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This announcement and the offering circular referred to herein have been published for information purposes only as required by the Listing Rules (as defined below) and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the offering circular) forms the basis for any contract or commitment whatsoever. *For the avoidance of doubt, the publication of this announcement and the offering circular referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer and the Guarantor (each as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities or an invitation to enter into any agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or any other jurisdiction, and may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or local securities laws. Accordingly, any Notes (as defined below) will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.*

Notice to Hong Kong investors: *The Issuer and the Guarantor confirm that the Notes will be intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and the Programme (as defined below) has been, and the Notes (to the extent they are to be listed on the Hong Kong Stock Exchange) will be, listed on the Hong Kong Stock Exchange on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR ON

THE STOCK EXCHANGE OF HONG KONG LIMITED

PIONEER REWARD LIMITED
(incorporated in the British Virgin Islands with limited liability)
(the "**Issuer**")

U.S.$10,000,000,000
Guaranteed Medium Term Note Programme

Unconditionally and Irrevocably Guaranteed by

HUATAI SECURITIES CO., LTD.
(华泰证券股份有限公司)
(A joint stock limited company incorporated in the People's Republic of China)
(Stock code: 601688.SH, 6886.HK, HTSC.LI)
(the "**Guarantor**")

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Please refer to the offering circular dated 18 November 2026 (the "**Offering Circular**") appended herein in relation to the U.S.$10,000,000,000 Guaranteed Medium Term Note Programme (the "**Programme**") issued by the Issuer unconditionally and irrevocably guaranteed by the Guarantor. As disclosed in the Offering Circular, any notes to be issued under the Programme (the "**Notes**") will be intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and the Programme has been, and the Notes (to the extent they are to be listed on the Hong Kong Stock Exchange) will be, listed on the Hong Kong Stock Exchange on that basis.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer, and no such inducement is intended. The Offering Circular is published in English only. No Chinese version of the Offering Circular has been published.

19 November 2026

As at the date of this announcement, the Board of Directors of the Issuer comprises Ms. Wu Junya Carol and Ms. Liu Ying Ingrid.

As at the date of this announcement, the Board of Directors of the Guarantor comprises Mr. Wang Huiqing, Mr. Zhou Yi and Ms. Wang Ying as executive Directors; Mr. Ding Feng, Ms. Yu Lanying, Mr. Ke Xiang, Mr. Jin Yongfu and Mr. Chen Jianwei as non-executive Directors; and Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing, Mr. Lo Kin Wing Terry and Mr. Ye Jinqiang as independent non-executive Directors.

Appendix I – Offering Circular

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES AND, IN CERTAIN CIRCUMSTANCES, ARE NOT U.S. PERSONS.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Pioneer Reward Limited (the "**Issuer**") or Huatai Securities Co., Ltd. (华泰证券股份有限公司) (the "**Guarantor**") as a result of such access. In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be outside the United States and in certain circumstances, not U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

Confirmation of Your Representation: The Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to represent to the Issuer, the Guarantor, Huatai Financial Holdings (Hong Kong) Limited (the "**Arranger**") and the Dealers (as defined in the Offering Circular) that (1) you and any customers you represent are outside the United States and, in certain circumstances, not U.S. persons and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (each as defined in the Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version available to you upon request from the Issuer, the Guarantor, the Arranger and the Dealers.

Restrictions: The Offering Circular is being furnished in connection with an offering in offshore transactions to persons outside the United States or, in certain circumstances, to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF THE NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES, OR IN CERTAIN CIRCUMSTANCES, TO U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING IS MADE SOLELY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer, the Guarantor, the Arranger or the Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute, in the United States or elsewhere, directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arranger or a Dealer or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the Offering Circular.

