)	–	
interest expenses	1,050,476,388	(1,050,476,388)	–	
Net fee and commission income	1,618,818,438	558,820,798	2,177,639,236	Fee and commission income
Including: net income from brokerage business	853,069,912	(853,069,912)	–	
net income from investment banking business	126,732,216	(126,732,216)	–	
net income from asset management business	155,810,332	(155,810,332)	–	
Investment income	1,042,588,458	118,288,719	1,160,877,177	Investment income
Including: share of profits of associates and joint ventures	17,586,696	(17,586,696)	–	
Other income	24,561,334	(24,561,334)	–	
Gains and losses arising from changes in fair value	135,875,415	(135,875,415)	–	
Foreign exchange gains and losses	(7,908,689)	7,908,689	–	
Other operating revenue	4,200,662	(4,200,662)	–	
Gains and losses on disposal of assets	130,802	(130,802)	–	
			4,862,273,806	**Total revenue**
		22,577,785	22,577,785	Other income, net
			4,884,851,591	**Total revenue and other income**
				Expenses:
Operating expenses	1,751,765,969			
		558,820,798	558,820,798	Fee and commission expenses
		1,050,476,388	1,050,476,388	Interest expenses
Tax and surcharges	18,838,444	–	18,838,444	Tax and surcharges
Operating and administrative expenses	1,681,759,589	(641,232,134)	1,040,527,455	Staff costs
		234,307,248	234,307,248	Depreciation and amortisation expenses
		412,132,272	412,132,272	Other operating expenses and costs
Provision for impairment losses under expected credit loss model	51,167,936	–	51,167,936	Provision for impairment losses under ECL model
			3,366,270,541	**Total expenses**
Operating profit	1,539,781,456			
Add: non-operating revenue	1,502,336	(1,502,336)	–	
Less: non-operating expenses	5,116,046	(5,116,046)	–	
			1,518,581,050	**Operating profit**
		17,586,696	17,586,696	Share of profits of associates and joint ventures

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
Profit before income tax	1,536,167,746	–	1,536,167,746	**Profit before income tax**
Less: income tax expense	121,482,648	–	121,482,648	Less: Income tax expense
Profit for the year	1,414,685,098	–	1,414,685,098	**Profit for the year**
Classified by operation continuity				
Profit from continuing operations	1,414,685,098			
				Attributable to:
Classified by attribution				
Attributable to shareholders of the parent company	1,364,888,583	–	1,364,888,583	Shareholders of the Company
Attributable to non-controlling interests	49,796,515	–	49,796,515	Non-controlling interests

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			1,414,685,098	**Profit for the year**
				Other comprehensive income for the year
Other comprehensive income for the year, net of tax	483,872,373	–	483,872,373	**Total other comprehensive income for the year, net of income tax**
Total comprehensive income for the year	1,898,557,471	–	1,898,557,471	**Total comprehensive income for the year**
				Attributable to:
Including: attributable to shareholders of the parent company	1,846,841,287	–	1,846,841,287	Shareholders of the Company
attributable to non-controlling interests	51,716,184	–	51,716,184	Non-controlling interests
Earnings per share				
Basic earnings per share	0.41		0.41	Basic earnings per share (in RMB per share)
Diluted earnings per share	0.41		0.41	Diluted earnings per share (in RMB per share)

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
				Revenue:
Operating revenue	3,483,493,982			
Net fee and commission income	1,916,141,942	617,899,258	2,534,041,200	Fee and commission income
Including: net income from brokerage business	779,105,778	(779,105,778)	–	
net income from investment banking business	154,283,385	(154,283,385)	–	
net income from asset management business	232,328,916	(232,328,916)	–	
Net interest income	423,720,121	1,045,035,073	1,468,755,194	Interest income
Including: interest income	1,468,755,194	(1,468,755,194)	–	
interest expenses	1,045,035,073	(1,045,035,073)	–	
Investment income	964,751,206	132,725,241	1,097,476,447	Investment income
Including: share of profits of associates and joint ventures	17,301,045	(17,301,045)	–	
Other income	21,488,444	(21,488,444)	–	
Gains and losses arising from changes in fair value	150,026,286	(150,026,286)	–	
Foreign exchange gains and losses	(1,438,079)	1,438,079	–	
Other operating revenue	8,080,501	(8,080,501)	–	
Gains and losses on disposal of assets	723,561	(723,561)	–	
			5,100,272,841	**Total revenue**
		36,229,350	36,229,350	Other income, net
			5,136,502,191	**Total revenue and other income**
				Expenses:
Operating expenses	1,748,875,190			
		617,899,258	617,899,258	Fee and commission expenses
		1,045,035,073	1,045,035,073	Interest expenses
Taxes and surcharges	20,487,839	–	20,487,839	Tax and surcharges
Operating and administrative expenses	1,768,212,951	(654,064,856)	1,114,148,095	Staff costs
		188,247,568	188,247,568	Depreciation and amortisation expenses
		473,238,896	473,238,896	Other operating expenses and costs
Provision for impairment losses under expected credit loss model	(39,846,787)	–	(39,846,787)	Reversal of impairment losses under ECL model
Other operating costs	21,187	(21,187)	–	
			3,419,209,942	**Total expenses**
Operating profit	1,734,618,792			
Add: non-operating revenue	7,293,709	(7,293,709)	–	
Less: non-operating expenses	7,319,207	(7,319,207)	–	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			1,717,292,249	**Operating profit**
		17,301,045	17,301,045	Share of profits of associates and joint ventures
Profit before income tax	1,734,593,294	–	1,734,593,294	**Profit before income tax**
Less: income tax expense	191,998,398	–	191,998,398	Less: Income tax expense
Profit for the year	1,542,594,896	–	1,542,594,896	**Profit for the year**
Classified by operation continuity				
Profit from continuing operations	1,542,594,896			
				Attributable to:
Classified by attribution				
Attributable to shareholders of the parent company	1,466,886,708	–	1,466,886,708	Shareholders of the Company
Attributable to non-controlling interests	75,708,188	–	75,708,188	Non-controlling interests

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
			1,542,594,896	**Profit for the year**
				Other comprehensive income for the year
Other comprehensive income for the year, net of tax	177,514,331	–	177,514,331	**Total other comprehensive income for the year, net of income tax**
Total comprehensive income for the year	1,720,109,227	–	1,720,109,227	**Total comprehensive income for the year**
				Attributable to:
Including: attributable to shareholders of the parent company	1,638,249,484	–	1,638,249,484	Shareholders of the Company
attributable to non-controlling interests	81,859,743	–	81,859,743	Non-controlling interests
Earnings per share				
Basic earnings per share	0.46		0.46	Basic earnings per share (in RMB per share)
Diluted earnings per share	0.46		0.46	Diluted earnings per share (in RMB per share)

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current assets	Non-current assets	
		(Note 1)			
Cash and bank balances	26,760,323,676	(22,321,313,119)	4,427,347,992	11,662,565	Cash and bank balances
Deposits with clearing houses	3,826,180,422	(3,826,180,422)	–	–	
		26,147,493,541	26,147,493,541	–	Cash held on behalf of clients
Receivable from margin clients	16,726,893,210	–	16,726,893,210	–	Receivables from margin clients
Derivative financial assets	108,603,362	–	108,603,362	–	Derivative financial assets
Refundable deposits	4,270,356,417	–	–	4,270,356,417	Refundable deposits
Accounts receivable	349,292,110	–	349,292,110	–	Accounts receivable
Financial assets held under resale agreements ("**reverse REPOs**")	1,562,199,785	–	550,452,392	1,011,747,393	Reverse REPOs
Financial assets held for trading	42,355,410,076	–	35,311,906,872	7,043,503,204	Financial assets at fair value through profit or loss
Other debt investments	23,705,573,136	–	23,705,573,136	–	Debt instruments at fair value through other comprehensive income
Investments in other equity instruments	8,877,389,538	–	–	8,877,389,538	Equity instruments at fair value through other comprehensive income
Long-term equity investments	400,536,016	–	–	400,536,016	Interests in associates and joint ventures
Fixed assets	93,567,010	33,764,508	–	127,331,518	Property and equipment
Right-of-use assets	337,978,017	281,848	–	338,259,865	Right-of-use asset
Intangible assets	113,726,163	(281,848)	–	113,444,315	Intangible assets
Goodwill	1,005,973	–	–	1,005,973	Goodwill
Deferred tax assets	1,086,402	–	–	1,086,402	Deferred tax assets
Other assets	460,697,545	(460,697,545)	–	–	
		202,096,320	202,096,320	–	Other current assets
		224,836,717	–	224,836,717	Other non-current assets
Total assets	129,950,818,858	–	107,529,658,935	22,421,159,923	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current liabilities	Non-current liabilities	
		(Note 1)			
Short-term borrowings	(966,862,633)	966,862,633	–	–	
Placements from financial institutions	(25,531,403,588)	(966,862,633)	(26,498,266,221)	–	Placements from financial institutions
Financial liabilities held for trading	(25,301)	–	(25,301)	–	Financial liabilities at fair value through profit or loss
Derivative financial liabilities	(1,507,004)	–	(1,507,004)	–	Derivative financial liabilities
Accounts payable	(128,352,413)	128,352,413	–	–	
Contract liabilities	(4,860,513)	–	(4,860,513)	–	Contract liabilities
Financial assets sold under repurchase agreements ("**REPOs**")	(20,240,349,189)	–	(20,240,349,189)	–	REPOs
Accounts payable to brokerage clients	(28,787,716,282)	–	(28,787,716,282)	–	Accounts payable to brokerage clients
Employee benefits payable	(172,459,523)	172,459,523	–	–	
		(106,000,389)	(106,000,389)	–	Employee benefits payable
		(66,459,134)	–	(66,459,134)	Non-current employee benefits payable
Taxes payable	(154,473,129)	154,473,129	–	–	
		(116,952,751)	(116,952,751)	–	Income tax payable
Long-term debt securities issued	(22,654,047,215)	22,654,047,215	–	–	
		(5,362,948,271)	–	(5,362,948,271)	Long-term debt securities issued
		(17,291,098,944)	(17,291,098,944)	–	Long-term debt securities issued due within one year
Lease liabilities	(331,108,706)	–	(128,789,410)	(202,319,296)	Lease liabilities
Provisions	(55,391,040)	55,391,040	–	–	
Deferred tax liabilities	(99,500,329)	–	–	(99,500,329)	Deferred tax liabilities
Other liabilities	(2,069,488,211)	2,069,488,211	–	–	
		(574,464,579)	(574,464,579)	–	Other current liabilities
		(1,716,287,463)	–	(1,716,287,463)	Other non-current liabilities
Total liabilities	(101,197,545,076)	–	(93,750,030,583)	(7,447,514,493)	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
Share capital	(3,243,000,000)	–	(3,243,000,000)	Share capital
Other equity instruments	(7,000,000,000)	–	(7,000,000,000)	Other equity instruments
Capital reserve	(4,004,898,108)	4,004,898,108	–	
Other comprehensive income	(862,570,802)	862,570,802	–	
Surplus reserve	(1,376,030,370)	1,376,030,370	–	
General reserves	(3,124,436,107)	3,124,436,107	–	
		(9,367,935,387)	(9,367,935,387)	Reserves
Retained profits	(8,459,456,733)	–	(8,459,456,733)	Retained profits
Total equity attributable to shareholders of the parent company	(28,070,392,120)	–	(28,070,392,120)	Total equity attributable to shareholders of the Company
Non-controlling interests	(682,881,662)	–	(682,881,662)	Non-controlling interests
Total equity	(28,753,273,782)	–	(28,753,273,782)	Total equity

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current assets	Non-current assets	
		(Note 1)			
Cash and bank balances	22,137,616,446	(17,740,989,511)	4,361,412,129	35,214,806	Cash and bank balances
Deposits with clearing houses	4,664,059,491	(4,664,059,491)	–	–	
		22,405,049,003	22,405,049,003	–	Cash held on behalf of clients
Receivable from margin clients	12,569,953,613	–	12,569,953,613	–	Receivables from margin clients
Derivative financial assets	21,323,255	–	21,323,255	–	Derivative financial assets
Refundable deposits	2,612,346,062	–	–	2,612,346,062	Refundable deposits
Accounts receivable	361,946,636	–	361,946,636	–	Accounts receivable
Reverse REPOs	541,990,835	–	329,442,060	212,548,775	Reverse REPOs
Financial assets held for trading	34,463,308,851	–	29,534,187,790	4,929,121,061	Financial assets at fair value through profit or loss
Other debt investments	25,802,019,850	–	25,802,019,850	–	Debt instruments at fair value through other comprehensive income
Investments in other equity instruments	2,178,598,789	–	2,178,598,789	–	Equity instruments at fair value through other comprehensive income
Long-term equity investments	465,834,947	–	–	465,834,947	Interests in associates and joint ventures
Fixed assets	105,579,397	44,497,648	–	150,077,045	Property and equipment
Right-of-use assets	350,035,464	297,681	–	350,333,145	Right-of-use asset
Intangible assets	129,790,553	(297,681)	–	129,492,872	Intangible assets
Goodwill	1,005,973	–	–	1,005,973	Goodwill
Deferred tax assets	4,002,275	–	–	4,002,275	Deferred tax assets
Other assets	492,991,941	(492,991,941)	–	–	
		409,015,918	409,015,918	–	Other current assets
		39,478,374	–	39,478,374	Other non-current assets
Total assets	106,902,404,378	–	97,972,949,043	8,929,455,335	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current liabilities	Non-current liabilities	
		(Note 1)			
Short-term borrowings	(616,629,822)	616,629,822	–	–	
Short-term debt securities issued	(2,814,073,219)	–	(2,814,073,219)	–	Short-term debt securities issued
Placements from financial institutions	(15,853,017,277)	(616,629,822)	(16,469,647,099)	–	Placements from financial institutions
Financial liabilities held for trading	(293,742)	–	(293,742)	–	Financial liabilities at fair value through profit or loss
Derivative financial liabilities	(18,624,488)	–	(18,624,488)	–	Derivative financial liabilities
Accounts payable	(96,957,579)	96,957,579	–	–	
Contract liabilities	(3,032,390)	–	(3,032,390)	–	Contract liabilities
REPOs	(19,749,457,500)	–	(19,749,457,500)	–	REPOs
Accounts payable to brokerage clients	(23,719,195,176)	–	(23,719,195,176)	–	Accounts payable to brokerage clients
Employee benefits payable	(214,407,822)	214,407,822	–	–	
		(157,239,759)	(157,239,759)	–	Employee benefits payable
		(57,168,063)	–	(57,168,063)	Non-current employee benefits payable
Taxes payable	(54,187,047)	54,187,047	–	–	
		(14,739,200)	(14,739,200)	–	Income tax payable
Long-term debt securities issued	(18,182,342,936)	18,182,342,936	–	–	
		(11,410,897,161)	–	(11,410,897,161)	Long-term debt securities issued
		(6,771,445,775)	(6,771,445,775)	–	Long-term debt securities issued due within one year
Lease liabilities	(342,439,519)	–	(133,549,449)	(208,890,070)	Lease liabilities
Provisions	(851,346)	851,346	–	–	
Deferred tax liabilities	(37,704,193)	–	–	(37,704,193)	Deferred tax liabilities
Other liabilities	(757,835,024)	757,835,024	–	–	
		(557,234,544)	(557,234,544)	–	Other current liabilities
		(337,857,252)	–	(337,857,252)	Other non-current liabilities
Total liabilities	(82,461,049,080)	–	(70,408,532,341)	(12,052,516,739)	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
Share capital	(3,243,000,000)	–	(3,243,000,000)	Share capital
Other equity instruments	(4,500,000,000)	–	(4,500,000,000)	Other equity instruments
Capital reserve	(4,012,148,108)	4,012,148,108	–	
Other comprehensive income	(611,172,567)	611,172,567	–	
Surplus reserve	(1,212,415,228)	1,212,415,228	–	
General reserves	(2,756,178,468)	2,756,178,468	–	
	–	(8,591,914,371)	(8,591,914,371)	Reserves
Retained profits	(7,473,897,387)	–	(7,473,897,387)	Retained profits
Total equity attributable to shareholders of the parent company	(23,808,811,758)	–	(23,808,811,758)	Total equity attributable to shareholders of the Company
Non-controlling interests	(632,543,540)	–	(632,543,540)	Non-controlling interests
Total equity	(24,441,355,298)	–	(24,441,355,298)	Total equity

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current assets	Non-current assets	
		(Note 1)			
Cash and bank balances	16,745,457,705	(12,857,219,766)	3,888,237,939	–	Cash and bank balances
Deposits with clearing houses	2,729,164,341	(2,729,164,341)	–	–	
		15,586,384,107	15,586,384,107	–	Cash held on behalf of clients
Receivable from margin clients	11,067,285,033	–	11,067,285,033	–	Receivables from margin clients
Derivative financial assets	312,180	–	312,180	–	Derivative financial assets
Refundable deposits	2,622,023,791	–	–	2,622,023,791	Refundable deposits
Accounts receivable	406,030,898	–	406,030,898	–	Accounts receivable
Reverse REPOs	188,267,420	–	188,267,420	–	Reverse REPOs
Financial assets held for trading	29,161,860,003	–	26,082,997,350	3,078,862,653	Financial assets at fair value through profit or loss
Other debt investments	13,075,048,496	–	13,075,048,496	–	Debt instruments at fair value through other comprehensive income
Investments in other equity instruments	336,139,328	–	336,139,328	–	Equity instruments at fair value through other comprehensive income
Long-term equity investments	448,893,757	–	–	448,893,757	Interests in associates and joint ventures
Fixed assets	104,646,365	13,457,979	–	118,104,344	Property and equipment
Right-of-use assets	451,898,422	313,513	–	452,211,935	Right-of-use asset
Intangible assets	138,289,409	(313,513)	–	137,975,896	Intangible assets
Goodwill	1,005,973	–	–	1,005,973	Goodwill
Deferred tax assets	196,497,150	–	–	196,497,150	Deferred tax assets
Other assets	250,951,774	(250,951,774)	–	–	
		173,274,264	173,274,264	–	Other current assets
		64,219,531	–	64,219,531	Other non-current assets
Total assets	77,923,772,045	–	70,803,977,015	7,119,795,030	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments	Unaudited Financial Information under IFRS Accounting Standards		
			Current liabilities	Non-current liabilities	
		(Note 1)			
Short-term borrowings	(351,054,155)	351,054,155	–	–	
Short-term debt securities issued	(4,669,264,051)	–	(4,669,264,051)	–	Short-term debt securities issued
Placements from financial institutions	(13,828,947,258)	(351,054,155)	(14,180,001,413)	–	Placements from financial institutions
Financial liabilities held for trading	(6,848,400)	–	(6,848,400)	–	Financial liabilities at fair value through profit or loss
Derivative financial liabilities	(15,286,491)	–	(15,286,491)	–	Derivative financial liabilities
REPOs	(11,802,606,810)	–	(11,802,606,810)	–	REPOs
Accounts payable to brokerage customers	(17,264,793,100)	–	(17,264,793,100)	–	Accounts payable to brokerage clients
Employee benefits payable	(567,628,323)	567,628,323	–	–	
		(512,031,898)	(512,031,898)	–	Employee benefits payable
		(55,596,425)	–	(55,596,425)	Non-current employee benefits payable
Tax payable	(67,445,422)	67,445,422	–	–	
	–	(29,173,165)	(29,173,165)	–	Income tax payable
Accounts payable	(105,919,832)	105,919,832	–	–	
Contract liabilities	(9,113,208)	–	(9,113,208)	–	Contract liabilities
Provisions	(2,477,319)	2,477,319	–	–	
Long-term debt securities issued	(9,645,949,145)	9,645,949,145	–	–	
		(3,072,551,400)	–	(3,072,551,400)	Long-term debt securities issued
		(6,573,397,745)	(6,573,397,745)	–	Long-term debt securities issued due within one year
Lease liabilities	(442,850,573)	–	(135,548,361)	(307,302,212)	Lease liabilities
Deferred tax liabilities	(263,961)	–	–	(263,961)	Deferred tax liabilities
Other liabilities	(803,504,340)	803,504,340	–	–	
		(406,212,015)	(406,212,015)	–	Other current liabilities
		(543,961,733)	–	(543,961,733)	Other non-current liabilities
Total liabilities	(59,583,952,388)	–	(55,604,276,657)	(3,979,675,731)	