Actions that You May Not Take: If you receive the Offering Circular by e-mail, you should not reply by e-mail to the Offering Circular, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes (as defined in the Offering Circular) pursuant to this Programme (each such offering, a "**CMI Offering**") including certain Dealers, may be "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer or the Guarantor to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement (as defined in the Offering Circular) or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

You are responsible for protecting against viruses and other destructive items. If you receive this Offering Circular by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

PIONEER REWARD LIMITED

(incorporated in the British Virgin Islands with limited liability)

U.S.$10,000,000,000 Guaranteed Medium Term Note Programme

Unconditionally and Irrevocably Guaranteed by



HUATAI SECURITIES CO., LTD.
(华泰证券股份有限公司)

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

(Stock code: 601688.SH, 6886.HK, HTSC.LI)

Under the U.S.$10,000,000,000 Guaranteed Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Pioneer Reward Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue guaranteed medium term notes (the "**Notes**") which will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by Huatai Securities Co., Ltd. (华泰证券股份有限公司) (the "**Guarantor**" or the "**Company**"). The Issuer is a wholly-owned subsidiary of the Guarantor. The aggregate nominal amount of the Notes outstanding will not at any time exceed U.S.$10,000,000,000 (or the equivalent in other currencies), subject to increase as further described in "*Summary of the Programme*".

With respect to each Tranche (as defined in the Terms and Conditions of the Notes) of Notes where the Administrative Measures for the Review and Registration of Medium-and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(中華人民共和國國家發展和改革委員會令)(第56號)) as issued by the NDRC and effective from 10 February 2023 (the "**NDRC Foreign Debt Measures**") and as amended, supplemented or replaced from time to time and any applicable implementation rules, reports, certificates, approvals or guidelines as may be issued by the NDRC from time to time, as amended, supplemented or replaced from time to time are applicable, the Guarantor will report or cause to report a notification to the NDRC of the requisite information and documents within the prescribed timeframe in accordance with the NDRC Foreign Debt Measures (the "**NDRC Filings**"), including but not limited to, the filing with the NDRC of the requisite information and documents relating to the issuance of Notes required to be filed with the NDRC within ten business days of issuance pursuant to the NDRC Foreign Debt Measures (the "**NDRC Post-Issue Filing**").

Each Tranche of Notes issued under the Programme will have the benefit of a deed of guarantee on or about the relevant Issue Date (as amended, restated and/or supplemented from time to time, each a "**Deed of Guarantee**") entered into by the Guarantor in favour of The Hongkong and Shanghai Banking Corporation Limited as trustee. The Guarantor will register or cause to be registered with the State Administration of Foreign Exchange or its local counterpart ("**SAFE**"), the relevant Deed of Guarantee within 15 PRC Business Days (as defined in the Terms and Conditions of the Notes) after the execution of the relevant Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). The Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the day falling 150 PRC Business Days after the relevant Issue Date and comply with all applicable PRC laws and regulations in relation to the Guarantee.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only within the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. This Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong Investors: The Issuer and the Guarantor confirm that each Tranche of Notes issued under the Programme is intended for purchase by Professional Investors only and the Programme and the Notes, to the extent that they are to be listed on the Hong Kong Stock Exchange, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme or the Notes on Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor or the Group (as defined below) or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Notice of the aggregate principal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange, on or before the relevant Issue Date. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, exchange or quotation system.

Notes may be issued in bearer or registered form. The Notes of each Series (as defined in "*Summary of the Programme*") issued in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") (collectively, the "**Global Note**"). Bearer Notes that are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") ("**TEFRA D**") must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. The Notes of each Series in registered form will initially be represented by a global certificate (each a "**Global Certificate**"). Global Notes and Global Certificates may be deposited on the issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), or with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**") operated by the Hong Kong Monetary Authority ("**HKMA**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes or Global Certificates for Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state of the United States and may not be offered or sold or, in case of Bearer Notes, delivered, in the United States or, in certain circumstances, to U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States. The Notes and the Guarantee are being offered outside the United States in reliance on Regulation S under the Securities Act. Bearer Notes are subject to U.S. tax law requirements. See "*Subscription and Sale*".

MiFID II product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT — EEA RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT — UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, "**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("**POATRs**"). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Singapore SFA Product Classification: The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional dealer appointed under the Programme from time to time by the Issuer and the Guarantor (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of the Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

The Programme has been assigned a rating of "Baa1" by Moody's Investors Service, Inc. ("**Moody's**"). In addition, the Guarantor has been assigned a corporate rating of "Baa1" by Moody's with a stable outlook and a long-term issuer rating of "BBB+" by S&P Global Ratings (S&P) with a stable outlook. These ratings are only correct as at the date of this Offering Circular. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating does not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Investing in the Notes involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of the Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. Prospective investors should have regard to the factors described under the section entitled "*Risk Factors*" in this Offering Circular.

Arranger and Dealer

Huatai International

Offering Circular dated 18 November 2026

NOTICE TO INVESTORS

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and its subsidiaries (together, the "**Group**"), the Notes and the Guarantee which is material in the context of the issue and offering of the Notes (including all information required by applicable laws and which, according to the particular nature of the Issuer, the Guarantor, the Group, the Notes and the Guarantee, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantor, the Group and of the rights attaching to the Notes and the Guarantee); (ii) the statements contained in this Offering Circular relating to the Issuer, the Guarantor, the Group, the Notes and the Guarantee are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Guarantor, the Group, the Notes or the relevant Deed of Guarantee, the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect; and (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group, the Programme or the Notes. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the Group and the terms of the offering, including the merits and risks involved. Please see "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Each Tranche of Notes will be issued on the terms set out herein under *"Terms and Conditions of the Notes*" as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (the "**Pricing Supplement**"). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein (see "*Documents Incorporated by Reference and Financial Information*") and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, Huatai Financial Holdings (Hong Kong) Limited (the "**Arranger**") and Dealers, the Trustee and the Agents (each as defined in the "*Terms and Conditions of the Notes*") to inform themselves about and to observe any such restrictions.

None of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. No action is being taken to permit a

public offering of any of the Notes or the distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action would be required for such purposes. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. There are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the EEA, the UK, the PRC, Hong Kong, Macau, Singapore, Japan and the British Virgin Islands, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and distribution of this Offering Circular and any Pricing Supplement, see "*Subscription and Sale*".

MiFID II product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration such target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT — EEA RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT — UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by the DISC for offering, selling or distributing the Notes or otherwise

making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Singapore SFA Product Classification — The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

No person has been or is authorised to give any information or to make any representation concerning the Group, the Notes or the Guarantee other than as contained in this Offering Circular or any other document entered into in relation to the Programme and any offering of the Notes pursuant to the Programme and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, any Dealer, the Trustee, any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them). Neither the delivery of this Offering Circular or any Pricing Supplement nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, the Group or any of them since the date hereof, or if later, the date upon which this Offering Circular has been most recently amended or supplemented, or create any implication that the information contained herein is correct as at any date subsequent to the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) to subscribe for or purchase any Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

No representation or warranty, express or implied, is made or given by the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) as to the accuracy, completeness or sufficiency of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the Programme, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them). None of the Arranger, the Dealers, the Trustee and the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) has independently verified any of the information contained in this Offering Circular and can give assurance that such information is accurate, truthful or complete.

To the fullest extent permitted by law, each of the Arranger, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) does not accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by it or on its behalf in connection with

the Issuer, the Guarantor, the giving of the Guarantee or the issue and offering of the Notes. Each of the Arranger, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arranger, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) undertakes to review the financial condition or affairs of the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investors in the Notes of any information coming to the attention of any Arranger, any Dealer, the Trustee, any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them).

This Offering Circular, the Pricing Supplement and any other information supplied in connection with the Programme or any Notes (i) are not intended to provide the basis of any credit or other evaluation and (ii) should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) that any recipient of this Offering Circular should purchase any Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED, WITHIN THE UNITED STATES OR IN CERTAIN CIRCUMSTANCES, TO U.S. PERSONS.

In connection with each Tranche of Notes, the relevant Dealer(s) (if any) designated as stabilisation manager(s) in the applicable Pricing Supplement (the "**Stabilisation Manager(s)**") (or person(s) acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the relevant Tranche of Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of the Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of the Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in an issue of the Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arranger, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives,

advisers, agents and each person who controls any of them) in connection with its investigation of the accuracy of such information or its investment decision.

Industry and Market Data

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents or their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them, and none of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents and their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them makes any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside Hong Kong. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified.

Presentation of Financial Information

The Group's auditor, Deloitte Touche Tohmatsu ("**Deloitte**"), Certified Public Accountants, Hong Kong audited the consolidated financial statements for the years ended 31 December 2023, 2024 and 2025 of the Group. The Group's audited consolidated financial information as at and for the year ended 31 December 2023 in this Offering Circular is derived from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2024 (the "**2024 Audited Consolidated Financial Statements**"), which were published on 28 April 2025 on the website of the Hong Kong Stock Exchange. The Group's audited consolidated financial information as at and for the years ended 31 December 2024 and 2025 in this Offering Circular is derived from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2025 (the "**2025 Audited Consolidated Financial Statements**" and together with the 2024 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"), which were published on 28 April 2026 on the website of the Hong Kong Stock Exchange. The Audited Consolidated Financial Statements were prepared and presented in accordance with the IFRS Accounting Standards and have been audited by Deloitte, in accordance with International Standards on Auditing ("**ISAs**").