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Unaudited Financial Information under IFRS Accounting Standards	
Share capital	(3,243,000,000)	–	(3,243,000,000)	Share capital
Capital reserve	(4,016,100,938)	4,016,100,938	–	
Other comprehensive income	(132,420,373)	132,420,373	–	
Surplus reserve	(1,089,788,132)	1,089,788,132	–	
General reserves	(2,466,736,773)	2,466,736,773	–	
		(7,705,046,216)	(7,705,046,216)	Reserves
Retained profits	(6,810,946,085)	–	(6,810,946,085)	Retained profits
Total equity attributable to shareholders of the parent company	(17,758,992,301)	–	(17,758,992,301)	Total equity attributable to shareholders of the Company
Non-controlling interests	(580,827,356)	–	(580,827,356)	Non-controlling interests
Total equity	(18,339,819,657)	–	(18,339,819,657)	Total equity

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities					**Cash flows from operating activities:**
Interest, fee and commission income received	5,699,247,760	(5,699,247,760)	–	–	
Net increase in placements from financial institutions	9,655,000,000	(9,655,000,000)	–	–	
Net cash received from brokerage clients	4,917,852,477	(4,917,852,477)	–	–	
Cash inflows associated with other operating activities	222,158,880	(222,158,880)	–	–	
Net increases in trading financial assets and liabilities and derivative financial instruments	(8,338,749,259)	8,338,749,259	–	–	
Net increase in receivable from margin clients	(4,233,095,570)	4,233,095,570	–	–	
Interest, fee and commission expenses paid	(1,646,936,985)	1,646,936,985	–	–	
Net decrease in repo transactions	(558,346,901)	558,346,901	–	–	
Cash paid to and for employees	(1,132,140,054)	1,132,140,054	–	–	
Cash paid for taxes	(420,354,013)	420,354,013	–	–	
Cash outflows associated with other operating activities	(2,219,948,631)	2,219,948,631	–	–	
		2,094,845,574	–	2,094,845,574	Profit before income tax
					Adjustments for:
		463,419,787	–	463,419,787	Net financing interest expenses
		237,767,639	–	237,767,639	Depreciation and amortisation expenses
		137,228,844	–	137,228,844	Provision for impairment losses under ECL model
		1,473,678	–	1,473,678	Net losses on disposal of property, equipment and other long-term assets
		(13,520,012)	–	(13,520,012)	Foreign exchange gains from derivatives and others
		341,982,003	–	341,982,003	Losses on changes in fair value of financial instruments at fair value through profit or loss
		(554,274,422)	–	(554,274,422)	Interest income from debt instruments at fair value through other comprehensive income
		(498,691,685)	–	(498,691,685)	Dividend income from investments in financial assets and share of profits of associates and joint ventures
		(214,169,645)	–	(214,169,645)	Net gains on disposal of investments
				1,996,061,761	**Operating cash flows before movements in working capital**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities (continued)					**Cash flows from operating activities:** (continued)
		(4,233,095,570)	–	(4,233,095,570)	Increase in receivables from margin clients
		(51,099,185)	–	(51,099,185)	Increase in accounts receivable, other receivables and prepayments
		(1,047,599,053)	–	(1,047,599,053)	Increase in reverse REPOs
		(8,214,202,441)	–	(8,214,202,441)	Increase in financial instruments at fair value through profit or loss
		–	(3,742,444,538)	(3,742,444,538)	Increase in cash held on behalf of clients
		(45,033,821)	–	(45,033,821)	Increase in restricted bank deposits
		(1,658,010,354)	–	(1,658,010,354)	Increase in refundable deposits
		4,917,852,477	–	4,917,852,477	Increase in accounts payable to brokerage clients
		490,891,689	–	490,891,689	Increase in REPOs
		11,486,890,803	–	11,486,890,803	Increase in other liabilities
				(99,788,232)	**Cash used in operating activities, before income tax**
		(73,367,275)	–	(73,367,275)	Income tax paid
Net cash generated from operating activities	1,944,687,704	1,624,601,327	(3,742,444,538)	(173,155,507)	**Net cash used in operating activities**
Cash flows from investing activities					**Cash flows from investing activities:**
Cash receipts from disposal of investments	43,117,184,719	–	–	43,117,184,719	Cash receipts from disposal of investments
Cash receipts of investment returns	1,179,516,250	–	–	1,179,516,250	Cash receipts from investment returns
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	4,505,380	–	–	4,505,380	Proceeds from disposal of property, equipment and other long-term assets
Payment for purchase of investments	(48,921,315,939)	–	–	(48,921,315,939)	Purchase of investments
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets	(51,536,541)	–	–	(51,536,541)	Purchase of property, equipment and other long-term assets
Net cash generated from investing activities	(4,671,646,131)	–	–	(4,671,646,131)	**Net cash used in investing activities**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from financing activities					**Cash flows from financing activities:**
Net cash received from consolidated structured entities	1,354,692,810	(1,354,692,810)	–	–	
Cash received from borrowings	986,485,640	(986,485,640)	–	–	
Cash received from issuance of bonds	15,800,000,000	(4,600,000,000)	–	11,200,000,000	Proceeds from issuance of corporate bonds
		4,600,000,000	–	4,600,000,000	Proceeds from issuance of commercial papers
Proceeds from issuance of perpetual subordinated bonds	2,500,000,000	–	–	2,500,000,000	Proceeds from issuance of perpetual subordinated bonds
Cash repayments of borrowings	(14,714,010,822)	7,314,010,822	–	(7,400,000,000)	Redemption of commercial papers
		(6,700,000,000)	–	(6,700,000,000)	Redemption of corporate bonds
Cash paid for dividends, profit distribution or interests	(919,914,845)	679,932,845	–	(239,982,000)	Dividends paid to shareholders of the Company
		(465,016,543)	–	(465,016,543)	Cash paid for interest
		(112,350,000)	–	(112,350,000)	Distributions to holders of perpetual subordinated bonds
		(7,250,000)	–	(7,250,000)	Cash outflows associated with other financing activities
Cash outflows associated with other financing activities	(175,750,933)	7,249,999	–	(168,500,934)	Repayment of lease liabilities
Net cash generated from financing activities	4,831,501,850	(1,624,601,327)	–	3,206,900,523	**Net cash generated from financing activities**
Effect of exchange rate changes on cash and cash equivalents	23,935,211				
Net change in cash and cash equivalents	2,128,478,634	(23,935,211)	(3,742,444,538)	(1,637,901,115)	Net decrease in cash and cash equivalents
				23,935,211	Effect of exchange rate changes
Add: cash and cash equivalents at the beginning of the year	26,230,792,301	–	(22,405,049,003)	3,825,743,298	Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year	28,359,270,935	–	(26,147,493,541)	2,211,777,394	**Cash and cash equivalents at the end of the year**
					Net cash generated from/(used in) operating activities including:
				1,396,086,498	Interest received
				(786,057,419)	Interest paid

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities					**Cash flows from operating activities:**
Interest, fee and commission income received	4,832,754,447	(4,832,754,447)	–	–	
Net increase in placements from financial institutions	2,030,000,000	(2,030,000,000)	–	–	
Net increase in repo transactions	7,596,927,065	(7,596,927,065)	–	–	
Net cash received from brokerage clients	6,441,884,168	(6,441,884,168)	–	–	
Cash inflows associated with other operating activities	100,786,051	(100,786,051)	–	–	
Net increases in trading financial assets and liabilities and derivative financial instruments	(5,571,769,071)	5,571,769,071	–	–	
Net increase in receivable from margin clients	(1,623,405,995)	1,623,405,995	–	–	
Interest, fee and commission expenses paid	(1,166,277,409)	1,166,277,409	–	–	
Cash paid to and for employees	(1,402,765,528)	1,402,765,528	–	–	
Cash paid for taxes	(215,116,845)	215,116,845	–	–	
Cash outflows associated with other operating activities	(737,952,824)	737,952,824	–	–	
		1,536,167,746	–	1,536,167,746	Profit before income tax
					Adjustments for:
		408,755,294	–	408,755,294	Net financing interest expenses
		234,307,248	–	234,307,248	Depreciation and amortisation expenses
		51,167,936	–	51,167,936	Provision for impairment losses under ECL model
		438,411	–	438,411	Net losses on disposal of property, equipment and other long-term assets
		7,908,689	–	7,908,689	Foreign exchange losses from derivatives and others
		(135,875,415)	–	(135,875,415)	Gains on changes in fair value of financial instruments at fair value through profit or loss
		(421,485,625)	–	(421,485,625)	Interest income from debt instruments at fair value through other comprehensive income
		(57,154,312)	–	(57,154,312)	Dividend income from investments in financial assets and share of profits of associates and joint ventures
		(98,217,630)	–	(98,217,630)	Net gains on disposal of investments
				1,526,012,342	**Operating cash flows before movements in working capital**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities (continued)					**Cash flows from operating activities:** (continued)
		(1,623,405,995)	–	(1,623,405,995)	Increase in receivables from margin clients
		(104,550,816)	–	(104,550,816)	Increase in accounts receivable, other receivables and prepayments
		(355,933,754)	–	(355,933,754)	Increase in reverse REPOs
		(5,178,561,817)	–	(5,178,561,817)	Increase in financial instruments at fair value through profit or loss
		–	(6,818,664,896)	(6,818,664,896)	Increase in cash held on behalf of clients
		(105,281,095)	–	(105,281,095)	Increase in restricted bank deposits
		9,677,729	–	9,677,729	Decrease in refundable deposits
		6,441,884,168	–	6,441,884,168	Increase in accounts payable to brokerage clients
		7,946,850,691	–	7,946,850,691	Increase in REPOs
		1,839,140,368	–	1,839,140,368	Increase in other liabilities
				3,577,166,925	**Cash generated from operating activities, before income tax**
		(65,579,311)	–	(65,579,311)	Income tax paid
Net cash generated from operating activities	10,285,064,059	45,188,451	(6,818,664,896)	3,511,587,614	**Net cash generated from operating activities**
Cash flows from investing activities					**Cash flows from investing activities:**
Cash receipts from disposal of investments	29,379,819,827	–	–	29,379,819,827	Cash receipts from disposal of investments
Cash receipts of investment returns	749,980,319	–	–	749,980,319	Cash receipts from investment returns
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	5,012,406	–	–	5,012,406	Proceeds from disposal of property, equipment and other long-term assets
Payment for purchase of investments	(43,500,468,508)	–	–	(43,500,468,508)	Purchase of investments
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets	(86,835,411)	–	–	(86,835,411)	Purchase of property, equipment and other long-term assets
Net cash outflow from disposal of subsidiaries and other business units	(80,765,233)	–	–	(80,765,233)	Net cash outflow from disposal of subsidiaries and other business units
Net cash generated from investing activities	(13,533,256,600)	–	–	(13,533,256,600)	**Net cash used in investing activities**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from financing activities					**Cash flows from financing activities:**
Cash received from borrowings	280,125,710	(280,125,710)	–	–	
Cash received from issuance of bonds	20,849,510,000	(5,849,510,000)	–	15,000,000,000	Proceeds from issuance of corporate bonds
		5,849,510,000	–	5,849,510,000	Proceeds from issuance of commercial papers
Proceeds from issuance of perpetual subordinated bonds	4,500,000,000	–	–	4,500,000,000	Proceeds from issuance of perpetual subordinated bonds
Cash repayments of borrowings	(14,227,017,585)	6,527,777,585	–	(7,699,240,000)	Redemption of commercial papers
		(6,500,000,000)	–	(6,500,000,000)	Redemption of corporate bonds
Cash paid for dividends, profit distribution or interests	(674,944,495)	405,775,495	–	(269,169,000)	Dividends paid to shareholders of the Company
		(339,390,619)	–	(339,390,619)	Cash paid for interest
Net cash paid for consolidated structured entities	(140,774,797)	136,821,967	–	(3,952,830)	Cash outflows associated with other financing activities
Cash outflows associated with other financing activities	(174,562,715)	3,952,831	–	(170,609,884)	Repayment of lease liabilities
Net cash generated from financing activities	10,412,336,118	(45,188,451)	–	10,367,147,667	**Net cash generated from financing activities**
Effect of exchange rate changes on cash and cash equivalents	51,774,902				
Net change in cash and cash equivalents	7,215,918,479	(51,774,902)	(6,818,664,896)	345,478,681	Net increase in cash and cash equivalents
				51,774,902	Effect of exchange rate changes
Add: cash and cash equivalents at the beginning of the year	19,014,873,822	–	(15,586,384,107)	3,428,489,715	Cash and cash equivalents at the beginning of the year
Balance of cash and cash equivalents at the end of the year	26,230,792,301	–	(22,405,049,003)	3,825,743,298	**Cash and cash equivalents at the end of the year**
					Net cash generated from/(used in) operating activities including:
				1,193,835,370	Interest received
				(607,852,838)	Interest paid

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities					**Cash flows from operating activities:**
Interest, fee and commission income received	5,953,898,480	(5,953,898,480)	–	–	
Net increase in placements from financial institutions	6,229,000,000	(6,229,000,000)	–	–	
Cash inflows associated with other operating activities	294,715,382	(294,715,382)	–	–	
Net increases in trading financial assets and liabilities and derivative financial instruments	(1,798,168,469)	1,798,168,469	–	–	
Net increase in receivable from margin clients	(1,470,731,966)	1,470,731,966	–	–	
Net cash paid for customer brokerage deposits	(2,355,117,533)	2,355,117,533	–	–	
Interest, fee and commission expenses paid	(1,234,184,229)	1,234,184,229	–	–	
Net decrease in repo transactions	(1,901,065)	1,901,065	–	–	
Cash paid to and for employees	(1,588,077,471)	1,588,077,471	–	–	
Cash paid for taxes	(623,608,666)	623,608,666	–	–	
Cash outflows associated with other operating activities	(987,465,600)	987,465,600	–	–	
		1,734,593,294	–	1,734,593,294	Profit before income tax
					Adjustments for:
		381,330,021	–	381,330,021	Net financing interest expenses
		188,007,727	–	188,007,727	Depreciation and amortisation expenses
		(39,846,787)	–	(39,846,787)	Reversal of impairment losses under ECL model
		(602,087)	–	(602,087)	Net gains on disposal of property, equipment and other long-term assets
		1,438,079	–	1,438,079	Foreign exchange losses from derivatives and others
		(150,026,286)	–	(150,026,286)	Gains on changes in fair value of financial instruments at fair value through profit or loss
		(327,719,879)	–	(327,719,879)	Interest income from debt instruments at fair value through other comprehensive income
		(45,882,698)	–	(45,882,698)	Dividend income from investments in financial assets and share of profits of associates and joint ventures
		(35,581,891)	–	(35,581,891)	Net gains on disposal of investments
				1,705,709,493	**Operating cash flows before movements in working capital**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from operating activities (continued)					**Cash flows from operating activities:** (continued)
		(1,470,731,966)	–	(1,470,731,966)	Increase in receivables from margin clients
		(218,485,299)	–	(218,485,299)	Increase in accounts receivable, other receivables and prepayments
		135,387,505	–	135,387,505	Decrease in reverse REPOs
		(862,988,303)	–	(862,988,303)	Increase in financial instruments at fair value through profit or loss
		–	2,525,387,274	2,525,387,274	Decrease in cash held on behalf of clients
		(111,693,113)	–	(111,693,113)	Increase in restricted bank deposits
		(287,066,932)	–	(287,066,932)	Increase in refundable deposits
		(2,355,117,533)	–	(2,355,117,533)	Decrease in accounts payable to brokerage clients
		(40,140,093)	–	(40,140,093)	Decrease in REPOs
		6,336,708,170	–	6,336,708,170	Increase in other liabilities
				5,356,969,203	**Cash generated from operating activities, before income tax**
		(161,428,248)	–	(161,428,248)	Income tax paid
Net cash generated from operating activities	2,418,358,863	251,794,818	2,525,387,274	5,195,540,955	**Net cash generated from operating activities**
Cash flows from investing activities					**Cash flows from investing activities:**
Cash receipts from disposal of investments	7,818,148,208	–	–	7,818,148,208	Cash receipts from disposal of investments
Cash receipts of investment returns	64,252,622	327,719,879	–	391,972,501	Cash receipts from investment returns
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	1,352,970	–	–	1,352,970	Proceeds from disposal of property, equipment and other long-term assets
Payment for purchase of investments	(19,343,773,251)	–	–	(19,343,773,251)	Purchase of investments
Payment for purchase and construction of fixed assets, intangible assets and other long-term assets	(88,905,974)	–	–	(88,905,974)	Purchase of property, equipment and other long-term assets
Net cash generated from investing activities	(11,548,925,425)	327,719,879	–	(11,221,205,546)	**Net cash used in investing activities**

RECONCILIATIONS ON CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

(Expressed in Renminbi ("RMB"), unless otherwise stated)

Unadjusted Financial Information under PRC GAAP		Adjustments *(Note 1)*	Adjustment *(Note 2)*	Unaudited Financial Information under IFRS Accounting Standards	
Cash flows from financing activities					**Cash flows from financing activities:**
Cash inflows from financing activities	2,580,957,036	–	–	2,580,957,036	Proceeds from accepting investment
Net cash received from consolidated structured entities	330,735,355	(330,735,355)	–	–	
Cash received from borrowings	353,070,898	(353,070,898)	–	–	
Cash received from issuance of bonds	17,224,930,000	(7,224,930,000)	–	10,000,000,000	Proceeds from issuance of corporate bonds
		7,224,930,000	–	7,224,930,000	Proceeds from issuance of commercial papers
Cash repayments of borrowings	(13,177,629,621)	9,876,639,621	–	(3,300,990,000)	Redemption of commercial papers
		(321,430,518)	–	(321,430,518)	Redemption of borrowing
		(9,509,010,920)	–	(9,509,010,920)	Redemption of corporate bonds
Cash paid for dividends, profit distribution or interests	(567,730,208)	425,038,208	–	(142,692,000)	Dividends paid to shareholders of the Company
		(366,944,835)	–	(366,944,835)	Cash paid for interest
Cash outflows associated with other financing activities	(136,886,052)	–	–	(136,886,052)	Repayment of lease liabilities
Net cash generated from financing activities	6,607,447,408	(579,514,697)	–	6,027,932,711	**Net cash generated from financing activities**
Effect of exchange rate changes on cash and cash equivalents	28,318,972				
Net change in cash and cash equivalents	(2,494,800,182)	(28,318,972)	2,525,387,274	2,268,120	Net increase in cash and cash equivalents
				28,318,972	Effect of exchange rate changes
Add: cash and cash equivalents at the beginning of the year	21,509,674,004	–	(18,111,771,381)	3,397,902,623	Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year	19,014,873,822	–	(15,586,384,107)	3,428,489,715	**Cash and cash equivalents at the end of the year**
					Net cash generated from/(used in) operating activities including:
				1,386,951,688	Interest received
				(622,393,121)	Interest paid

Notes:

1. Adjustments represent reclassification to align with the presentation of the consolidated financial statements of the Cinda Group with accounting policies and presentation of the consolidated financial statements of the Group. These reclassifications do not have any impact on the net profit nor the net assets of the Cinda Group.