Deloitte reviewed the condensed consolidated financial statements for the six months ended 30 June 2026 of the Group. The Group's reviewed condensed consolidated financial information as at 30 June 2026 and for the six months ended 30 June 2025 and 2026 in this Offering Circular is derived from the unaudited but reviewed condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2026 (the "**2026 Reviewed Condensed Consolidated Financial Statements**"), which were published on 28 September 2026 on the website of the Hong Kong Stock Exchange. The 2026 Reviewed Condensed Consolidated Financial Statements were prepared and presented in accordance with the International Accounting Standard ("**IAS**") 34 and have been reviewed by Deloitte in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("**ISRE 2410**"). The 2026 Reviewed Condensed Consolidated Financial Statements have not been audited by a certified public accountant, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Investors should exercise caution when using such data to evaluate the Group's business, financial condition and results of operation. The 2026 Reviewed Condensed Consolidated Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2026.

The Group changed its accounting policy under IFRS Accounting Standards in relation to transactions involving standard warehouse receipts as a result of the implementation Q&A on China Accounting

Standards for Business Enterprises (the "**Implementation Q&A**") issued by the Ministry of Finance in July 2025. According to the Implementation Q&A, for enterprises that frequently buy and sell standard warehouse receipts in futures trading exchanges in order to profit from short-term price fluctuations, without physical delivery of the underlying commodities corresponding to the standard warehouse receipts, the contracts of the standard warehouse receipts are within the scope of accounting standard on financial instruments, and the transaction should not be recognised as revenue with the corresponding cost in the statement of profit or loss. The difference between the carrying amount of the standard warehouse receipts derecognised and the gross sales consideration of those contracts should be recognised in net investment gain/loss. Certain comparative financial information during the year ended 31 December 2024 as set out in the 2025 Audited Consolidated Financial Statements were restated accordingly. There is no corresponding restatement on the consolidated financial statements for the year ended 31 December 2023 and therefore this financial information may not be comparable to those for the years ended 31 December 2024 and 2025, and accordingly investors should exercise caution when using such data. Please refer to Note 2 "Material accounting policy information" in the notes to the 2025 Audited Consolidated Financial Statements for details.

Unless otherwise specified, references in this Offering Circular to, and financial and other information presented with respect to, the Group are to such information of the Guarantor compiled on a consolidated basis.

Exchange Rate Information

Solely for the sake of convenience, this Offering Circular contains translations of certain Renminbi amounts into U.S. dollar amounts. Unless indicated otherwise, the translation of Renminbi amounts into U.S. dollar amounts has been made at the rate of RMB6.7851 to U.S.$1.00, the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 30 June 2026. All such translations in this Offering Circular are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars, or *vice versa*, at any particular rate, or at all. For further information relating to the exchange rates, see "*Exchange Rate Information*".

Rounding

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

Certain Definitions, Conventions and Currency Presentation

This Offering Circular is prepared using a number of conventions, which should be considered when reading the information contained herein. References herein to the "**Issuer**" are to Pioneer Reward Limited; references herein to the "**Guarantor**" are to Huatai Securities Co., Ltd. (华泰证券股份有限公司); and references herein to the "**Group**" are to the Guarantor and its subsidiaries taken as a whole.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "**China**" or the "**PRC**" are to the People's Republic of China and, for the purpose of this Offering Circular only, exclude Hong Kong, Macau and Taiwan; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "**Macau**" are to the Macau Special Administrative Region of the People's Republic of China; references to "**UK**" are to the United Kingdom; references to "**U.S.**" are to the United States of America, references to "**EEA**" are to the European Economic Area and references to "**EU**" are to the European Union.

In this Offering Circular, the terms "**associate**", "**connected transaction**", "**subsidiary**" and "**substantial shareholder**" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The following definitions apply throughout this document unless the context requires otherwise:

A share(s)	the shares that are traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange in Renminbi
A Shares	domestic shares of the Guarantor, with a par value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi and are listed for trading on the Shanghai Stock Exchange
ABS	asset-backed securities
APP	Application
AssetMark	AssetMark Financial Holdings, Inc.
AUM	the amount of assets under management
Board or **Board of Directors**	the board of directors of the Guarantor
Bohai Rim	the region in China comprising Beijing, Tianjin, Hebei, Liaoning and Shandong provinces
BVI	the British Virgin Islands
China Securities Finance	China Securities Finance Corporation Limited, a joint stock company established under the direction of the State Council to provide, among other functions, margin and securities refinancing services to support the margin financing and securities lending businesses of PRC securities firms
China Southern Asset Management	China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)
ChiNext Market	a NASDAQ-style subsidiary of the Shenzhen Stock Exchange that aims to attract innovative and fast-growing enterprises, especially high-tech firms
CNY, RMB or **Renminbi**	the legal currency of the PRC
collateral coverage ratio	for securities-backed lending business, it refers to the ratio of the market value of equity pledged by clients to the loans and accrued interests of the clients; for stock repurchase business, it refers to the ratio of the market value of underlying securities sold by clients to the transaction amount

collective asset management scheme	an asset management contract entered into with multiple clients by a securities firm in China, pursuant to which the clients' assets are placed in the custody of commercial banks qualified to hold client transaction settlement funds or in other institutions approved by the CSRC, and the securities firm provides asset management services to the clients through designated accounts
CRM	Customer Relationship Management
CSDC	China Securities Depositary and Clearing Corporation Limited
CSI 100 Index	a capitalisation-weighted, free float adjusted stock market index designed to replicate the performance of top 100 stocks traded in the Shanghai and Shenzhen stock exchanges
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
Deloitte	Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong
equity return swap	an OTC derivatives transaction, through which a securities firm and a qualified client agree to conduct an income swap in accordance with the agreed amount of nominal principal and income within a fixed period in the future. Income under such swap shall be linked with the performance of the subject equity securities including stocks and indexes
ETFs	exchange-traded funds
Euro or **€**	the legal currency of Europe
FICC	fixed-income, currencies and commodities
Fintech	financial technology
Fitch	Fitch Ratings Inc., an American credit rating agency and is one of the "Big Three credit rating agencies", the other two being Moody's and S&P. It is one of the three nationally recognised statistical rating organisations (NRSRO) designated by the U.S. Securities and Exchange Commission in 1975
GDRs	global depository receipts
Group	the Guarantor and its consolidated subsidiaries

Guarantor or **Huatai Securities**	Huatai Securities Co., Ltd., a joint stock company incorporated in the People's Republic of China with limited liability under the corporate name (华泰证券股份有限公司) (Huatai Securities Co., Ltd.), converted from its predecessor (华泰证券有限责任公司) (Huatai Securities Limited Liability Company) on 7 December 2007, the A Shares of which are listed on the Shanghai Stock Exchange on 26 February 2010 (Stock Code: 601688), and the H shares of which are listed on the main board of the Hong Kong Stock Exchange on 1 June 2015 (Stock Code: 6886), or HTSC (if being referred to in Hong Kong) and the GDRs of which are listed on the London Stock Exchange on 20 June 2019 (Stock Code: HTSC)
H share(s)	overseas-listed shares of the PRC companies that are traded on the Hong Kong Stock Exchange
H Shares	overseas-listed foreign shares in the share capital of the Guarantor with a par value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange
HK$ or **HK dollar**	the legal currency of Hong Kong
HKEX	Hong Kong Exchanges and Clearing Limited
HKSCC	Hong Kong Securities and Clearing Limited
HKSE or **Hong Kong Stock Exchange**	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of HKEX
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China
Huatai Asset Management	Huatai Securities (Shanghai) Asset Management Co., Ltd.
Huatai Financial Holdings	Huatai Financial Holdings (Hong Kong) Limited, a wholly-owned subsidiary of Huatai International
Huatai Foundation	Jiangsu Huatai Foundation (華泰公益基金會)
Huatai Futures	Huatai Futures Co., Ltd.
Huatai Innovative Investment	Huatai Innovative Investment Co., Ltd (華泰創新投資有限公司), a wholly-owned subsidiary of the Guarantor
Huatai International	Huatai International Financial Holdings Company Limited, a wholly-owned subsidiary of the Guarantor
Huatai Purple Gold Investment	Huatai Purple Gold Investment Co., Ltd.
Huatai Securities (USA)	Huatai Securities (USA), a wholly-owned subsidiary of Huatai International