2. This adjustment is to reconcile the difference of presentation of cash held on behalf of brokage clients between PRC GAAP and IFRS Accounting Standards. According to IFRS Accounting Standards adopted by the Group, cash held on behalf of brokage clients were not presented as cash and cash equivalents.

1. Financial Reports of CICC

The audited consolidated financial statements of the CICC Group for the three financial years ended December 31, 2023, 2024 and 2025 are disclosed in the annual reports of CICC for the years ended December 31, 2023, 2024 and 2025 respectively. All of the above financial statements have been published on the website of CICC (www.cicc.com) and the website of the Stock Exchange (www.hkexnews.hk) and can be accessed by the direct hyperlinks below:

(a) in respect of the annual report of CICC for the year ended December 31, 2023 (pages 259 to 436):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0416/2024041600838.pdf

(b) in respect of the annual report of CICC for the year ended December 31, 2024 (pages 251 to 425):

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0415/2025041500708.pdf

(c) in respect of the annual report of CICC for the year ended December 31, 2025 (pages 255 to 434):

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0416/2026041600446.pdf

2. Indebtedness statement of the Enlarged CICC Group

Indebtedness statement of the CICC Group

As of March 31, 2026, the most recent practicable date for determining the indebtedness of the CICC Group, the CICC Group had bank overdrafts of RMB1.46 million, placements from financial institutions of RMB55,682.45 million, short-term debt instruments of RMB13,572.85 million, bonds payable of RMB148,674.44 million, and lease liabilities of RMB3,594.08 million.

The following table sets forth a breakdown of the indebtedness of the CICC Group by type as of the dates indicated.

	As of March 31, 2026 *(in millions of RMB)* *(unaudited)*
Bank overdrafts – unsecured and unguaranteed	**1.46**
Placements from financial institutions	**55,682.45**
Placements from financial institutions – unsecured and unguaranteed	47,773.53
Placements from financial institutions – secured	7,908.92
Short-term debt instruments	**13,572.85**
Short-term commercial papers – unsecured and unguaranteed	4,817.14
Short-term beneficiary certificates – unsecured and unguaranteed	8,536.02
Structured notes – unsecured and unguaranteed	219.69
Bonds payable	**148,674.44**
Corporate bonds – unsecured and unguaranteed	98,192.79
Subordinated bonds – unsecured and unguaranteed	16,144.93
Medium-term notes – unsecured and unguaranteed	23,617.39
Long-term beneficiary certificates – unsecured and unguaranteed	10,719.33
Lease liabilities – unsecured and unguaranteed	**3,594.08**
Total	**221,525.28**

In addition to the issued bonds payables and short-term financing bills payables above, as of March 31, 2026, the CICC Group had outstanding authorised but unissued debt securities of approximately RMB170,437.16 million.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, as at the close of business on March 31, 2026, the CICC Group did not have any outstanding loan capital or debt securities issued or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or lease commitments, guarantees or material contingent liabilities. The CICC Group, in accordance with its financing needs, may from time to time to formulate external financing plans.

The Directors of CICC have confirmed that there have been no material adverse changes in the indebtedness or contingent liabilities of the CICC Group since March 31, 2026.

Indebtedness statement of the Dongxing Group

Indebtedness:

	As of March 31, 2026 *(in RMB thousand)* *(unaudited)*
Short-term loans	**875,158.32**
Short-term loans – unsecured and unguaranteed	875,158.32
Placements from financial institutions	**3,603,148.53**
Placements from financial institutions – unsecured and unguaranteed	2,820,447.36
Placements from financial institutions – secured	782,701.17
Short-term debt securities issued	**12,143,327.95**
Short-term debt securities issued – unsecured and unguaranteed	12,143,327.95
Bonds payable	**14,810,930.22**
Bonds payable – unsecured and unguaranteed	14,810,930.22
Lease liabilities	**145,532.03**
Lease liabilities – unsecured and unguaranteed	145,532.03
Total	31,578,097.05

In addition to short-term debt securities issued and bonds payable above, as of March 31, 2026, the Dongxing Group had outstanding authorised but unissued debt securities of approximately RMB13,100 million.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, as at the close of business on March 31, 2026, the Dongxing Group did not have any outstanding loan capital or debt securities issued or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or lease commitments, guarantees or material contingent liabilities. The Dongxing Group, in accordance with its financing needs, may from time to time to formulate external financing plans.

The Directors of Dongxing Securities have confirmed that there have been no material adverse changes in the indebtedness or contingent liabilities of the Dongxing Group since March 31, 2026.

Indebtedness Statement of the Cinda Group

As of March 31, 2026, the most recent practicable date for determining the indebtedness of the Cinda Group, the Cinda Group had bank overdrafts of RMB913.12 million, placements from financial institutions of RMB21,279.46 million, bonds payable of RMB21,697.46 million, and lease liabilities of RMB280.85 million.

The following table sets forth a breakdown of the indebtedness of the Cinda Group by type as of the dates indicated.

	As of March 31, 2026 *(in millions of RMB)* *(unaudited)*
Short-term-loans – unsecured and unguaranteed	**913.12**
Placements from financial institutions	**21,279.46**
Placements from banks – unsecured and unguaranteed	14,046.46
Placements from other financial institutions – secured	7,032.96
Placements from other financial institutions – unsecured and unguaranteed	200.04
Bonds payable	**21,697.46**
Corporate bonds – unsecured and unguaranteed	17,636.80
Subordinated bonds – unsecured and unguaranteed	4,060.66
Lease liabilities – unsecured and unguaranteed	**280.85**
Total	**44,170.89**

In addition to the issued bonds payables above, as of March 31, 2026, the Cinda Group had outstanding authorised but unissued bonds payables, bank overdrafts and placements from financial institutions, of approximately RMB31,360.76 million.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, as at the close of business on March 31, 2026, the Cinda Group did not have any outstanding loan capital or debt securities issued or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or lease commitments, or guarantees. The Cinda Group, in accordance with its financing needs, may from time to time to formulate external financing plans.

The directors of Cinda Securities have confirmed that there have been no material adverse changes in the indebtedness of the Cinda Group since March 31, 2026.

3. Working Capital

The CICC Directors are of the opinion that, taking into consideration the effect of the Proposed Mergers and the financial resources available to the Enlarged CICC Group, including internally generated funds and external borrowings, the Enlarged CICC Group will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular. CICC has obtained the relevant confirmation as required under Rule 14.66(12) of the Hong Kong Listing Rules.

4. Financial and Trading Prospect of the CICC Group

CICC achieved substantial improvement in overall performance in 2025. At the end of 2025, the total assets of CICC amounted to RMB782,826 million, representing a 16.0% year-on-year increase; the total equity attributable to shareholders of the Company amounted to RMB122,058 million, representing a 5.8% year-on-year increase. CICC recorded total revenue and other income of RMB40,770 million, representing a 22.9% year-on-year increase; the total comprehensive income for the year attributable to shareholders of the Company amounted to RMB9,791 million, representing a 71.9% year-on-year increase.

CICC has systematically formulated our medium-to long-term strategic plan. In alignment with the guiding principles of the Fourth Plenary Session of the 20th CPC Central Committee and the proposal for the '15th Five-Year Plan', CICC has developed a new round of strategic plan. Anchored in the strategic goal of building a world-class investment bank, CICC focuses on key priorities such as strengthening professional capabilities, deepening client relationships, and driving organizational transformation. By advancing reforms in internal management systems and mechanisms, as well as comprehensively upgrading the core competencies, CICC is accelerating in its journey towards becoming a world-class investment bank.

Deepening reform and innovation, CICC has further established a more refined internal management system. CICC continuously optimizes organizational management, advances the institutional reform of subsidiaries and branches, further refines the management model that combines vertical and horizontal lines of authority, and enhance corporate governance standards. CICC comprehensively strengthens risk control and compliance framework, continuously solidifies its compliance and risk control defenses to ensure the stable operation of businesses and the sustainable development of the Company.

CICC actively seizes M& A opportunities. While sustaining high-quality organic growth, CICC vigorously promotes the merging with Dongxing Securities and Cinda Securities by way of merger by absorption. CICC strives to fully unleash the complementary advantages in business capabilities, network coverage, client resources, and financial capital, to achieve the effect of '1+2>3'.

Amidst evolving market opportunities and challenges, CICC's business segments have demonstrated strong competitiveness: investment banking business continues to lead major domestic and overseas capital market transactions; equities business steadily enhances its global trading service capabilities; the overseas business recorded rapid growth; asset management business achieved new breakthroughs in scale, private equity investment vigorously explores new sectors driven by high-quality productive forces; wealth management makes solid progress in its client-centered shift toward buy-side advisory services. Through the synergetic growth of all business segments, CICC has further consolidated our market leadership in key areas.

In 2026, CICC believes that the competitive landscape of China's securities industry will improve consistently and the industry's concentration ratio will further increase for the following reasons: a policy framework that supports high-quality securities firms but imposes restrictions on poor performers, complex market conditions that put higher requirements on securities firms' professional capabilities, and accelerating industry consolidation under policy support for the development of first-class investment banks. Against this backdrop, CICC believes top tier securities firms with outstanding comprehensive strengths, balanced business portfolios, and sound systems for compliance and risk control will likely maintain and enhance

their competitive advantages and steadily grow into first-class international investment banks. For a few small and medium firms with unique strengths in certain market segments and rapid progress in strategic transformation, we also believe they are likely to leverage their competitive advantage and achieve differentiated business growth, thereby benefiting from high-quality development of the securities industry.

In 2026, CICC aims to position itself among two to three investment banks and investment institutions with true international competitiveness and market leadership, building a world-class investment bank rooted in China. By capitalizing on the "five priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance, strengthening the prevention and mitigation of financial risks, and advancing high-level opening up, CICC is developing capabilities that align with international best practices in serving national strategies, business operations, and organizational competitiveness. CICC is committed to delivering outstanding, integrated financial services to clients worldwide and to building a business model distinguished by excellence in client service, financial performance, and social reputation. CICC will continue to act as a bridge between the real economy and the capital market, contributing to the "five priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance, and making new breakthroughs and achievements on the path of high-quality development; maintain strategic focus, and strengthen the strategic guidance and empowerment of business development; actively seize market opportunities, consolidate core competitive advantages and business strengths, and accelerate to become a first-class investment bank with international competitiveness.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED CICC GROUP

1. BASIS OF PREPARATION

China International Capital Corporation Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**"), Dongxing Securities Co., Ltd and its subsidiaries (collectively the "**Dongxing Group**"), and Cinda Securities Co., Ltd. and its subsidiaries (collectively the "**Cinda Group**") (collectively referred to as the "**Enlarged CICC Group**") entered into the Merger Agreement in relation to a proposed mergers (the "**Proposed Mergers**").

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities (the "**Unaudited Pro Forma Financial Information**") of the Enlarged CICC Group as a result of the completion of the Proposed Mergers on the basis set out in the notes below for illustrating the effect of the Proposed Mergers, as if the Proposed Mergers had taken place on December 31, 2025. The Directors consider that such basis is appropriate for reflecting the accounting treatment to be adopted upon completion of the Proposed Mergers and providing the relevant information to the shareholders of the Group.

The Unaudited Pro Forma Financial Information has been prepared based on (i) the audited consolidated statement of financial position of the Group as at December 31, 2025 as extracted from the published annual report for the year ended December 31, 2025; (ii) the unaudited consolidated statement of financial position of the Dongxing Group as at December 31, 2025 as extracted from the Reconciliation between the accounting policies adopted by the Company (IFRS Accounting Standards) and Dongxing Group (PRC GAAP) as set out in Part B of Appendix II of the Circular; (iii) the unaudited consolidated statement of financial position of the Cinda Group as at December 31, 2025 as extracted from the Reconciliation between the accounting policies adopted by the Company (IFRS Accounting Standards) and Cinda Group (PRC GAAP) as set out in Part B of Appendix III of the Circular; and (iv) after giving effect to other unaudited pro forma adjustments as described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors in accordance with Rule 4.29 of the Hong Kong Listing Rules for the purposes of illustrating the effect of the Proposed Mergers only, based on their judgements, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the actual assets and liabilities of the Enlarged CICC Group that would be attained had the Proposed Mergers been completed as of the specified date or any future date. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Enlarged CICC Group's future assets and liabilities.

The Unaudited Pro Forma Financial Information has been prepared under accounting policies consistent with those of the Group as set out in the published annual report of the Company for the year ended December 31, 2025.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in the circular of the Company dated May 18, 2026.

2. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED CICC GROUP

	The Group as at December 31, 2025 *RMB* *Note 1*	The Dongxing Group as at December 31, 2025 *RMB* *(Unaudited)* *Note 2*	The Cinda Group as at December 31, 2025 *RMB* *(Unaudited)* *Note 3*	Adjustments *RMB* *Note 4*	Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged CICC Group *RMB*
Non-current assets:					
Property and equipment	2,137,946,705	128,753,448	127,331,518	–	2,394,031,671
Right-of-use assets	4,551,408,012	180,297,728	338,259,865	–	5,069,965,605
Investment properties	11,493,296	13,455,643	–	–	24,948,939
Goodwill	1,622,663,283	–	1,005,973	–	1,623,669,256
Intangible assets	1,017,273,117	49,347,674	113,444,315	–	1,180,065,106
Interests in associates and joint ventures	982,517,564	284,517,060	400,536,016	–	1,667,570,640
Equity instruments at fair value through other comprehensive income	12,015,410,310	10,347,856,580	8,877,389,538	–	31,240,656,428
Financial assets at fair value through profit or loss	9,253,705,157	122,043,391	7,043,503,204	–	16,419,251,752
Financial assets held under resale agreements ("reverse REPOs")	372,445,692	–	1,011,747,393	–	1,384,193,085
Refundable deposits	14,205,301,374	1,602,420,844	4,270,356,417	–	20,078,078,635
Deferred tax assets	2,593,207,103	461,874,168	1,086,402	90,637	3,056,258,310
Cash and bank balances	–	–	11,662,565	–	11,662,565
Other non-current assets	552,900,185	–	224,836,717	–	777,736,902
Total non-current assets	49,316,271,798	13,190,566,536	22,421,159,923	90,637	84,928,088,894
Current assets:					
Accounts receivable	44,056,010,281	806,132,312	349,292,110	(12,526,335)	45,198,908,368
Receivables from margin clients	65,854,095,470	20,507,098,178	16,726,893,210	–	103,088,086,858
Debt instruments at fair value through other comprehensive income	119,343,275,843	23,676,122,860	23,705,573,136	(50,216,698)	166,674,755,141
Financial assets at fair value through profit or loss	286,102,902,973	31,701,219,096	35,311,906,872	(29,277,478)	353,086,751,463
Reverse REPOs	22,046,701,332	518,135,461	550,452,392	–	23,115,289,185
Derivative financial assets	12,718,479,853	115,970,775	108,603,362	–	12,943,053,990
Cash held on behalf of clients	121,916,326,269	20,149,183,566	26,147,493,541	–	168,213,003,376
Cash and bank balances	60,922,073,145	2,552,238,556	4,427,347,992	–	67,901,659,693
Other current assets	550,030,149	981,233,088	202,096,320	–	1,733,359,557
Total current assets	733,509,895,315	101,007,333,892	107,529,658,935	(92,020,511)	941,954,867,631
Total assets	782,826,167,113	114,197,900,428	129,950,818,858	(91,929,874)	1,026,882,956,525

2. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED CICC GROUP (continued)

	The Group as at December 31, 2025 *RMB* *Note 1*	The Dongxing Group as at December 31, 2025 *RMB* *(Unaudited)* *Note 2*	The Cinda Group as at December 31, 2025 *RMB* *(Unaudited)* *Note 3*	Adjustments *RMB* *Note 4*	Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged CICC Group *RMB*
Current liabilities:					
Financial liabilities at fair value through profit or loss	38,945,097,041	2,639,328,474	25,301	–	41,584,450,816
Derivative financial liabilities	18,118,853,809	536,671,166	1,507,004	–	18,657,031,979
Accounts payable to brokerage clients	130,104,679,728	20,699,348,759	28,787,716,282	–	179,591,744,769
Placements from financial institutions	55,815,456,506	3,760,056,794	26,498,266,221	–	86,073,779,521
Short-term debt securities issued	21,053,777,542	13,637,073,232	–	–	34,690,850,774
Financial assets sold under repurchase agreements ("**REPOs**")	112,569,758,795	20,969,791,350	20,240,349,189	–	153,779,899,334
Employee benefits payable	5,167,525,814	365,598,320	106,000,389	–	5,639,124,523
Income tax payable	839,267,127	25,490,789	116,952,751	–	981,710,667
Long-term debt securities issued due within one year	67,889,941,320	2,254,274,553	17,291,098,944	–	87,435,314,817
Lease liabilities	705,155,200	27,792,264	128,789,410	–	861,736,874
Contract liabilities	329,533,889	116,696,938	4,860,513	–	451,091,340
Other current liabilities	133,487,301,355	3,033,676,277	574,464,579	(12,526,336)	137,082,915,875
Total current liabilities	585,026,348,126	68,065,798,916	93,750,030,583	(12,526,336)	746,829,651,289
Net current assets	148,483,547,189	32,941,534,976	13,779,628,352	(79,494,175)	195,125,216,342
Total assets less current liabilities	197,799,818,987	46,132,101,512	36,200,788,275	(79,403,538)	280,053,305,236
Non-current liabilities:					
Non-current employee benefits payable	444,751,016	101,000,000	66,459,134	–	612,210,150
Long-term debt securities issued	69,060,178,332	12,562,642,903	5,362,948,271	(38,732,944)	86,947,036,562
Deferred tax liabilities	359,929,315	43,947,045	99,500,329	–	503,376,689
Lease liabilities	3,019,251,338	136,417,812	202,319,296	–	3,357,988,446
Other non-current liabilities	527,237,432	354,765	1,716,287,463	–	2,243,879,660
Total non-current liabilities	73,411,347,433	12,844,362,525	7,447,514,493	(38,732,944)	93,664,491,507
Net assets	124,388,471,554	33,287,738,987	28,753,273,782	(40,670,594)	186,388,813,729

3. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED CICC GROUP

1. The amounts are extracted from the published annual report of the Group for the year ended December 31, 2025 dated March 30, 2026.