Huatai United	Huatai United Securities Co., Ltd.
Huatai-PineBridge	Huatai-PineBridge Fund Management Co., Ltd.
IAS	International Accounting Standards
IPO	initial public offering
Issuer	Pioneer Reward Limited, an indirectly wholly-owned subsidiary of the Guarantor
IT	information technology
Jiangsu Equity Exchange	Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Guarantor
Jiangsu People's Government	Jiangsu Provincial People's Government (江蘇省人民政府)
Jiangsu SASAC	Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
M&A	mergers and acquisitions
maintenance margin ratio	for margin loan and securities lending business, it refers to the ratio of the fair value of the collateral, including cash and securities in the margin accounts of the customers, to the total amount of receivables from the customers, including margin loan balance, market value of securities lent and accrued interest and fees
MOF	Ministry of Finance of the PRC
MOFCOM	Ministry of Commerce of the PRC
Moody's	Moody's Investors Service, Inc., along with S&P and Fitch, is considered one of the Big Three credit rating agencies
NAFMII	National Association of Financial Market Institutional Investors
NDRC	National Development and Reform Commission of the PRC
NEEQ	National Equities Exchange and Quotations, also known as the New OTC Board

Net Capital	the sum of a securities firm's core net capital and ancillary net capital. Core net capital is measured by subtracting from net assets the risk adjustments required to be made to a securities firm's assets and contingent liabilities, and further adding or subtracting any other adjustments determined or authorised by the CSRC. Ancillary net capital is measured by long-term subordinated debt multiplied by the stipulated percentages, and further adding or subtracting any other adjustments determined or authorised by the CSRC
Noteholders	the holders of the Notes
OTC	over-the-counter
PBOC	People's Bank of China, the central bank of the PRC
PC	personal computer
Pearl River Delta	the region in China comprising Guangzhou, Shenzhen, Zhuhai, Foshan, Dongguan, Zhongshan, Huizhou, Jiangmen and Zhaoqing, all located in Guangdong province
PRC	the People's Republic of China, excluding, for purposes of this Offering Circular only, Taiwan, Hong Kong and the Macau Special Administrative Region
PRC government	the central government of the PRC and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them
Province	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
QDII	qualified domestic institutional investor
Renminbi	the legal currency of the PRC
RQFII	RMB qualified foreign institutional investor
S&P	S&P Global Ratings, an American credit rating agency (CRA) and a division of S&P Global that publishes financial research and analysis on stocks, bonds, and commodities. S&P is considered the largest of the Big Three credit-rating agencies, which also include Moody's and Fitch
SAC	Securities Association of China
SAFE	State Administration of Foreign Exchange of the PRC or its competent local counterpart

SASAC	State-owned Assets Supervision and Administration Commission of the PRC
SAT	State Administration of Taxation of the PRC
securities-backed lending	a transaction in which a securities firm provides financing to qualified customers who pledge their securities as collateral
SFC	The Hong Kong Securities and Futures Commission
Shanghai Stock Exchange or **SSE**	the Shanghai Stock Exchange
Shanghai-Hong Kong Stock Connect	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shanghai Stock Exchange, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shanghai, including Southbound Trading and Northbound Trading
Shares	A Shares or H Shares (as the case may be)
Shenzhen Stock Exchange	the Shenzhen Stock Exchange
Shenzhen-Hong Kong Stock Connect	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shenzhen Stock Exchange, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shenzhen
Singapore Subsidiary	Huatai Securities (Singapore) Pte. Limited, a wholly-owned subsidiary of Huatai International
single asset management scheme	an asset management contract entered into by a securities firm in China with a single client, pursuant to which the securities firm provides asset management services to the client through accounts under the client's name
specialised asset management scheme	a specialised asset management contract entered into with clients by a securities firm in China, pursuant to which the securities firm manages clients' certain assets for specific purpose
SSE 50 Index	an index consisting of 50 index sample stocks with large scale and good liquidity, which are most representative in the securities market of Shanghai selected by the Shanghai Stock Exchange
STAR Market	the science and technology innovation board of SSE
Sterling or **£**	the legal currency of the United Kingdom
stock index futures	cash-settled standardised futures contracts with a particular stock market index as the underlying asset

stock repurchase	a transaction pursuant to securities repurchase agreement in which a qualified investor sells its securities to a securities firm and agrees to repurchase such securities at a fixed price on a future date
structured notes	marketable securities issued by securities firms with the payment of principal and return linked to specific underlying assets
TMT	telecommunications, media and technology
U.S.$ or **U.S. dollars**	the legal currency of the United States
Wind Information	Wind Information Co., Ltd., a company with limited liability incorporated in the PRC and a service provider of financial data, information and software
Yangtze River Delta	the region comprising Jiangsu and Zhejiang provinces and Shanghai. The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only.

DOCUMENTS INCORPORATED BY REFERENCE AND FINANCIAL INFORMATION

This Offering Circular should be read and construed in conjunction with:

(i) each relevant Pricing Supplement;

(ii) all amendments and supplements from time to time to this Offering Circular;

(iii) any audited consolidated annual financial statements, in each case together with any audit reports prepared in connection therewith, that are published subsequent to the date of this Offering Circular; and

(iv) any audited or unaudited but reviewed condensed consolidated interim financial statements, in each case together with any audit or review reports prepared in connection therewith, that are published subsequently to the annual financial statements included in or incorporated by reference into this Offering Circular,

which shall be deemed to be incorporated in, and to form part of, this Offering Circular.

Any statement contained in this Offering Circular or in a document incorporated by reference into this Offering Circular will be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained in any such subsequent document modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this Offering Circular, except as modified or superseded.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available (upon prior written request and proof of holding and identity satisfactory to the Trustee) at all reasonable time during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal office of the Trustee set out at the end of this Offering Circular.

Copies of the documents listed in (iii) and (iv) above which are deemed to be incorporated by reference into this Offering Circular will also be available and may be downloaded free of charge from the website of the Hong Kong Stock Exchange at www.hkexnews.hk.

SUPPLEMENTAL OFFERING CIRCULAR

Each of the Issuer and the Guarantor has given an undertaking to the Dealers that (i) unless the Issuer does not intend to issue Notes under the Programme for the time being, each of the Issuer and the Guarantor shall prepare and publish an amendment or supplement to the Offering Circular if at any time during the duration of the Programme a significant new factor, material mistake or material inaccuracy arises or is noted relating to the information included in the Offering Circular which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and/or the Guarantor and/or of the rights attaching to the Notes and/or the Guarantee; (ii) each of the Issuer and the Guarantor shall advise the Permanent Dealers (as defined in the Dealer Agreement (as defined below)) (or, in the case of a change affecting a specific issue of Notes, the relevant Dealer or, if more than one, the Lead Manager (as defined in the Dealer Agreement) on behalf of the relevant Dealers) promptly of any proposal to amend, supplement or replace the Offering Circular; and (iii) each of the Issuer and the Guarantor shall provide the Permanent Dealers, relevant Dealer or Lead Manager, as the case may be, with a copy of any such proposed amendment, supplement or replacement immediately prior to its publication.

FORWARD-LOOKING STATEMENTS

The Issuer and the Guarantor have made forward-looking statements in this Offering Circular regarding, among other things, the Group's financial condition, future expansion plans and business strategies. These forward-looking statements are based on the Group's current expectations about future events. Although the Issuer and the Guarantor believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- the macroeconomic and political environment of the PRC and those jurisdictions in which the Group operates;
- capital market volatility and developments, inflation, interest rate and exchange rate fluctuations;
- changes in the regulatory framework in which the Group operates;
- the failure of third parties to provide their services or meet their obligations;
- unforeseen court, regulatory and arbitration developments;
- developments in the jurisdictions in which the Group operates, including regime change, expropriation, terrorist attacks and armed conflict;
- changes in tax, subsidy and other incentive frameworks in the jurisdictions in which the Group operates;
- changes in industry developments and trends;
- technological changes impacting the sectors in which the Group operates or the Group itself; and
- other risks identified in the section entitled "*Risk Factors*" in this Offering Circular.