2. The amounts are extracted from the Unaudited Financial Information under IFRS Accounting Standards of the Dongxing Group as at December 31, 2025, which are extracted from the Reconciliation between the accounting policies adopted by the Company (IFRS Accounting Standards) and Dongxing Group (PRC GAAP) as set out in Part B of Appendix II of the Circular.

3. The amounts are extracted from the Unaudited Financial Information under IFRS Accounting Standards of the Cinda Group as at December 31, 2025, which are extracted from the Reconciliation between the accounting policies adopted by the Company (IFRS Accounting Standards) and Cinda Group (PRC GAAP) as set out in Part B of Appendix III of the Circular.

4. The adjustments represented the elimination of balances between the Group, the Dongxing Group and the Cinda Group. For the purpose of this Unaudited Pro Forma Financial Information, the balances to be eliminated are determined based on the outstanding balances of the Group as at December 31, 2025.

5. No adjustment has been made to the Unaudited Pro Forma Financial Information for acquisition-related costs (including fees to legal advisers, financial adviser, reporting accountants, valuer, printer and other expenses) as the Directors determined that such costs are insignificant.

6. Save as disclosed above, no other adjustments have been made to reflect any trading results or other transactions of the Group, the Dongxing Group and the Cinda Group entered into subsequent to December 31, 2025 respectively for the purpose of preparation of the Unaudited Pro Forma Financial Information.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



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To the Directors of China International Capital Corporation Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China International Capital Corporation Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2025, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages V-1 to V-4 to the circular dated 18 May 2026 (the "**Circular**") in relation to the proposed mergers by the Company merging with Dongxing Securities Co., Ltd. and Cinda Securities Co., Ltd. by way of merger by absorption (the "**Proposed Mergers**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages V-1 to V-4 to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Mergers on the Group's financial position as at 31 December 2025 as if the Proposed Mergers had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2025, on which an annual report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Proposed Mergers on unadjusted financial information of the Group as if the Proposed Mergers had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Mergers would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Mergers, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Proposed Mergers in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants

Hong Kong
18 May 2026

MANAGEMENT DISCUSSION AND ANALYSIS ON THE PERFORMANCE OF THE DONGXING GROUP

1. Financial Position Analysis

(1) Asset Composition Analysis

As of the end of each reporting period, the asset composition of Dongxing Securities' consolidated financial statements is as follows:

Unit: RMB10,000

Items	December 31, 2025		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	1,829,946.61	16.02%	1,523,392.66	14.48%	1,104,120.30	11.12%
Deposits with clearing houses	440,195.60	3.85%	580,172.81	5.51%	372,520.91	3.75%
Receivable from margin clients	2,050,709.82	17.96%	1,653,655.31	15.71%	1,721,049.57	17.34%
Derivative financial assets	11,597.08	0.10%	29,009.86	0.28%	42,606.66	0.43%
Financial assets held under resale agreements ("**reverse REPOs**")	51,813.55	0.45%	31,415.94	0.30%	53,329.16	0.54%
Receivables	11,726.37	0.10%	32,032.53	0.30%	28,377.79	0.29%
Refundable deposits	160,242.08	1.40%	118,541.43	1.13%	202,780.73	2.04%
Financial assets held for trading	3,182,326.25	27.87%	3,609,198.48	34.30%	2,031,952.31	20.47%
Other debt investments	2,367,612.29	20.73%	2,025,307.08	19.25%	3,629,180.32	36.56%
Investments in other equity instruments	1,034,785.66	9.06%	651,332.71	6.19%	460,333.59	4.64%
Long-term equity investments	28,451.71	0.25%	31,958.51	0.30%	33,648.49	0.34%
Fixed assets	11,895.37	0.10%	13,063.67	0.12%	16,035.56	0.16%
Investment properties	1,345.56	0.01%	1,601.40	0.02%	1,857.24	0.02%
Right-of-use assets	18,029.77	0.16%	28,226.49	0.27%	26,950.73	0.27%
Intangible assets	4,934.77	0.04%	5,419.61	0.05%	5,279.33	0.05%
Goodwill	–	–	–	–	2,000.00	0.02%
Deferred tax assets	46,187.42	0.40%	63,689.53	0.61%	66,276.83	0.67%
Other assets	167,990.15	1.47%	124,832.12	1.19%	129,654.83	1.31%
Total assets	**11,419,790.04**	**100.00%**	**10,522,850.15**	**100.00%**	**9,927,954.36**	**100.00%**

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' total assets amounted to RMB99,279,543.6 thousands, RMB105,228,501.5 thousands, and RMB114,197,900.4 thousands, respectively, reflecting steady growth in asset scale. The balance increased by RMB5,948,957.8 thousands, or 5.99%, at the end of 2024 compared with the end of 2023, primarily due to increases in cash and cash equivalents, and financial assets held for trading. The balance increased by RMB8,969,399.0 thousands, or 8.52%, at the end of 2025 compared with the end of 2024, mainly attributable to increases in receivable from margin clients, investments in other

equity instruments, other debt investments and cash and cash equivalents. As of the end of each reporting period, no material changes occurred in the asset structure of Dongxing Securities. Changes in the major components of assets and the reasons for such changes are as follows:

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' cash and cash equivalents amounted to RMB11,041,203.0 thousands, RMB15,233,926.6 thousands, and RMB18,299,466.1 thousands, accounting for 11.12%, 14.48%, and 16.02% of total assets, respectively. These balances mainly comprised client deposits and Dongxing Securities' own funds. Cash balances increased by RMB4,192,723.6 thousands, or 37.97%, at the end of 2024 compared with the end of 2023, and by RMB3,065,539.5 thousands, or 20.12%, at the end of 2025 compared with the end of 2024, the increase during the reporting periods was primarily due to growth in client funds in the securities brokerage business.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' deposits with clearing houses amounted to RMB3,725,209.1 thousands, RMB5,801,728.1 thousands, and RMB4,401,956.0 thousands, representing 3.75%, 5.51%, and 3.85% of total assets, respectively. These mainly included deposits with corporate and deposits with clients, mainly held with securities depository and clearing institutions and exchanges to meet clearing and settlement needs, and carried relatively low credit risk. The balance of deposits with clearing houses increased by RMB2,076,518.9 thousands, or 55.74%, at the end of 2024 compared with the end of 2023, primarily due to higher deposits with clients, and decreased by RMB1,399,772,000, or 24.13%, at the end of 2025 compared with the end of 2024, mainly due to a reduction in deposits with clients.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' receivable from margin clients amounted to RMB17,210,495.7 thousands, RMB16,536,553.1 thousands, and RMB20,507,098.2 thousands, accounting for 17.34%, 15.71%, and 17.96% of total assets, respectively. The balance remained broadly stable at the end of 2024 compared with the end of 2023, and increased by RMB3,970,545.1 thousands, or 24.01%, at the end of 2025 compared with the end of 2024, primarily due to the increase in investment demand from domestic individual clients.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' refundable deposits amounted to RMB2,027,807.3 thousands, RMB1,185,414.3 thousands, and RMB1,602,420.8 thousands, representing 2.04%, 1.13%, and 1.40% of total assets, respectively. These mainly comprised trading margins, credit margins, and performance margins. The balance of refundable deposits decreased by RMB842,393,000, or 41.54%, at the end of 2024 compared with the end of 2023, mainly due to a reduction in performance margins, and increased by RMB417,006.5 thousands, or 35.18%, at the end of 2025 compared with the end of 2024, primarily due to higher trading margins.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' financial assets held for trading amounted to RMB20,319,523.1 thousands, RMB36,091,984.8 thousands, and RMB31,823,262.5 thousands, accounting for 20.47%, 34.30%, and 27.87% of total assets, respectively. These assets mainly comprised bonds, funds, equities, bank wealth management products, and asset management products. Financial assets held for trading increased by

RMB15,772,461.7 thousands, or 77.62%, at the end of 2024 compared with the end of 2023, mainly due to higher bond investments, and decreased by RMB4,268,722.3 thousands, or 11.83%, at the end of 2025 compared with the end of 2024, primarily due to reductions in bond investments.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' other debt investments amounted to RMB36,291,803.2 thousands, RMB20,253,070.8 thousands, and RMB23,676,122.9 thousands, accounting for 36.56%, 19.25%, and 20.73% of total assets, respectively. These mainly included government bonds, corporate bonds, financial bonds and local government bonds, etc. The balance of other debt investments decreased by RMB16,038,732.4 thousands, or 44.19%, at the end of 2024 compared with the end of 2023, primarily due to reductions in negotiable certificates of deposit, government bonds, local government bonds and financial bonds held, and increased by RMB3,423,052.1 thousands, or 16.90%, at the end of 2025 compared with the end of 2024, mainly due to higher holdings of local government bonds and financial bonds held.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' investments in other equity instruments amounted to RMB4,603,335.9 thousands, RMB6,513,327.1 thousands, and RMB10,347,856.6 thousands, accounting for 4.64%, 6.19%, and 9.06% of total assets, respectively. These primarily comprised non-trading equity instruments. The balance of investments in other equity instruments increased by RMB1,909,991.2 thousands, or 41.49%, at the end of 2024 compared with the end of 2023, and by RMB3,834,529.5 thousands, or 58.87%, at the end of 2025 compared with the end of 2024, the increase during the reporting periods was mainly due to the increase in non-trading equity investments.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' other assets amounted to RMB1,296,548.3 thousands, RMB1,248,321.2 thousands, and RMB1,679,901.5 thousands, accounting for 1.31%, 1.19%, and 1.47% of total assets, respectively. These mainly comprised other receivables, prepayments, and commodity inventories. The balance of other assets remained broadly stable at the end of 2024 compared with the end of 2023, and increased by RMB431,580.3 thousands, or 34.57%, at the end of 2025 compared with the end of 2024, primarily due to the increase in commodity inventories and prepayments.

(2) Liability Composition Analysis

As of the end of each reporting period, the liability composition of Dongxing Securities' consolidated financial statements is as follows:

Unit: RMB10,000

Items	December 31, 2025		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%
Short-term borrowings	69,183.44	0.86%	–	–	–	–
Placements from financial institutions	306,822.24	3.79%	403,040.22	5.25%	512,219.16	7.10%
Short-term debt securities issued	1,363,707.32	16.85%	1,405,756.51	18.30%	961,964.59	13.33%

Items	December 31, 2025		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%
Financial liabilities held for trading	263,932.85	3.26%	104,112.93	1.36%	65,122.24	0.90%
Derivative financial liabilities	53,667.12	0.66%	41,413.03	0.54%	43,165.58	0.60%
Financial assets sold under repurchase agreements ("**REPOs**")	2,096,979.13	25.92%	2,452,185.99	31.92%	2,433,974.47	33.73%
Accounts payable to brokerage clients	2,069,934.88	25.58%	1,778,084.04	23.14%	1,312,572.99	18.19%
Employee benefits payable	46,659.83	0.58%	37,424.03	0.49%	33,490.96	0.46%
Taxes payable	15,027.18	0.19%	11,320.04	0.15%	4,439.42	0.06%
Payables	71,747.04	0.89%	65,040.93	0.85%	62,297.99	0.86%
Contract liabilities	11,669.69	0.14%	5,240.89	0.07%	3,948.09	0.05%
Provisions	–	–	–	–	5,240.81	0.07%
Long-term debt securities issued	1,481,691.75	18.31%	1,064,989.41	13.86%	1,352,415.33	18.74%
Lease liabilities	16,421.01	0.20%	26,146.67	0.34%	23,816.02	0.33%
Deferred tax liabilities	4,394.70	0.05%	2,736.35	0.04%	2,620.05	0.04%
Other liabilities	219,177.97	2.71%	285,501.44	3.72%	399,828.99	5.54%
Total liabilities	**8,091,016.14**	**100.00%**	**7,682,992.49**	**100.00%**	**7,217,116.71**	**100.00%**

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' total liabilities amounted to RMB72,171,167.1 thousands, RMB76,829,924.9 thousands, and RMB80,910,161.4 thousands, respectively. The balance increased by RMB4,658,757,800, or 6.46%, at the end of 2024 compared with the end of 2023, mainly due to the increase in short-term debt securities issued and accounts payable to brokerage clients. The balance increased by RMB4,080,236.5 thousands, or 5.31%, at the end of 2025 compared with the end of 2024, primarily due to the increase in accounts payable to brokerage clients and long-term debt securities issued. At the end of each reporting period, the liability structure of Dongxing Securities did not undergo significant changes. Changes in the major components of liabilities and the reasons for such changes are as follows:

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' placements from financial institutions amounted to RMB5,122,191,600, RMB4,030,402,200, and RMB3,068,222,400, accounting for 7.10%, 5.25%, and 3.79% of total liabilities, respectively. These mainly comprised placements from banks and placements from securities lending and refinancing. The balance of placements from financial institutions decreased by RMB1,091,789,400, or 21.31%, at the end of 2024 compared with the end of 2023, due to lower placements from banks, and the balance decreased by RMB962,179,800, or 23.87%, at the end of 2025 compared with the end of 2024 due to lower placements from securities lending and refinancing.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' short-term debt securities issued amounted to RMB9,619,645.9 thousands, RMB14,057,565.1 thousands, and RMB13,637,073.2 thousands, accounting for 13.33%, 18.30%, and 16.85% of total liabilities, respectively. These primarily comprised commercial papers and income certificates. The balance of short-term debt securities issued increased by RMB4,437,919.2 thousands, or 46.13%, at the end of 2024 compared with the end of 2023, mainly attributable to a larger scale of income certificate payable, while no material change occurred at the end of 2025 compared with the end of 2024.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' financial liabilities held for trading amounted to RMB651,222.4 thousands, RMB1,041,129.3 thousands, and RMB2,639,328.5 thousands, accounting for 0.90%, 1.36%, and 3.26% of total liabilities, respectively, mainly comprising income certificates and structured notes. The balance of financial liabilities held for trading increased by RMB389,907.0 thousands, or 59.87%, at the end of 2024 compared with the end of 2023, mainly due to the increase in structured notes, and increased by RMB1,598,199,100, or 153.51%, at the end of 2025 compared with the end of 2024, mainly due to the increase in income certificates and structured notes.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' REPOs amounted to RMB24,339,744.7 thousands, RMB24,521,859.9 thousands, and RMB20,969,791.3 thousands, accounting for 33.73%, 31.92%, and 25.92% of total liabilities, respectively. The main business categories included pledged repos, quoted repos, and outright repos. The balance of REPOs remained largely unchanged at the end of 2024 compared to the end of 2023, and decreased by RMB3,552,068.5 thousands, or 14.49%, at the end of 2025 compared with the end of 2024, mainly due to the reduction in the pledged repos.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' accounts payable to brokerage clients amounted to RMB13,125,729.9 thousands, RMB17,780,840.4 thousands, and RMB20,699,348.8 thousands, accounting for 18.19%, 23.14%, and 25.58% of total liabilities, respectively. These represented funds deposited by brokerage clients for securities investment. The balance of accounts payable to brokerage clients increased by RMB4,655,110.5 thousands, or 35.47%, at the end of 2024 compared with the end of 2023, and increased by RMB2,918,508.4 thousands, or 16.41%, at the end of 2025 compared with the end of 2024. These increases during the reporting periods were mainly driven by the increase in funds deposited by ordinary brokerage individual and institutional clients for securities investment.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' long-term debt securities issued amounted to RMB13,524,153.3 thousands, RMB10,649,894.1 thousands, and RMB14,816,917.5 thousands, accounting for 18.74%, 13.86%, and 18.31% of total liabilities, respectively. As of the end of 2025, all bond principal and interest payments were made on schedule with no defaults. The balance of long-term debt securities issued decreased by RMB2,874,259.2 thousands, or 21.25%, at the end of 2024 compared with the end of 2023, mainly due to redemption of maturing bonds, and increased by RMB4,167,023.3 thousands, or 39.13%, at the end of 2025 compared with the end of 2024, reflecting additional bond issuance.

As of the end of 2023, the end of 2024, and the end of 2025, Dongxing Securities' other liabilities amounted to RMB3,998,289.9 thousands, RMB2,855,014.4 thousands, and RMB2,191,779.7 thousands, accounting for 5.54%, 3.72%, and 2.71% of total liabilities, respectively. These mainly comprised other payables and notes payable. The balance of other liabilities decreased by RMB1,143,275.5 thousands, or 28.59%, at the end of 2024 compared with the end of 2023, primarily due to the reduction in OTC business margin payables, and decreased by RMB663,234.8 thousands, or 23.23%, at the end of 2025 compared with the end of 2024, mainly due to the decrease in OTC business margin payables.

(3) Net Capital Position Analysis

In accordance with the Measures for the Administration of Risk Control Indicators of Securities Companies issued by the CSRC and its own risk management requirements, Dongxing Securities has established a corresponding organizational system and internal management system, a dynamic monitoring mechanism for risk control indicators, and net capital replenishment mechanism to conduct daily monitoring of risk control indicators, and promptly report and handle them. Dongxing Securities has operated a dynamic risk control indicator monitoring system, achieving dynamic monitoring and automatic alerts for risk control indicators. Based on the assessment and analysis of changes in risk control indicators, its own risk tolerance, and the stress test results of risk control indicators, Dongxing Securities will, where necessary, replenish net capital in a timely manner through measures such as adjusting asset structure, issuing long-term subordinated debt, or increasing share capital, so as to ensure that risk control indicators continuously meet the regulatory requirements.

As of the end of 2023, the end of 2024, and the end of 2025, net capital of the parent company of Dongxing Securities amounted to RMB21.839 billion, RMB23.890 billion, and RMB28.656 billion, respectively. The net capital-to-net assets ratios were 79.38%, 82.92%, and 85.61%[1], respectively, all of which complied with the requirements of the Measures for the Administration of Risk Control Indicators of Securities Companies, the Guidelines on Stress Testing for Securities Companies, and other applicable regulatory rules.

(4) Solvency Analysis

Dongxing Securities' consolidated asset-liability ratios as of the end of each reporting period are set out below:

Item	December 31, 2025	December 31, 2024	December 31, 2023
Asset-liability ratio	64.40%	67.53%	68.53%

[1] In September 2024, the CSRC amended the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) (CSRC Announcement [2024] No. 13), which came into effect on January 1, 2025. In accordance with the provisions, the Company adjusted retrospectively the net capital and risk control indicators as at December 31, 2024.

Note: Asset-liability ratio = (Total liabilities – accounts payable to brokerage clients and to underwriting clients)/(Total assets – accounts payable to brokerage clients and to underwriting clients).

The average asset-liability ratios of the comparable peer companies were 68.90% as of the end of 2023, 68.49% as of the end of 2024, and 67.67% as of the end of 2025. Dongxing Securities' asset-liability ratio is broadly in line with the peer average.

Comparable company	December 31, 2025	December 31, 2024	December 31, 2023
Guoyuan Securities	73.27%	73.35%	67.73%
Caitong Securities	70.27%	68.90%	69.86%
Guolian Minsheng	67.54%	77.07%	76.79%
Sinolink Securities	64.98%	58.90%	64.52%
Great Wall Securities	66.45%	66.95%	68.37%
Western Securities	64.00%	62.47%	66.27%
Huaan Securities	68.22%	71.58%	66.97%
Huaxi Securities	62.84%	64.85%	64.74%
Northeast Securities	73.44%	69.05%	70.57%
Tianfeng Securities	65.69%	71.73%	73.14%
Average	**67.67%**	**68.49%**	**68.90%**
Dongxing Securities	**64.40%**	**67.53%**	**68.53%**

Note: The data is sourced from the periodic reports of comparable peer companies.

(5) Liquidity Analysis

Dongxing Securities has established a liquidity reserve pool system and related liquidity management and operating mechanisms. Liquidity risk management is conducted in accordance with the principles of comprehensiveness, prudence, forward-looking planning, and effectiveness, with continuous enhancement of the liquidity risk management framework. Based on its liquidity risk appetite and management policies, the company effectively carries out liquidity risk identification, measurement, monitoring, and control, and has established and improved liquidity stress testing, contingency management arrangements, and standardized risk reporting procedures, thereby continuously enhancing the professionalism of liquidity management. Dongxing Securities has developed and refined financing strategies, enhancing the diversity and stability of funding sources to maintain overall liquidity at a sound level.

As of the end of each reporting period, the liquidity indicators of Dongxing Securities' parent company are as follows:

Item	December 31, 2025	December 31, 2024	December 31, 2023	Regulatory standard
Liquidity coverage ratio *(Note 1)*	312.06%	253.97%	247.07%	Shall not be lower than 100%
Net stable funding ratio *(Note 2)*	192.11%	178.26%	166.75%	Shall not be lower than 100%

Note 1: Liquidity coverage ratio = High-quality liquid assets/net cash outflows over the next 30 days × 100%.

Note 2: Net stable funding ratio = Available stable funding/required stable funding × 100%.

Note 3: In September 2024, the CSRC amended the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) (CSRC Announcement [2024] No. 13), which came into effect on January 1, 2025. In accordance with the provisions, Dongxing Securities adjusted retrospectively the net capital and risk control indicators as at December 31, 2024.

As of the end of 2023, the end of 2024, and the end of 2025, the liquidity coverage ratios of Dongxing Securities' parent company were 247.07%, 253.97%, and 312.06%, respectively, and its net stable funding ratios were 166.75%, 178.26%, and 192.11%, respectively. All indicators consistently met the requirements of the Measures for the Administration of Risk Control Indicators of Securities Companies.

① ***Liquidity Coverage Ratio of Comparable Peer Companies***

As of the end of 2023, the end of 2024, and the end of 2025, the average liquidity coverage ratios of comparable peer companies were 340.62%, 333.99%, and 341.94%, respectively. Dongxing Securities' liquidity coverage ratio complied with the requirements of the Measures for the Administration of Risk Control Indicators of Securities Companies. The ratio was below the average of comparable peer companies at the end of 2023 and 2024, and did not differ materially from average of comparable peer companies at the end of 2025.

Comparable company	December 31, 2025	December 31, 2024	December 31, 2023
Guoyuan Securities	268.07%	341.49%	389.81%
Caitong Securities	234.13%	362.20%	235.94%
Guolian Minsheng	177.13%	185.05%	167.36%
Sinolink Securities	286.45%	401.75%	254.58%
Great Wall Securities	321.05%	343.59%	318.06%

Comparable company	December 31, 2025	December 31, 2024	December 31, 2023
Western Securities	249.85%	304.41%	251.95%
Huaan Securities	628.70%	362.52%	449.04%
Huaxi Securities	301.03%	265.55%	299.29%
Northeast Securities	181.44%	251.58%	378.24%
Tianfeng Securities	771.59%	521.79%	661.91%
Average	**341.94%**	**333.99%**	**340.62%**
Dongxing Securities	**312.06%**	**253.97%**	**247.07%**

Note 1: The data is sourced from the periodic reports of comparable peer companies.

② ***Net Stable Funding Ratio of Comparable Peer Companies***

As of the end of 2023, the end of 2024, and the end of 2025, the average net stable funding ratios of comparable peer companies were 154.07%, 179.31%, and 162.42%, respectively. As of the end of each reporting period, Dongxing Securities' net stable funding ratio complied with the requirements of the Measures for the Administration of Risk Control Indicators of Securities Companies and did not differ materially from the average level of comparable peer companies.

Comparable company	December 31, 2025	December 31, 2024	December 31, 2023
Guoyuan Securities	147.62%	161.13%	157.65%
Caitong Securities	134.29%	183.76%	142.94%
Guolian Minsheng	134.92%	173.65%	133.48%
Sinolink Securities	166.50%	160.85%	139.10%
Great Wall Securities	194.73%	207.70%	149.28%
Western Securities	197.93%	229.92%	176.67%
Huaan Securities	165.87%	183.36%	174.76%
Huaxi Securities	211.86%	203.54%	201.37%
Northeast Securities	163.21%	183.64%	143.53%
Tianfeng Securities	107.31%	105.55%	121.91%
Average	**162.42%**	**179.31%**	**154.07%**
Dongxing Securities	**192.11%**	**178.26%**	**166.75%**

Note: The data is sourced from the periodic reports of comparable peer companies.

2. Analysis of Operating Results

(1) Operating Performance Analysis

The operating results of Dongxing Securities for the financial years 2023, 2024 and 2025 are set out below:

Unit: RMB10,000

Items	2025	2024	2023
I. Total operating revenue	**471,078.61**	**427,274.06**	**350,150.28**
Net fee and commission income	168,004.82	151,586.13	146,219.89
Net interest income	76,104.08	68,855.65	110,421.59
Investment income	202,015.51	215,148.31	93,335.89
Gains from changes in fair value	15,247.71	-7,367.25	-3,000.52
Exchange gains	9,053.43	-3,538.08	775.73
Other operating income	362.11	1,126.61	816.14
Other gains	381.65	1,048.32	1,297.78
Gains on disposal of assets	-90.70	414.38	283.78
II. Operating expenses	**220,011.89**	**243,529.92**	**238,630.79**
Taxes and surcharges	3,205.69	2,755.96	2,465.72
Operating and administrative expenses	212,976.61	211,710.34	215,664.97
Provision for impairment losses under expected credit loss model	4,193.91	25,186.97	20,244.26
Provision for impairment losses on assets	-766.53	3,021.10	–
Other operating costs	402.21	855.54	255.84
III. Operating profit	**251,066.72**	**183,744.15**	**111,519.49**
Add: Non-operating income	323.42	432.50	250.72
Less: Non-operating expenses	1,898.78	6,285.75	17,524.14
IV. Profit before tax	**249,491.36**	**177,890.90**	**94,246.07**
Less: Income tax expense	39,141.67	22,838.51	12,083.64
V. Profit for the year	**210,349.69**	**155,052.39**	**82,162.43**
Attributable to owners of parent company	210,176.42	154,432.49	81,973.98
Attributable to non-controlling interests	173.27	619.90	188.45
VI. Other comprehensive income for the year, net of tax	**34,311.90**	**24,393.77**	**35,972.34**
Attributable to shareholders of the parent company	34,430.06	24,297.22	35,917.18
Attributable to non-controlling interests	-118.16	96.54	55.16
VII. Total comprehensive income for the year	**244,661.60**	**179,446.16**	**118,134.77**
Attributable to shareholders of the parent company	244,606.48	178,729.71	117,891.16
Attributable to non-controlling interests	55.12	716.45	243.61

For the financial years 2023, 2024 and 2025, Dongxing Securities recorded operating revenue of RMB3,501,502.8 thousands, RMB4,272,740.6 thousands, and RMB4,710,786.1 thousands, respectively, and net profit attributable to shareholders of the parent company of RMB819,739.8 thousands, RMB1,544,324.9 thousands, and RMB2,101,764.2 thousands, respectively. During the reporting periods, both revenue and profit scale of Dongxing Securities maintained a growth trend, primarily due to the continued recovery and improvement of the market environment in the securities industry, increases in the Dongxing Securities' net fee and commission income, investment income and gains from changes in fair value, while the operating expenses remained stable.

(2) Analysis of Operating Revenue

During each of the reporting periods, Dongxing Securities' operating revenue was mainly derived from net fee and commission income, net interest income, and investment income and gains or losses from changes in fair value.

① ***Net Fee and Commission Income***

During each of the reporting periods, Dongxing Securities' net fee and commission income mainly consisted of net income from brokerage business, investment banking business, and asset management business, as detailed below:

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Net income from brokerage business	95,252.18	73,102.95	63,270.55
Net income from investment banking business	49,008.29	47,304.25	58,358.62
Net income from asset management business	20,815.26	29,254.80	21,586.09
Others	2,929.09	1,924.12	3,004.63
Total	**168,004.82**	**151,586.13**	**146,219.89**

For the financial years 2023, 2024 and 2025, Dongxing Securities recorded net fee and commission income of RMB1,462,198.9 thousands, RMB1,515,861.3 thousands, and RMB1,680,048.2 thousands, respectively, accounting for 41.76%, 35.48%, and 35.66% of operating revenue. During the reporting periods, net fee and commission income showed an overall growth trend, primarily driven by the increase in net income from brokerage business.

A. Net Income from Brokerage Business

For the financial years 2023, 2024 and 2025, Dongxing Securities' net income from brokerage business amounted to RMB632,705.5 thousands, RMB731,029.5 thousands, and RMB952,521.8 thousands, respectively, mainly derived from securities brokerage and futures brokerage services. During the reporting periods,

the net income from brokerage business continued to grow, mainly due to the improvement in market conditions of the A-share stock market, the expansion of trading volume, and the increase in the scale of Dongxing Securities' agency trading volumes of equities and funds.

B. Net Income from Investment Banking Business

For the financial years 2023, 2024 and 2025, Dongxing Securities' net income from investment banking business amounted to RMB583,586.2 thousands, RMB473,042.5 thousands, and RMB490,082.9 thousands, respectively, mainly derived from securities underwriting, sponsorship, and financial advisory services. In 2024, Dongxing Securities' net income from investment banking business decreased by 110,543.6 thousands, or 18.94%, compared with 2023, primarily due to the decrease in the financial advisory fees. In 2025, Dongxing Securities' net income from investment banking business increased by 17,040.4 thousands, or 3.60%, compared with 2024, primarily due to the actively pursuing expansion of Dongxing Securities' equity financing business, healthy development of business and the increase in income from securities underwriting and sponsorship business.

C. Net Income from Asset Management Business

For the financial years 2023, 2024 and 2025, Dongxing Securities' net income from asset management business amounted to RMB215,860.9 thousands, RMB292,548.0 thousands, and RMB208,152.6 thousands, respectively. In 2024, the net income from asset management business increased by RMB76,687.1 thousands, or 35.53%, compared with 2023. This was primarily due to the expansion or optimization, to varying degrees, in product offerings and assets under management across various business lines in 2024, including public funds, private asset management and others, compared with 2023, as well as increase in management fee revenue and performance-based compensation because of strong product performance. In 2025, the net income from asset management business decreased by RMB84,395.4 thousands, or 28.85%, compared with 2024. This was mainly due to the decline in the scale of assets under management of public funds and specialized asset management lines in 2025 compared with 2024.

② *Net Interest Income*

During each of the reporting periods, the details of Dongxing Securities' net interest income are set out below:

Unit: RMB10,000

Items	2025	2024	2023
Interest income			
Interest income from cash and bank balances and deposits with clearing houses	30,056.77	34,016.05	34,403.39
Including: Interest income from client deposits	24,437.15	25,807.70	26,332.81
Interest income from company deposits	5,619.62	8,208.35	8,070.58
Interest income from margin financing and securities lending business	89,667.86	80,352.47	99,017.69
Interest income from reverse REPOs	728.10	462.52	624.62
Including: Interest income from stock pledge repurchase	61.93	19.65	50.40
Interest income from other debt investments	81,008.18	92,206.19	119,506.38
Interest income from debt investments	–	–	227.08
Others	32.52	1,067.51	162.73
Subtotal interest income	**201,493.42**	**208,104.73**	**253,941.88**
Interest expense			
Interest expense on accounts payable to brokerage clients	2,011.52	3,543.07	4,767.14
Interest expense on REPOs	45,045.43	58,895.24	57,137.43
Including: Interest expense on pledged quotation repurchase	7,592.17	10,099.78	7,473.76
Interest expense on short-term borrowings	1,449.26	–	–
Interest expense on placements from financial institutions	12,042.34	6,906.62	9,513.93
Including: Interest expense on refinancing	7,459.00	1,182.00	5,528.06
Interest expense on long-term debt securities issued	37,930.78	43,961.72	58,108.81
Interest expense on short-term debt securities issued	23,731.11	20,560.26	9,895.33
Interest expense on lease liabilities	683.64	988.77	1,247.06
Interest expense on other financial liabilities calculated using the effective interest method	2,243.82	1,662.66	2,593.71
Subtotal interest expense	**125,137.89**	**136,518.35**	**143,263.41**
Net profit/loss attributable to other stakeholders in consolidated structured entities	**251.45**	**2,730.73**	**256.89**
Net interest income	**76,104.08**	**68,855.65**	**110,421.59**

For the financial years 2023, 2024 and 2025, Dongxing Securities recorded total interest income of RMB2,539,418.8 thousands, RMB2,081,047.3 thousands, and RMB2,014,934.2 thousands, respectively. For the financial year 2024, the total interest income of Dongxing Securities decreased by RMB458,371.5 thousands or 18.05% from 2023, which was mainly due to a reduction of other debt investments and receivable from margin clients, resulting in a decrease in related interest income. For the financial year 2025, the interest income of Dongxing Securities remained relatively stable as compared to that for 2024.

During the reporting periods, the total interest expense of Dongxing Securities remained relatively stable at RMB1,432,634.1 thousands, RMB1,365,183.5 thousands and RMB1,251,378.9 thousands for the financial years 2023, 2024 and 2025, respectively.

③ ***Investment Income and Gains or Losses from Changes in Fair Value***

During each of the reporting periods, Dongxing Securities' investment income and gains or losses from changes in fair value are as follows:

Unit: RMB10,000

Items	2025	2024	2023
Investment income	**202,015.51**	**215,148.31**	**93,335.89**
Of which: Income from financial instruments	199,110.56	216,462.54	90,707.97
Income from long-term equity investments accounted for using the equity method	5,039.49	1,267.03	2,292.73
Others	-2,134.55	-2,581.27	335.19
Gains or losses from changes in fair value	**15,247.71**	**-7,367.25**	**-3,000.52**
Of which: Financial assets held for trading	51,922.20	8,890.73	19,838.23
Derivative financial instruments	-28,694.00	-9,019.84	-799.77
Financial liabilities held for trading	-7,980.49	-7,238.14	-22,038.98

For the financial years 2023, 2024 and 2025, Dongxing Securities recorded investment income of RMB933,358.9 thousands, RMB2,151,483.1 thousands, and RMB2,020,155.1 thousands, accounting for 26.66%, 50.35%, and 42.88% of operating revenue, respectively, and gains or losses from changes in fair value of RMB-30,005.2 thousands, RMB-73,672.5 thousands, and RMB152,477.1 thousands, respectively, representing a relatively small proportion of operating revenue. During the reporting periods, Dongxing Securities' investment income was mainly derived from income from financial instruments. In 2024, Dongxing Securities' investment income increased by RMB1,218,124.2 thousands or 130.51% compared with 2023, which was mainly attributable to a significant growth in the scale of financial assets held for trading, such as bonds and funds in 2024, as well as continued improvements in the investment market environment. In 2025, Dongxing Securities' investment income remained stable compared to 2024. In 2024, Dongxing Securities' gains or losses from changes in fair value remained broadly stable compared to 2023. In 2025,

Dongxing Securities' gains or losses from changes in fair value increased by RMB226,149.6 thousands compared with 2024, which was mainly attributable to the increase in gains or losses from changes in fair value of financial assets held for trading compared with 2024.

④ ***Breakdown of Operating Revenue by Region***

Unit: RMB10,000

Region	**2025**	**2024**	**2023**
Domestic	451,258.99	412,854.47	340,019.48
Overseas	19,819.62	14,419.59	10,130.80
Total	**471,078.61**	**427,274.06**	**350,150.28**

For the financial years 2023, 2024 and 2025, Dongxing Securities' operating revenue was primarily generated from domestic operations, with domestic revenue accounting for 97.11%, 96.63%, and 95.79% of operating revenue, respectively. Dongxing Securities' overseas revenue was derived from its wholly owned subsidiary, Dongxing Hong Kong, accounting for a relatively small proportion.

(3) Analysis of Operating Expenses

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Taxes and surcharges	3,205.69	2,755.96	2,465.72
Operating and administrative expenses	212,976.61	211,710.34	215,664.97
Provision for impairment losses under expected credit loss model	4,193.91	25,186.97	20,244.26
Provision for impairment losses on assets	-766.53	3,021.10	–
Other operating costs	402.21	855.54	255.84
Total	**220,011.89**	**243,529.92**	**238,630.79**

For the financial years 2023, 2024 and 2025, Dongxing Securities' operating expenses amounted to RMB2,386,307.9 thousands, RMB2,435,299.2 thousands, and RMB2,200,118.9 thousands, respectively. Operating expenses were primarily composed of operating and administrative expenses and provision for impairment losses under expected credit loss model. In 2025, Dongxing Securities' operating expenses decreased by RMB235,180.3 thousands, or 9.66%, compared with 2024, which was primarily due to a decrease of RMB209,930.7 thousands in provision for impairment losses under expected credit loss model compared with 2024. During the reporting periods, the operating and administrative expenses of Dongxing Securities remained stable.

① ***Operating and Administrative Expenses***

For the financial years 2023, 2024 and 2025, Dongxing Securities' operating and administrative expenses amounted to RMB2,156,649.7 thousands, RMB2,117,103.4 thousands, and RMB2,129,766.1 thousands, respectively, accounting for 90.38%, 86.93%, and 96.80% of operating expenses. The breakdown is set out below:

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Staff costs	139,291.54	127,653.15	130,483.50
Depreciation and amortization	25,557.20	28,767.31	31,169.68
Post and telecommunication expenses	8,923.47	9,029.28	9,865.88
Electronic equipment operation expenses	6,456.25	7,908.38	6,539.65
Product sales and advertising expenses	4,469.87	9,213.25	7,384.71
Exchange membership fees	3,429.11	3,697.43	3,562.95
Conference and travel expenses	3,009.38	3,849.90	4,840.82
Investor protection fund contribution	2,942.71	1,823.37	2,146.88
Utilities and property management fees	2,001.77	2,086.98	2,468.74
Research and information expenses	1,929.51	2,212.83	1,896.74
Others	14,965.80	15,468.46	15,305.43
Total	**212,976.61**	**211,710.34**	**215,664.97**

For the financial years 2023, 2024 and 2025, Dongxing Securities' operating and administrative expenses mainly comprised staff costs, depreciation and amortization, post and telecommunications expenses, electronic equipment operating costs, and product marketing and advertising expenses. Among these, staff costs accounted for 60.50%, 60.30%, and 65.40%, respectively, while depreciation and amortization accounted for 14.45%, 13.59%, and 12.00%, respectively. During the reporting periods, the overall scale of operating and administrative expenses remained stable.

② ***Provision for impairment losses under expected credit loss model***

For the financial years 2023, 2024 and 2025, Dongxing Securities recorded provision for impairment losses under expected credit loss model of RMB202,442.6 thousands, RMB251,869.7 thousands, and RMB41,939.1 thousands, respectively, accounting for 8.48%, 10.34%, and 1.91% of operating expenses. Details are set out below:

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Credit impairment losses on receivable from margin clients	-1,613.36	18,101.18	-2,945.15

Items	2025	2024	2023
Credit impairment losses on reverse REPOs	-4,612.07	9,958.25	8,535.86
Credit impairment losses on receivables	-627.06	921.93	340.42
Credit impairment losses on other debt investments	7,802.30	-7,527.48	5,811.86
Credit impairment losses on debt investments	–	–	7,934.03
Credit impairment losses on other financial assets	3,244.09	3,733.10	567.25
Total	**4,193.91**	**25,186.97**	**20,244.26**

During each of the reporting periods, Dongxing Securities' provision for impairment losses under expected credit loss model primarily represented expected credit losses recognized on financial assets, including receivable from margin clients, reverse REPOs, other financial assets, and other debt investments. In 2025, Dongxing Securities' provision for impairment losses under expected credit loss model decreased by RMB209,930.7 thousands, or 83.35% compared with 2024, primarily due to the reversal of provision for impairment losses on receivable from margin clients and reverse REPOs in prior year.

(4) Analysis of the Impact of Non-recurring Gains and Losses, Non-controlling Interests, and Investment Income on Operating Results

During each of the reporting periods, the non-recurring gains and losses of Dongxing Securities are as follows:

Unit: RMB10,000

Items	2025	2024	2023
Gains or losses from disposal of non-current assets	-90.70	414.38	283.78
Government grants recognized in current profit or loss (excluding those closely related to the company's normal operations, in line with national policies, entitled based on determined standards, and having a continuous impact on the company's profit or loss)	309.55	519.90	530.79
Other non-operating income and expenses excluding the above items	-1,704.28	-5,324.83	-16,506.43
Less: Income tax effects	-120.36	247.19	-2,676.48
Total	**-1,365.07**	**-4,637.73**	**-13,015.38**

During the reporting periods, Dongxing Securities' other non-recurring gains and losses (excluding gains or losses from disposal of non-current assets and government grants) mainly arose from payment of compensation, commitment funds, late fees, etc.

During each of the reporting periods, the proportions of non-recurring gains and losses, non-controlling interests, and investment income to operating revenue of Dongxing Securities are as follows:

Unit: RMB10,000

Items	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Non-recurring gains/losses	-1,365.07	-0.29%	-4,637.73	-1.09%	-13,015.38	-3.72%
Non-controlling interests	173.27	0.04%	619.90	0.15%	188.45	0.05%
Investment income	202,015.51	42.88%	215,148.31	50.35%	93,335.89	26.66%

During the reporting periods, the proportions of non-recurring gains and losses and non-controlling interests to operating revenue of Dongxing Securities remained relatively low, while investment income accounted for 26.66%, 50.35%, and 42.88% of operating revenue, respectively, representing a relatively high proportion. Investment business is one of the principal businesses of securities companies. During the reporting periods, as the A-share market environment continued to recover and improve, Dongxing Securities seized market opportunities, and adjusted the strategies for investments and trading, achieving favorable investment income.

(5) Analysis of Profitability Indicators

The weighted average return on net assets and basic earnings per share of Dongxing Securities for each of the reporting periods are set out below:

Items	2025	2024	2023
Basic earnings per share (RMB/share)	0.65	0.48	0.25
Weighted average return on net assets (%)	7.13	5.57	3.09

During the reporting period, Dongxing Securities' basic earnings per share and weighted average return on net assets maintained steady growth, primarily driven by the sustained recovery and improvement in the market environment of the securities industry. The company seized market opportunities, steadily advanced investment business, expanded brokerage business scale, maintained stable investment income, achieved growth in net fee and commission income, and thereby enhanced the overall profitability.

3. Cash Flow Analysis

The cash flow position of Dongxing Securities for each of the reporting periods, is set out below:

Unit: RMB10,000

Items	2025	2024	2023
Subtotal cash inflows from operating activities	1,892,843.92	1,619,671.05	982,768.08
Subtotal cash outflows from operating activities	1,798,426.88	2,635,310.31	1,099,309.22
Net cash flows from operating activities	**94,417.04**	**-1,015,639.26**	**-116,541.14**
Subtotal cash inflows from investing activities	175,645.41	1,802,215.91	190,361.78
Subtotal cash outflows from investing activities	718,245.53	206,591.59	306,102.74
Net cash flows from investing activities	**-542,600.11**	**1,595,624.32**	**-115,740.96**
Subtotal cash inflows from financing activities	3,074,201.82	1,781,361.00	1,242,791.30
Subtotal cash outflows from financing activities	2,451,133.06	1,755,941.01	1,441,929.27
Net cash flows from financing activities	**623,068.75**	**25,419.99**	**-199,137.97**
Net increase in cash and cash equivalents	**174,450.37**	**606,423.84**	**-428,458.24**

In 2024, the net cash flows from operating activities of Dongxing Securities amounted to RMB-10,156,392.6 thousands, representing a decrease of RMB8,990,981.2 thousands compared with 2023, mainly due to an increase in net cash outflows resulting from the purchase of financial assets held for trading. In 2025, the net cash flows from operating activities of Dongxing Securities was RMB944,170.4 thousands, increasing by RMB11,100,563.0 thousands compared with 2024, primarily due to net cash inflows from the disposal of financial assets held for trading.

In 2024, the net cash flows from investing activities of Dongxing Securities amounted to RMB15,956,243.2 thousands, representing an increase of RMB17,113,652.8 thousands compared with 2023, mainly due to the increase in cash received from disposal of investments. In 2025, the net cash flows from investing activities of Dongxing Securities amounted to RMB-5,426,001.1 thousands, decreasing by RMB21,382,244.3 thousands compared with 2024, mainly because the company expanded the scale of other debt investments and investments in other equity instruments during the period, with net cash paid for related investments, resulting in an increase in net cash outflow.

In 2024, the net cash flows from financing activities of Dongxing Securities amounted to RMB254,199.9 thousands, representing an increase of RMB2,245,579.5 thousands compared with 2023, mainly due to the increase in cash received from issuance of bonds for financing during the period. In 2025, the net cash flows from financing activities of Dongxing Securities was RMB6,230,687.5 thousands, representing an increase of RMB5,976,487.7 thousands compared with 2024, primarily due to the issuance of new perpetual bonds of RMB3.0 billion during the period, as well as the growth in the scale of other bonds issued, resulting in an increase in cash received from financing compared with 2024, and cash received from debt financing exceeding cash paid for debt repayment.

As at the end of each reporting period:

(a) borrowings within the Dongxing Group are made primarily in RMB and the cash and cash equivalent of the Dongxing Group are held primarily in RMB;

(b) borrowings for the domestic operations of the Dongxing Group are primarily at fixed rates, while borrowings for its overseas operations are primarily at floating rates;

(c) the Dongxing Group is primarily exposed to HKD and USD currency fluctuation and has adopted financial instruments for currency hedging purposes from time to time;

(d) the Dongxing Group did not hold any significant investments;

(e) the Dongxing Group has 2,812, 2,670 and 2,558 employees;

(f) the Dongxing Group did not have any material contingent liabilities (save as already disclosed in its financial statements); and

(g) the Dongxing Group did not enter into any material pledge of its assets (save as already disclosed in its financial statements).

During each reporting period:

(a) the Dongxing Group did not make any material acquisitions or disposals of subsidiaries and associated companies; and

(b) the Dongxing Group formulates the remuneration package for its employees based on the overall remuneration standard in the market, industry practice and the group's remuneration strategy. In addition to salary, in-house training programmes and employee benefits, employees may receive year-end performance incentives depending on their individual performance.

As at December 31, 2025, the Dongxing Group does not have any future plans for any material investments or acquisition of capital assets. The Dongxing Group will continue to identify new investment opportunities in companies with principal businesses related to the group's core business with a view to create synergies with the group's existing core business and improve the group's service and products to its customers.

MANAGEMENT DISCUSSION AND ANALYSIS ON THE PERFORMANCE OF THE CINDA GROUP

1. Financial Position Analysis

(1) Asset Composition Analysis

As of the end of each reporting period, the asset composition of Cinda Securities' consolidated financial statements is as follows:

Unit: RMB10,000

Items	December 31, 2025		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	2,676,032.37	20.59%	2,213,761.64	20.71%	1,674,545.77	21.49%
Deposits with clearing houses	382,618.04	2.94%	466,405.95	4.36%	272,916.43	3.50%
Receivable from margin clients	1,672,689.32	12.87%	1,256,995.36	11.76%	1,106,728.50	14.20%
Derivative financial assets	10,860.34	0.08%	2,132.33	0.02%	31.22	0.00%
Refundable deposits	427,035.64	3.29%	261,234.61	2.44%	262,202.38	3.36%
Receivables	34,929.21	0.27%	36,194.66	0.34%	40,603.09	0.52%
Reverse REPOs	156,219.98	1.20%	54,199.08	0.51%	18,826.74	0.24%
Financial assets held for trading	4,235,541.01	32.59%	3,446,330.89	32.24%	2,916,186.00	37.42%
Other debt investments	2,370,557.31	18.24%	2,580,201.99	24.14%	1,307,504.85	16.78%
Investments in other equity instruments	887,738.95	6.83%	217,859.88	2.04%	33,613.93	0.43%
Long-term equity investments	40,053.60	0.31%	46,583.49	0.44%	44,889.38	0.58%
Fixed assets	9,356.70	0.07%	10,557.94	0.10%	10,464.64	0.13%
Right-of-use assets	33,797.80	0.26%	35,003.55	0.33%	45,189.84	0.58%
Intangible assets	11,372.62	0.09%	12,979.06	0.12%	13,828.94	0.18%
Goodwill	100.60	0.00%	100.60	0.00%	100.60	0.00%
Deferred tax assets	108.64	0.00%	400.23	0.00%	19,649.71	0.25%
Other assets	46,069.75	0.35%	49,299.19	0.46%	25,095.18	0.32%
Total assets	**12,995,081.89**	**100.00%**	**10,690,240.44**	**100.00%**	**7,792,377.20**	**100.00%**

As of the end of 2023, 2024 and 2025, Cinda Securities' total assets amounted to RMB77,923,772.0 thousands, RMB106,902,404.4 thousands, and RMB129,950,818.9 thousands, respectively, reflecting steady growth in asset scale. The balance increased by RMB28,978,632.3 thousands, or 37.19%, at the end of 2024 compared with the end of 2023, primarily due to increases in other debt investments, cash and cash equivalents, and financial assets held for trading. As of the end of 2025, the balance increased by RMB23,048,414.5 thousands, or 21.56%, compared with the end of 2024, mainly attributable to the growth in financial assets held for trading, investments in other equity instruments, cash and cash equivalents, and receivable from margin clients. As of the end of 2023, 2024 and 2025, the proportions of individual asset categories to total assets remained broadly stable, and no material changes occurred in the asset structure. Changes in the major components of assets and the reasons for such changes are as follows:

As of the end of 2023, 2024 and 2025, Cinda Securities' cash and cash equivalents amounted to RMB16,745,457.7 thousands, RMB22,137,616.4 thousands, and RMB26,760,323.7 thousands, accounting for 21.49%, 20.71%, and 20.59% of total assets, respectively. These balances mainly comprised client deposits and the company's own funds. Cash balances increased by RMB5,392,158.7 thousands, or 32.20%, at the end of 2024 compared with the end of 2023, primarily due to the growth in client deposits, and increased by RMB4,622,707.2 thousands, or 20.88%, at the end of 2025 compared with the end of 2024, primarily due to the growth in the balance of client funds in the securities brokerage business.

As of the end of 2023, 2024 and 2025, Cinda Securities' deposits with clearing houses amounted to RMB2,729,164.3 thousands, RMB4,664,059.5 thousands, and RMB3,826,180.4 thousands, representing 3.50%, 4.36%, and 2.94% of total assets, respectively. These included both deposits with corporate and deposits with client, mainly held with securities depository and clearing institutions and exchanges to meet clearing and settlement needs, and carried relatively low credit risk. The balance increased by RMB1,934,895.1 thousands, or 70.90%, at the end of 2024 compared with the end of 2023, primarily due to higher deposits with client, and decreased by RMB837,879.1 thousands, or 17.96%, at the end of 2025 compared with the end of 2024, primarily due to the decline in both deposits with corporate and deposits with client.

As of the end of 2023, 2024 and 2025, Cinda Securities' receivable from margin clients amounted to RMB11,067,285.0 thousands, RMB12,569,953.6 thousands and RMB16,726,893.2 thousands, accounting for 14.20%, 11.76%, and 12.87% of total assets, respectively. These represented receivable from margin clients in connection with margin financing and securities lending business. The balance increased by RMB1,502,668.6 thousands, or 13.58%, at the end of 2024 compared with the end of 2023, and by RMB4,156,939.6 thousands, or 33.07%, at the end of 2025 compared with the end of 2024, the increase during the reporting periods was mainly due to the increase in the scale of credit financing business.

As of the end of 2023, 2024 and 2025, Cinda Securities' refundable deposits amounted to RMB2,622,023.8 thousands, RMB2,612,346.1 thousands, and RMB4,270,356.4 thousands, accounting for 3.36%, 2.44%, and 3.29% of total assets, respectively. These mainly comprised trading margins and performance margins. The balance remained broadly unchanged at the end of 2024 compared with the end of 2023, and increased by RMB1,658,010.4 thousands, or 63.47%, at the end of 2025 compared with the end of 2024, primarily due to higher trading margins and performance margins in the period.

As of the end of 2023, 2024 and 2025, Cinda Securities' reverse REPOs amounted to RMB188,267.4 thousands, RMB541,990.8 thousands, and RMB1,562,199.8 thousands, accounting for 0.24%, 0.51%, and 1.20% of total assets, respectively. These mainly consisted of assets from stock-pledged and bond-pledged repurchase transactions. The balance increased by RMB353,723.4 thousands, or 187.88%, at the end of 2024 compared with the end of 2023, and by RMB1,020,208.9 thousands, or 188.23%, at the end of 2025 compared with the end of 2024, primarily due to growth in stock-pledged repurchase transactions.

As of the end of 2023, 2024 and 2025, Cinda Securities' financial assets held for trading amounted to RMB29,161,860.0 thousands, RMB34,463,308.9 thousands, and RMB42,355,410.1 thousands, accounting for 37.42%, 32.24%, and 32.59% of total assets, respectively. These assets mainly included bonds, public funds, asset management plans and private funds, asset-backed securities, trust plans, and bank wealth management products. The balance increased by RMB5,301,448.8 thousands, or 18.18%, at the end of 2024 compared with the end of 2023, primarily due to higher holdings of bank wealth management products and public funds, and further increased by RMB7,892,101.2 thousands, or 22.90%, at the end of 2025 compared with the end of 2024, mainly due to higher bond and trust plan holdings.

As of the end of 2023, 2024 and 2025, Cinda Securities' other debt investments amounted to RMB13,075,048.5 thousands, RMB25,802,019.9 thousands, and RMB23,705,573.1 thousands, accounting for 16.78%, 24.14%, and 18.24% of total assets, respectively. These mainly comprised local government bonds and corporate bonds. The balance increased by RMB12,726,971.4 thousands, or 97.34%, at the end of 2024 compared with the end of 2023, primarily due to increased holdings of local government bonds, and decreased by RMB2,096,446.7 thousands, or 8.13%, at the end of 2025 compared with the end of 2024, mainly due to the reduction in corporate bond holdings.

As of the end of 2023, 2024 and 2025, Cinda Securities' investments in other equity instruments amounted to RMB336,139.3 thousands, RMB2,178,598.8 thousands, and RMB8,877,389.5 thousands, accounting for 0.43%, 2.04%, and 6.83% of total assets, respectively. These mainly included equities and other non-trading equity instruments. The balance increased by RMB1,842,459,500, or 548.12%, at the end of 2024 compared with the end of 2023, primarily due to increased holdings of non-trading equity instruments, and further increased by RMB6,698,790.7 thousands, or 307.48%, at the end of 2025 compared with the end of 2024, mainly due to the increase in non-trading equity investments.

(2) Liability Composition Analysis

As of the end of 2023, 2024 and 2025, the liability composition of Cinda Securities' consolidated financial statements is as follows:

Unit: RMB10,000

Items	December 31, 2025		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%
Short-term borrowings	96,686.26	0.96%	61,662.98	0.75%	35,105.42	0.59%
Short-term debt securities issued	–	–	281,407.32	3.41%	466,926.41	7.84%
Placements from financial institutions	2,553,140.36	25.23%	1,585,301.73	19.22%	1,382,894.73	23.21%
Financial liabilities held for trading	2.53	0.00%	29.37	0.00%	684.84	0.01%
Derivative financial liabilities	150.70	0.00%	1,862.45	0.02%	1,528.65	0.03%
Accounts payable	12,835.24	0.13%	9,695.76	0.12%	10,591.98	0.18%
Contract liabilities	486.05	0.00%	303.24	0.00%	911.32	0.02%
REPOs	2,024,034.92	20.00%	1,974,945.75	23.95%	1,180,260.68	19.81%

Items	December 31, 2025		December 31, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%
Accounts payable to brokerage clients	2,878,771.63	28.45%	2,371,919.52	28.76%	1,726,479.31	28.98%
Employee benefits payable	17,245.95	0.17%	21,440.78	0.26%	56,762.83	0.95%
Taxes payable	15,447.31	0.15%	5,418.70	0.07%	6,744.54	0.11%
Long-term debt securities issued	2,265,404.72	22.39%	1,818,234.29	22.05%	964,594.91	16.19%
Lease liabilities	33,110.87	0.33%	34,243.95	0.42%	44,285.06	0.74%
Provisions	5,539.10	0.05%	85.13	0.00%	247.73	0.00%
Deferred tax liabilities	9,950.03	0.10%	3,770.42	0.05%	26.40	0.00%
Other liabilities	206,948.82	2.04%	75,783.50	0.92%	80,350.43	1.35%
Total liabilities	**10,119,754.51**	**100.00%**	**8,246,104.91**	**100.00%**	**5,958,395.24**	**100.00%**

As of the end of 2023, 2024 and 2025, Cinda Securities' total liabilities amounted to RMB59,583,952.4 thousands, RMB82,461,049.1 thousands, and RMB101,197,545.1 thousands, respectively. The balance increased by RMB22,877,096.7 thousands, or 38.39%, at the end of 2024 compared with the end of 2023, and by RMB18,736,496.0 thousands, or 22.72%, at the end of 2025 compared with the end of 2024. These increases during the reporting periods were primarily attributable to higher balances of placements from financial institutions, accounts payable to brokerage clients, and long-term debt securities issued. As of the end of 2023, 2024 and 2025, the proportions of individual liability items to total liabilities remained broadly stable, and no material changes occurred in the liability structure. Changes in the major components of liabilities and the reasons for such changes are as follows:

As of the end of 2023, 2024 and 2025, Cinda Securities' short-term debt securities issued amounted to RMB4,669,264.1 thousands, RMB2,814,073.2 thousands, and RMB0, respectively, accounting for 7.84%, 3.41%, and 0.00% of total liabilities. The short-term debt securities issued were income certificates as of the end of 2023 and the end of 2024. The balance decreased by RMB1,855,190.8 thousands, or 39.73%, at the end of 2024 compared with the end of 2023, and further decreased by RMB2,814,073.2 thousands, or 100%, at the end of 2025 compared with the end of 2024, mainly due to the repayment upon maturity of the income certificates.

As of the end of 2023, 2024 and 2025, Cinda Securities' placements from financial institutions amounted to RMB13,828,947.3 thousands, RMB15,853,017.3 thousands, and RMB25,531,403.6 thousands, respectively, accounting for 23.21%, 19.22%, and 25.23% of total liabilities. These included placements from banks and placements from securities lending and refinancing. The balance increased by RMB2,024,070.0 thousands, or 14.64%, at the end of 2024 compared with the end of 2023, mainly due to expanded placements from securities lending and refinancing, and further increased by RMB9,678,386,300, or 61.05%, at the end of 2025 compared with the end of 2024, driven by the growth in both placements from banks and placements from securities lending and refinancing.

As of the end of 2023, 2024 and 2025, Cinda Securities' REPOs amounted to RMB11,802,606.8 thousands, RMB19,749,457.5 thousands, and RMB20,240,349.2 thousands, respectively, accounting for 19.81%, 23.95%, and 20.00% of total liabilities. The underlying assets mainly included bonds and funds. The balance increased by RMB7,946,850.7 thousands, or 67.33%, at the end of 2024 compared with the end of 2023, while no material change was recorded at the end of 2025 compared with the end of 2024.

As of the end of 2023, 2024 and 2025, Cinda Securities' accounts payable to brokerage clients amounted to RMB17,264,793.1 thousands, RMB23,719,195.2 thousands, and RMB28,787,716.3 thousands, respectively, accounting for 28.98%, 28.76%, and 28.45% of total liabilities. These mainly included funds deposited by brokerage clients for securities investment. The balance increased by RMB6,454,402.1 thousands, or 37.38%, at the end of 2024 compared with the end of 2023, and by RMB5,068,521.1 thousands, or 21.37%, at the end of 2025 compared with the end of 2024, the increase during the reporting periods was mainly due to higher funds deposited by brokerage clients for securities investment driven by market conditions.

As of the end of 2023, 2024 and 2025, Cinda Securities' long-term debt securities issued amounted to RMB9,645,949.1 thousands, RMB18,182,342.9 thousands, and RMB22,654,047.2 thousands, respectively, accounting for 16.19%, 22.05%, and 22.39% of total liabilities. These primarily comprised corporate bonds and income certificates over 1 year. The balance increased by RMB8,536,393.8 thousands, or 88.50%, at the end of 2024 compared with the end of 2023, and by RMB4,471,704.3 thousands, or 24.59%, at the end of 2025 compared with the end of 2024, mainly due to the increase in the scale of income certificates and corporate bonds over 1 year issued by Cinda Securities. As of the end of 2025, all principal and interest payments on long-term debt securities issued were made on schedule, with no defaults or redemption failures.

As of the end of 2023, 2024 and 2025, Cinda Securities' other liabilities amounted to RMB803,504.3 thousands, RMB757,835.0 thousands, and RMB2,069,488.2 thousands, respectively, accounting for 1.35%, 0.92%, and 2.04% of total liabilities. These mainly comprised third-party interests in structured entities, other payables, dividends payable, and futures risk reserves. The balance remained broadly stable at the end of 2024 compared with the end of 2023, and increased by RMB1,311,653.2 thousands, or 173.08%, at the end of 2025 compared with the end of 2024, primarily due to increases in consolidated structured entities.

(3) Net Capital Position Analysis

In accordance with the Measures for the Administration of Risk Control Indicators of Securities Companies, Cinda Securities has established a dynamic monitoring mechanism for risk control indicators, supported by a risk monitoring system covering proprietary trading, brokerage, asset management, investment banking, and subsidiaries, as well as a dynamic monitoring system for risk control indicators. This enables T+1 dynamic monitoring and early warning of risk control indicators. A dedicated position is arranged for monitoring, and a cross-departmental communication and coordination mechanism has been established to ensure that risk control indicators remain in compliance continuously.

Cinda Securities has established dynamic capital replenishment and liquidity contingency mechanisms to mitigate potential net capital and liquidity risk events. When net capital or other risk control indicators approach regulatory early-warning thresholds, the Company adjusts business scale and balance sheet structure, and upon triggering capital replenishment conditions, implements capital replenishment plans in accordance with its capital planning framework. Measures include, but are not limited to, actively expanding diversified financing channels, restricting capital-intensive business expansion, adopting risk mitigation measures, and adjusting interim dividend policies during the period.

As of the end of each reporting period, the net capital of the parent company of Cinda Securities amounted to RMB14.804 billion, RMB20.989 billion, and RMB24.926 billion, respectively. The net capital-to-net assets ratios were 85.80%, 90.62%, and 91.62%[2], respectively, all of which complied with the requirements of the Measures for the Administration of Risk Control Indicators of Securities Companies, the Guidelines on Stress Testing for Securities Companies, and other applicable regulatory rules.

(4) Solvency Analysis

As of the end of each reporting period, Cinda Securities' consolidated asset-liability ratios are as follows:

Item	December 31, 2025	December 31, 2024	December 31, 2023
Asset-liability ratio	71.58%	70.62%	69.77%

Note: Asset-liability ratio = (Total liabilities – accounts payable to brokerage clients and to underwriting clients)/(Total assets – accounts payable to brokerage clients – accounts payable to underwriting clients).

As of the end of 2023, the end of 2024, and the end of 2025, the average asset-liability ratios of comparable peer companies were 68.90%, 68.49%, and 67.67%, respectively. Cinda Securities' asset-liability ratio was slightly higher than the average of comparable peer companies.

Comparable company	December 31, 2025	December 31, 2024	December 31, 2023
Guoyuan Securities	73.27%	73.35%	67.73%
Caitong Securities	70.27%	68.90%	69.86%
Guolian Minsheng	67.54%	77.07%	76.79%
Sinolink Securities	64.98%	58.90%	64.52%
Great Wall Securities	66.45%	66.95%	68.37%

[2] In September 2024, the CSRC amended the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) (CSRC Announcement [2024] No. 13), which came into effect on January 1, 2025. In accordance with the provisions, Cinda Securities restated the net capital and risk control indicators as at December 31, 2024.

Comparable company	December 31, 2025	December 31, 2024	December 31, 2023
Western Securities	64.00%	62.47%	66.27%
Huaan Securities	68.22%	71.58%	66.97%
Huaxi Securities	62.84%	64.85%	64.74%
Northeast Securities	73.44%	69.05%	70.57%
Tianfeng Securities	65.69%	71.73%	73.14%
Average	**67.67%**	**68.49%**	**68.90%**
Cinda Securities	**71.58%**	**70.62%**	**69.77%**

Note: The data is sourced from the periodic reports of comparable peer companies.

(5) Liquidity Analysis

Cinda Securities places significant emphasis on the management of business scale and structure. Within the limits authorized by the Board of Directors, the company dynamically monitors various risk control indicators and timely adjusts business strategies to ensure that all operations are conducted under conditions where risks are identifiable, controllable, and manageable. The company continues to strengthen its financing framework by establishing funding relationships with a broad range of counterparties, enhancing liability maturity management, and diversifying financing instruments, thereby mitigating liquidity risks arising from excessive concentration in counterparties, funding instruments, or liability maturities. Cinda Securities also strengthens both static and dynamic cash gap management and establishes tiered reserves of high-quality liquid assets to ensure that liquidity needs can be met promptly under stress scenarios. Based on business operations and development plans, the company analyzes future funding needs and sources over different time horizons and formulates short-, medium-, and long-term funding plans and internal capital utilization plans, which are adjusted on a dynamic basis.

As of the end of each reporting period, the liquidity indicators of Cinda Securities' parent company are as follows:

Items	December 31, 2025	December 31, 2024	December 31, 2023	Regulatory standard
Liquidity coverage ratio *(Note 1)*	190.34%	213.53%	174.27%	Shall not be lower than 100%
Net stable funding ratio *(Note 2)*	170.51%	241.21%	156.41%	Shall not be lower than 100%

Note 1: Liquidity coverage ratio = High-quality liquid assets/net cash outflows over the next 30 days × 100%.

Note 2: Net stable funding ratio = Available stable funding/required stable funding × 100%.

Note 3: In September 2024, the CSRC amended the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) (CSRC Announcement [2024] No. 13), which came into effect on January 1, 2025. In accordance with the provisions, Cinda Securities restated the net capital and risk control indicators as at December 31, 2024.

As of the end of 2023, the end of 2024, and the end of 2025, the liquidity coverage ratios of Cinda Securities' parent company were 174.27%, 213.53%, and 190.34%, respectively, while net stable funding ratios were 156.41%, 241.21%, and 170.51%, respectively. All of these indicators consistently complied with applicable regulatory requirements.

① ***Liquidity Coverage Ratio of Comparable Peer Companies***

As of the end of 2023, the end of 2024, and the end of 2025, the average liquidity coverage ratios of comparable peer companies were 340.62%, 333.99% and 341.94%, respectively. Cinda Securities' liquidity coverage ratio complied with the requirements of the Measures for the Administration of Risk Control Indicators of Securities Companies and was lower than the average of comparable peer companies.

Comparable company	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Guoyuan Securities	268.07%	341.49%	389.81%
Caitong Securities	234.13%	362.20%	235.94%
Guolian Minsheng	177.13%	185.05%	167.36%
Sinolink Securities	286.45%	401.75%	254.58%
Great Wall Securities	321.05%	343.59%	318.06%
Western Securities	249.85%	304.41%	251.95%
Huaan Securities	628.70%	362.52%	449.04%
Huaxi Securities	301.03%	265.55%	299.29%
Northeast Securities	181.44%	251.58%	378.24%
Tianfeng Securities	771.59%	521.79%	661.91%
Average	**341.94%**	**333.99%**	**340.62%**
Cinda Securities	**190.34%**	**213.53%**	**174.27%**

Note 1: The data is sourced from the periodic reports of comparable peer companies.

② ***Net Stable Funding Ratio of Comparable Peer Companies***

As of the end of 2023, the end of 2024, and the end of 2025, the average net stable funding ratios of comparable peer companies were 154.07%, 179.31%, and 162.42%, respectively. Overall, Cinda Securities' net stable funding ratio was slightly higher than the average level of comparable peer companies.

Comparable company	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Guoyuan Securities	147.62%	161.13%	157.65%
Caitong Securities	134.29%	183.76%	142.94%
Guolian Minsheng	134.92%	173.65%	133.48%
Sinolink Securities	166.50%	160.85%	139.10%
Great Wall Securities	194.73%	207.70%	149.28%
Western Securities	197.93%	229.92%	176.67%
Huaan Securities	165.87%	183.36%	174.76%
Huaxi Securities	211.86%	203.54%	201.37%
Northeast Securities	163.21%	183.64%	143.53%
Tianfeng Securities	107.31%	105.55%	121.91%
Average	**162.42%**	**179.31%**	**154.07%**
Cinda Securities	**170.51%**	**241.21%**	**156.41%**

Note: The data is sourced from the periodic reports of comparable peer companies.

2. Analysis of Operating Results

(1) Operating Performance Analysis

During each of the reporting periods, the operating results of Cinda Securities are set out below:

Unit: RMB10,000

Items	2025	2024	2023
I. Operating revenue	**404,387.28**	**329,154.74**	**348,349.40**
Net interest income	41,564.21	47,328.10	42,372.01
Net fee and commission income	178,916.66	161,881.84	191,614.19
Investment income	211,465.03	104,258.85	96,475.12
Other gains	4,739.86	2,456.13	2,148.84
(losses)/gains from changes in fair value	-34,198.20	13,587.54	15,002.63
Gains/(losses) from foreign exchange	1,352.00	-790.87	-143.81
Other operating income	573.03	420.07	808.05
(losses)/gains from asset disposal	-25.30	13.08	72.36
II. Operating expenses	**188,011.48**	**175,176.60**	**174,887.52**
Taxes and surcharges	2,686.05	1,883.84	2,048.78
Operating and administrative expenses	171,602.54	168,175.96	176,821.30
Provision for impairment losses under expected credit loss model	13,722.88	5,116.79	-3,984.68
Other operating costs	–	–	2.12
III. Operating profit	**216,375.80**	**153,978.15**	**173,461.88**
Add: Non-operating income	18.02	150.23	729.37
Less: Non-operating expenses	6,909.27	511.60	731.92
IV. Profit before tax	**209,484.56**	**153,616.77**	**173,459.33**
Less: Income tax expense	14,350.41	12,148.26	19,199.84
V. Profit for the year	**195,134.15**	**141,468.51**	**154,259.49**
Attributable to shareholders of the parent company	189,370.40	136,488.86	146,688.67
Attributable to non-controlling interests	5,763.74	4,979.65	7,570.82
VI. Other comprehensive income for the year, net of tax	**26,980.90**	**48,387.24**	**17,751.43**
Attributable to shareholders of the parent company	26,330.83	48,195.27	17,136.28
Attributable to non-controlling interests	650.07	191.97	615.16
VII. Total comprehensive income for the year	**222,115.05**	**189,855.75**	**172,010.92**
Attributable to shareholders of the parent company	215,701.24	184,684.13	163,824.95
Attributable to non-controlling interests	6,413.81	5,171.62	8,185.97

In 2023, 2024 and 2025, Cinda Securities recorded operating revenue of RMB3,483,494.0 thousands, RMB3,291,547.4 thousands, and RMB4,043,872.8 thousands, respectively, and net profit attributable to shareholders of the parent company of

RMB1,466,886.7 thousands, RMB1,364,888.6 thousands, and RMB1,893,704.0 thousands, respectively, all showing an overall steady increase. This was mainly due to the changes in Cinda Securities' net fee and commission income and investment income.

(2) Analysis of Operating Revenue

During each of the reporting periods, Cinda Securities' operating revenue was mainly derived from net fee and commission income, net interest income, and investment income and gains or losses from changes in fair value.

① ***Net Fee and Commission Income***

During each of the reporting periods, Cinda Securities' net fee and commission income was primarily generated from brokerage business, investment banking business, and asset management business, as detailed below:

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Net income from brokerage business	106,084.94	85,306.99	77,910.58
Net income from investment banking business	13,777.34	12,673.22	15,428.34
Net income from asset management business	14,176.43	15,581.03	23,232.89
Others	44,877.95	48,320.60	75,042.38
Total	**178,916.66**	**161,881.84**	**191,614.19**

In 2023, 2024 and 2025, Cinda Securities recorded net fee and commission income of RMB1,916,141.9 thousands, RMB1,618,818.4 thousands, and RMB1,789,166.6 thousands, respectively, accounting for 55.01%, 49.18%, and 44.24% of operating revenue. In 2024, Cinda Securities' net fee and commission income decreased compared to 2023, mainly derived from the decrease in net income from asset management business and other net fee income. In 2025, Cinda Securities' net fee and commission income achieved an increase compared to 2024, mainly derived from the continuous increase in net income from brokerage business.

A. Net Income from Brokerage Business

In 2023, 2024 and 2025, Cinda Securities' net income from brokerage business amounted to RMB779,105.8 thousands, RMB853,069.9 thousands, and RMB1,060,849.4 thousands, respectively, mainly derived from securities brokerage and futures brokerage services. During the reporting periods, net income from brokerage business increased steadily.

B. Net Income from Investment Banking Business

In 2023, 2024 and 2025, Cinda Securities' net income from investment banking business amounted to RMB154,283.4 thousands, RMB126,732.2 thousands, and RMB137,773.4 thousands, respectively, mainly derived from securities underwriting, sponsorship, and financial advisory services. During the reporting periods, income from investment banking business remained stable as a whole.

C. Net Income from Asset Management Business

In 2023, 2024 and 2025, Cinda Securities' net income from asset management business amounted to RMB232,328.9 thousands, RMB155,810.3 thousands, and RMB141,764.3 thousands, respectively. Net income from asset management business declined during the reporting periods, mainly due to the decrease in the net income from collective asset management business.

② ***Net Interest Income***

During each of the reporting periods, the details of Cinda Securities' net interest income are set out below:

Unit: RMB10,000

Items	2025	2024	2023
Interest income	**173,837.31**	**152,375.74**	**146,875.52**
Of which: Interest income from cash and bank balances and deposits with clearing houses	42,456.96	49,669.39	52,646.43
Interest income from receivable from margin clients	69,217.72	57,428.75	60,370.89
Interest income from reverse REPOs	6,735.17	3,129.02	1,086.20
Interest income from other debt investments	55,427.44	42,148.56	32,771.99
Interest income from other financial assets calculated using the effective interest method	0.01	0.02	0.01
Interest expense	**132,273.10**	**105,047.64**	**104,503.51**
Of which: Interest expense on short-term borrowings	2,937.83	2,473.27	1,703.20
Interest expense on placements from financial institutions	34,163.16	21,557.96	22,200.38
Interest expense on REPOs	37,834.41	28,509.36	26,381.49
Interest expense on accounts payable to brokerage clients	6,201.68	9,680.75	12,953.45

Items	2025	2024	2023
Interest expense on long-term borrowings	–	–	531.08
Interest expense on long-term debt securities issued	45,202.59	39,505.63	36,672.41
Interest expense on other financial liabilities calculated using the effective interest method	5,933.44	3,320.68	4,061.51
Total interest income	**41,564.21**	**47,328.10**	**42,372.01**

In 2023, 2024 and 2025, Cinda Securities recorded total interest income of RMB1,468,755.2 thousands, RMB1,523,757.4 thousands, and RMB1,738,373.1 thousands, respectively. There was no material change in 2024 compared with 2023. In 2025, total interest income increased by RMB214,615.7 thousands, or 14.08%, compared with 2024, primarily due to the increase in interest income from other debt investments, and interest income from receivable from margin clients.

In 2023, 2024 and 2025, total interest expenses amounted to RMB1,045,035.1 thousands, RMB1,050,476.4 thousands, and RMB1,322,731.0 thousands, respectively. Interest expenses remained broadly stable in 2024 compared with 2023, and increased by RMB272,254.6 thousands, or 25.92%, in 2025 compared with 2024, mainly due to higher interest expenses on placements from financial institutions, REPOs, and long-term debt securities issued.

③ ***Investment Income and Gains or Losses from Changes in Fair Value***

During each of the reporting periods, Cinda Securities' investment income and gains or losses from changes in fair value are as follows:

Unit: RMB10,000

Items	2025	2024	2023
Investment income	**211,465.03**	**104,258.85**	**96,475.12**
Of which: Income from long-term equity investments accounted for using the equity method	1,543.68	1,758.67	1,730.10
Income from financial instruments	211,867.93	105,288.51	95,647.05
Income from disposal of long-term equity investments	-107.48	-1,462.67	–
Others	-1,839.10	-1,325.66	-902.03
Gains/losses from changes in fair value	**-34,198.20**	**13,587.54**	**15,002.63**

Items	2025	2024	2023
Of which: Financial assets held for trading	-37,827.15	16,714.33	18,267.63
Financial liabilities held for trading	349.58	0.96	-145.83
Derivative financial instruments	3,279.37	-3,127.75	-3,119.17
Total investment income and gains or losses from changes in fair value	**177,266.83**	**117,846.39**	**111,477.75**

In 2023, 2024 and 2025, Cinda Securities recorded total investment income and gains or losses from changes in fair value of RMB1,114,777.5 thousands, RMB1,178,463.9 thousands, and RMB1,772,668.3 thousands, respectively, accounting for 32.00%, 35.80%, and 43.84% of operating revenue. The total amount of investment income and gains or losses from changes in fair value improved during the reporting periods, primarily due to more favorable investment market conditions for assets such as equities and bonds.

④ ***Breakdown of Operating Revenue by Region***

Unit: RMB10,000

Region	2025	2024	2023
Domestic	343,342.64	312,060.92	336,335.90
Overseas	61,044.64	17,093.82	12,013.50
Total	**404,387.28**	**329,154.74**	**348,349.40**

During each of the reporting periods, Cinda Securities' operating revenue was primarily generated from domestic operations. During the reporting periods, overseas revenue increased, mainly attributable to higher dividend income from the company's Hong Kong equity holdings, as well as growth in interest income, investment income and exchange gains generated by Cinda International.

(3) Analysis of Operating Expenses

Unit: RMB10,000

Items	2025	2024	2023
Taxes and surcharges	2,686.05	1,883.84	2,048.78
Operating and administrative expenses	171,602.54	168,175.96	176,821.30
Provision for impairment losses under expected credit loss model	13,722.88	5,116.79	-3,984.68
Other operating costs	–	–	2.12
Total	**188,011.48**	**175,176.60**	**174,887.52**

In 2023, 2024 and 2025, Cinda Securities' operating expenses amounted to RMB1,748,875.2 thousands, RMB1,751,766.0 thousands, and RMB1,880,114.8 thousands, respectively. Operating expenses were primarily composed of operating and administrative expenses and provision for impairment losses under expected credit loss model. During the reporting periods, the operating expenses of Cinda Securities remained stable.

① ***Operating and Administrative Expenses***

In 2023, 2024 and 2025, Cinda Securities' operating and administrative expenses amounted to RMB1,768,213.0 thousands, RMB1,681,759.6 thousands, and RMB1,716,025.4 thousands, respectively, accounting for 101.11%, 96.00%, and 91.27% of operating expenses. The breakdown is set out below:

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Staff costs	108,593.66	104,052.75	111,414.81
Depreciation and amortization	23,776.76	23,430.72	18,824.76
Electronic equipment operation expenses	9,825.21	8,625.85	8,462.16
Post and telecommunication expenses	3,460.39	3,355.03	3,237.83
Exchange facility usage fees	3,194.41	2,418.42	2,406.77
Rent and property management fees	2,996.45	6,488.64	8,066.65
Consulting fees	2,604.71	2,184.97	2,738.85
Investor protection fund contribution	2,229.24	1,742.61	1,824.57
Fund marketing fee	1,987.16	2,796.63	-
Travel expenses	1,602.33	2,071.20	2,949.46
Business entertainment expenses	1,058.55	2,000.99	2,909.79
Fund and asset management plan distribution expenses	598.68	893.07	609.21
Others	9,674.99	8,115.07	13,376.45
Total	**171,602.54**	**168,175.96**	**176,821.30**

In 2023, 2024 and 2025, Cinda Securities' operating and administrative expenses mainly comprised staff costs, depreciation and amortization, electronic equipment operating expenses, post and telecommunication expenses, and office rent and property management fees. Among these, staff costs accounted for 63.01%, 61.87%, and 63.28%, respectively, and depreciation and amortization accounted for 10.65%, 13.93%, and 13.86%, respectively, together representing the largest component of operating and administrative expenses. During the reporting periods, the scale of operating and administrative expenses of Cinda Securities remained stable.

② ***Provision for impairment losses under expected credit loss model***

In 2023, 2024 and 2025, Cinda Securities recorded provision for impairment losses under expected credit loss model of RMB-39,846.8 thousands, RMB51,167.9 thousands, and RMB137,228.8 thousands, respectively, accounting for -2.28%, 2.92%, and 7.30% of operating expenses. Details are set out below:

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Impairment losses on reverse REPOs	2,739.01	311.03	-5,455.17
Bad debt losses on receivables	8,850.25	1,056.80	-339.97
Bad debt losses on other receivables	-24.93	40.11	444.68
Impairment losses on receivable from margin clients	5,261.01	2,258.04	684.91
Impairment losses on other debt investments	-3,102.45	1,450.81	680.88
Total	**13,722.88**	**5,116.79**	**-3,984.68**

During each of the reporting periods, the provision for impairment losses under expected credit loss model of Cinda Securities mainly originated from the expected credit losses recognized on accounts receivable, receivable from margin clients, and reverse REPOs, etc. During the reporting periods, the provision for impairment losses under expected credit loss model of Cinda Securities increased, mainly due to the increase in provision for impairment losses on accounts receivable and receivable from margin clients.

(4) Analysis of the Impact of Non-recurring Gains and Losses, Non-controlling Interests, and Investment Income on Operating Results

During each of the reporting periods, the non-recurring gains and losses of Cinda Securities are as follows:

Unit: RMB10,000

Items	**2025**	**2024**	**2023**
Gains/losses on disposal of non-current assets	-147.37	-43.84	72.36
Government grants recognized in current profit or loss (excluding those closely related to the company's normal operations, in line with national policies, entitled based on determined standards, and having a continuous impact on the company's profit or loss)	1,472.69	1,855.22	1,881.11
Non-recurring losses from disposal of long-term equity investments	-107.48	-1,462.67	–

Items	2025	2024	2023
Other non-operating income and expenses excluding the above items	-6,769.18	-304.45	-2.55
Less: Income tax effects	-1,235.21	399.28	434.68
Effect on non-controlling interests (after tax)	9.04	-475.65	6.02
Total	**-4,325.16**	**120.62**	**1,510.21**

During the reporting periods, Cinda Securities' non-recurring gains and losses were primarily attributable to government grants recognized in profit or loss for the current period and non-operating expenses.

During each of the reporting periods, the proportions of non-recurring gains and losses, non-controlling interests, and investment income to operating revenue of Cinda Securities are as follows:

Unit: RMB10,000

Items	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Non-recurring gains/losses	-4,325.16	-1.07%	120.62	0.04%	1,510.21	0.43%
Non-controlling interests	5,763.74	1.43%	4,979.65	1.51%	7,570.82	2.17%
Investment income	211,465.03	52.29%	104,258.85	31.67%	96,475.12	27.69%

During each of the reporting periods, the proportion of non-recurring gains and losses of Cinda Securities to operating revenue remained relatively low.

Investment income generated from financial asset investments constitutes an important component of Cinda Securities' profit model and, accordingly, investment income represented a significant source of operating revenue during the reporting periods.

(5) Analysis of Profitability Indicators

During each of the reporting periods, the basic earnings per share and weighted average return on net assets of Cinda Securities are set out below:

Items	2025	2024	2023
Basic earnings per share (RMB/share)	0.54	0.41	0.46
Weighted average return on net assets (%)	8.61	7.23	8.73

During each of the reporting periods, changes in basic earnings per share and weighted average return on net assets of Cinda Securities were primarily attributable to fluctuations in net profit attributable to shareholders of the parent company.

3. Cash Flow Analysis

During each of the reporting periods, the key cash flow indicators of Cinda Securities are set out below:

Unit: RMB10,000

Cash flow statement item	2025	2024	2023
Subtotal cash inflows from operating activities	2,049,425.91	2,100,235.17	1,247,761.39
Subtotal cash outflows from operating activities	1,854,957.14	1,071,728.77	1,005,925.50
Net cash flows from operating activities	**194,468.77**	**1,028,506.41**	**241,835.89**
Subtotal cash inflows from investing activities	4,430,120.63	3,013,481.26	788,375.38
Subtotal cash outflows from investing activities	4,897,285.25	4,366,806.92	1,943,267.92
Net cash flows from investing activities	**-467,164.61**	**-1,353,325.66**	**-1,154,892.54**
Subtotal cash inflows from financing activities	2,064,117.85	2,562,963.57	2,048,969.33
Subtotal cash outflows from financing activities	1,580,967.66	1,521,729.96	1,388,224.59
Net cash flows from financing activities	**483,150.19**	**1,041,233.61**	**660,744.74**
Net increase in cash and cash equivalents	**212,847.86**	**721,591.85**	**-249,480.02**

In 2024, the net cash flows from operating activities increased by RMB7,866,705.2 thousands compared with 2023. This was mainly attributable to accounts payable to brokerage clients shifting from a net decrease in 2023 to a net increase in 2024, together with a net increase in funds related to repurchase transactions, which resulted in higher cash inflows from operating activities. In 2025, net cash flows from operating activities amounted to RMB1,944,687.7 thousands, representing a decrease of RMB8,340,376.4 thousands compared with 2024. This was primarily due to the net increases in financial assets and liabilities held for trading, derivative financial instruments, and receivable from margin clients, changes in the scale of accounts payable to brokerage clients and funds related to repurchase transactions, which led to a reduction in net cash flows from operating activities.

In 2024, the net cash flows from investing activities decreased by RMB1,984,331.2 thousands compared with 2023, mainly due to an expansion in investments in financial assets such as other debt investments during the year. In 2025, net cash flows from investing activities amounted to RMB-4,671,646.1 thousands, representing an increase of RMB8,861,610.5 thousands compared with 2024. This was mainly due to a significant increase in cash received from disposal of investments, which led to a corresponding rise in cash inflows from investing activities.

In 2024, the net cash flows from financing activities increased by RMB3,804,888.7 thousands compared with 2023, mainly due to a larger scale of bond issuance during the year. In 2025, net cash flows from financing activities amounted to RMB4,831,501.9 thousands, representing a decrease of RMB5,580,834.3 thousands compared to 2024, primarily due to a decrease in scale of bond issuance.

As at the end of each reporting period:

(a) borrowings within the Cinda Group are made primarily in RMB and USD and the cash and cash equivalent of the Cinda Group are held primarily in RMB;

(b) borrowings within the Cinda Group are primarily at fixed rates;

(c) the Cinda Group is primarily exposed to HKD and USD currency fluctuation and has adopted financial instruments for currency hedging purposes from time to time;

(d) the Cinda Group did not hold any significant investments;

(e) the Cinda Group has 2,819, 2,792 and 2,756 employees;

(f) the Cinda Group did not have any material contingent liabilities (save as already disclosed in its financial statements); and

(g) the Cinda Group did not enter into any material pledge of its assets (save as already disclosed in its financial statements).

During each reporting period:

(a) the Cinda Group did not make any material acquisitions or disposals of subsidiaries and associated companies; and

(b) the Cinda Group formulates the remuneration package for its employees based on the overall remuneration standard in the market, industry practice and the group's remuneration strategy. In addition to salary, in-house training programmes and employee benefits, employees may receive year-end performance incentives depending on their individual performance.

As at December 31, 2025, the Cinda Group does not have any future plans for any material investments or acquisition of capital assets. The Cinda Group will continue to identify new investment opportunities in companies with principal businesses related to the group's core business with a view to create synergies with the group's existing core business and improve the group's service and products to its customer.

1. RESPONSIBILITY STATEMENT

This circular, for which the CICC Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to CICC. The CICC Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2 DISCLOSURE OF INTEREST IN THE CICC SHARES

(a) Interests of directors and chief executive of CICC in the securities of CICC and the securities of the associated corporation of CICC

As at the Latest Practicable Date, none of the directors or chief executive of CICC had any interests and short positions in the Shares, underlying shares and debentures of CICC and its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to CICC and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO); (ii) to be entered in the register required to be kept pursuant to section 352 of the SFO; or (iii) to be notified to CICC and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers is set out in Appendix C3 to the Hong Kong Listing Rules.

(b) Interests of substantial shareholders in the securities of CICC

As at the Latest Practicable Date, save as disclosed below, so far as it was known to the Board, no persons (other than being a Director or chief executive of CICC) had an interest or a short position in the Shares or underlying shares and debentures of CICC which would fall to be disclosed to CICC

and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to CICC and the Hong Kong Stock Exchange:

Name	Class of Shares	Capacity	Number of securities/ Type of shares held	Percentage of the total share capital (%)	Percentage of the total number of the relevant class of shares (%)
Central Huijin *(Note 2)*	A Shares	Beneficial owner	1,936,155,680/Long positions	40.11/Long positions	66.23/Long positions
		Interest of controlled corporation	2,734,800/Long positions	0.06/Long positions	0.09/Long positions
E Fund Management Co., Ltd. (易方達基金管理有限公司)	H Shares	Investment manager	151,833,200/Long positions	3.15/Long positions	7.98/Long positions
Citigroup Inc. *(Note 3)*	H Shares	Interest of controlled corporation	14,503,267/Long positions	0.30/Long positions	0.76/Long positions
			16,162,708/Short positions	0.33/Short positions	0.85/Short positions
		Approved lending agent	82,797,774/Long positions	1.72	4.34
Morgan Stanley *(Note 4)*	H Shares	Interest of controlled corporation	102,118,443/Long positions	2.12/Long positions	5.36/Long positions
			25,077,558/Short positions	0.52/Short positions	1.31/Short positions
BlackRock, Inc. *(Note 5)*	H Shares	Interest of controlled corporation	97,992,389/Long positions	2.03/Long positions	5.15/Long positions
			1,217,200/Short positions	0.03/Short positions	0.06/Short positions

Notes:

1. Pursuant to Part XV of the SFO, the CICC Shareholders are required to file disclosure of interests forms to the Hong Kong Stock Exchange when certain criteria are fulfilled. When shareholding of a Shareholder in CICC changes, it is not necessary to notify CICC or the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the shareholdings filed with the Hong Kong Stock Exchange may be different from the latest shareholding of the Shareholders.

2. Each of Jianyin Investment, JIC Investment and China Investment Consulting is wholly owned by Huijin Company. Therefore, Huijin Company is deemed to be interested in 2,734,800 CICC A Shares held by Jianyin Investment, JIC Investment and China Investment Consulting for the purpose of the SFO.

3. Based on its disclosure of interest filings, certain indirect subsidiaries of Citigroup Inc. hold interests in CICC Shares. Therefore, Citigroup Inc. is deemed to be interested in the Shares held by each of them. In addition, the interests held comprised positions in physically settled derivatives with a long position of 728,498 CICC H Shares and a short position of 3,668,738 CICC H Shares, and positions in cash settled derivatives with a long position of 851,600 CICC H Shares and a short position of 4,730,400 CICC H Shares.

4. Based on its disclosure of interest filings, certain indirect subsidiaries of Morgan Stanley hold interests in CICC Shares. Therefore, Morgan Stanley is deemed to be interested in the CICC Shares held by each of them. In addition, the interests held comprised positions in physically settled derivatives with a long position of 580,592 CICC H Shares and a short position of 420,000 CICC H Shares, and positions in cash settled derivatives with a long position of 34,435,472 CICC H Shares and a short position of 3,613,077 CICC H Shares.

5. Based on its disclosure of interest filings, certain indirect subsidiaries of BlackRock Inc. holds interests in CICC Shares. Therefore, BlackRock Inc. is deemed to be interested in the CICC Shares held by each of them. In addition, the interests held comprised positions in cash settled derivatives with a long position of 5,928,400 CICC H Shares and a short position of 1,045,600 CICC H Shares.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing service contract with CICC or any of its subsidiaries or associated companies which cannot be terminated within one year without compensation (other than statutory compensation).

None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the CICC Group since December 31, 2025, being the date to which the latest published audited financial statements of the CICC Group were prepared.

None of the CICC Directors was materially interested in any contract or arrangement entered into by CICC or any of its subsidiaries which was subsisting and significant in relation to the business of the CICC Group taken as a whole.

4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the CICC Group other than those businesses to which the Directors and their respective close associates were appointed to represent the interests of CICC and/or the CICC Group.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the CICC Group were engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any members of the CICC Group.

6. MATERIAL CONTRACTS

Other than the Merger Agreement, there is no material contract (not being contracts in the ordinary course of business carried on or intended to be carried on by the members of the CICC Group) which has been entered into by members of the CICC Group within the two years immediately preceding the Latest Practicable Date, which are or may be material.

7. EXPERT

The following are the qualifications of the experts who have given their opinions, letters, or advice which are contained in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Industrial Securities	Valuation institution of the Valuation Report

As at the Latest Practicable Date, other than the 159,500 CICC Shares, 12,300 Dongxing A Shares and 8,300 Cinda A Shares held by Industrial Securities, the above experts do not hold in any securities of any members of the CICC Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the CICC Group, and the above experts did not have any direct or indirect interest in any assets which had been, since December 31, 2025 (being the date to which the latest published audited accounts of the CICC Group were prepared), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any members of the CICC Group.

The above experts have given and have not withdrawn their written consent to the issue of their circular with the inclusion of its opinions, letters or advice and reference to their names in the form and context in which they respectively appear.

8. MISCELLANEOUS

(a) The registered office of CICC is situated at 27th and 28th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC.

(b) The Hong Kong branch share registrar and transfer office of CICC is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(c) The joint company secretaries of CICC are Ms. Liang Dongqing and Mr. Zhou Jiaxing.

(d) The English translation of those entities whose name is marked with an asterisk (*) is for identification purpose only.

(e) Save as otherwise specified in this circular, in case of inconsistency, the English version of this circular shall prevail over the Chinese version.

9. MATERIAL ADVERSE CHANGE

The CICC Directors confirm that, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the CICC Group since December 31, 2025, being the date to which the latest published audited financial statements of the CICC Group were prepared.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection (i) on the website of CICC at http://www.cicc.com; and (ii) on the website of the Hong Kong Stock Exchange at www.hkexnews.hk, for a period of not less than 14 days commencing from the date of this circular:

(a) the Merger Agreement;

(b) the Valuation Report;

(c) the report on the unaudited pro forma financial information of the Enlarged CICC Group from Ernst & Young, the text of which is set out in Appendix V to this circular;

(d) the statement of reconciliation between PRC GAAP and IFRS in respect of the financial information of Dongxing Securities and Cinda Securities, the text of which is set out in Appendices II and III to this circular respectively; and

(e) the consent letters of the experts referred to in the paragraph headed "7. Expert" in this Appendix.