The words "anticipate", "target", "believe", "can", "would", "could", "estimate", "expect", "aim", "intend", "may", "plan", "will" and similar expressions are intended to identify a number of these forward-looking statements. The Issuer, the Guarantor and each other member of the Group undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the actual results of the Issuer, the Guarantor or the Group could differ materially from those anticipated in these forward-looking statements.

These forward-looking statements speak only as at the date of this Offering Circular. The Issuer and the Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

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SUMMARY

This summary highlights certain information contained in this Offering Circular. This summary does not contain all the information that you should consider before investing in the Notes. You should carefully read this Offering Circular in its entirety, including the sections entitled "Forward-Looking Statements", "Risk Factors" and "Description of the Group", as well as the financial statements and notes thereto included elsewhere in this Offering Circular. Capitalised terms used in this summary and not otherwise defined shall have the meanings given to them in the sections "Description of the Issuer" and "Description of the Group".

OVERVIEW

The Group is a leading technology-driven securities group in the industry, with a highly collaborative business model, a cutting-edge digital intelligence platform, and an extensive and solid customer base. Its principal businesses comprise wealth management business, institutional services business, investment management business and international business. The Group has established a client-oriented organisational structure and mechanism, provides comprehensive securities and financial services to individual, corporate and institutional clients domestic and overseas through a smart, international and integrated operation mode, and aims to become a leading investment bank with strong domestic advantages and global influence.

Over its operating history of over 30 years, the Group has achieved steady development by successfully capitalising on the transformation and development opportunities of the PRC securities industry. The Group has completed a series of successful M&A projects and IPOs of the Guarantor's A Shares on the Shanghai Stock Exchange, H Shares on the Hong Kong Stock Exchange and GDRs on the London Stock Exchange, and navigated various market and business cycles and regulatory reforms.

The Group's principal businesses comprise wealth management business, institutional services business, investment management business and international business:

- *Wealth management business*, which provides customers with diversified wealth management services, including securities, futures and options brokerage, financial products sales, fund investment advisory business, and capital-based intermediary business through mobile client APP, professional PC platforms, securities and futures subsidiaries and branch offices, Huatai International and its affiliated overseas subsidiaries, via integrated online-offline and cross-border operation mechanisms;

- *Institutional services business*, with investment banking serving as the driving force and institutional sales serving as a link, the Group integrates investment banking, institutional investor services and investment trading business resources to provide various types of corporate and institutional clients with all-round comprehensive financial services, which mainly include investment banking business, prime brokerage business, research and institutional sales business and investment and trading business;

- *Investment management business*, the Group accepts fund entrustments from clients, develops and provides various financial products for its clients and manages their assets through its professional investment and research platform as well as its substantial client base, effectively satisfying their investment and financing needs. Its investment management business mainly consists of securities firm asset management, private equity fund management and asset management for fund companies, etc.; and

- *International business*, in overseas markets and with Huatai International as its holding platform for international business, the Group operates international business through the wholly-owned

subsidiaries of Huatai International including Huatai Financial Holdings, Huatai Securities (USA), Singapore Subsidiary and Japanese Subsidiary. Based on the Hong Kong market, it steadily deploys in major markets in the US, Europe and Asia.

For the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, the Group's total revenue, gains and other income was RMB52,260.4 million, RMB46,338.3 million and RMB47,219.6 million, and RMB20,979.1 million and RMB31,306.2 million, respectively, and its operating profit for the respective years/periods was RMB11,619.9 million, RMB12,998.4 million and RMB15,047.7 million, and RMB6,832.7 million and RMB11,671.0 million, respectively.

COMPETITIVE STRENGTHS

The Group is expected to benefit from the following favourable developments in the PRC securities industry:

- the increasing adoption of advanced technology in the financial services industry;
- the rapid accumulation of personal wealth and increasing needs for wealth management solutions;
- rising demand for financial services from emerging new economy sectors; and
- rising participation of institutional investors in the capital markets and increasing demand for specialised institutional client services.

In addition, the Group believes that it enjoys the following competitive strengths:

- The Group receives strong support from the government and strategic shareholders
- The Group is a technology-driven pioneer in China's transforming securities industry
- The Group's open digital wealth management platform provides efficient and professional services to a mass market
- The Group has leading business rankings with a first-class investment banking franchise capturing new economy opportunities and the registration system reform
- The Group has a comprehensive asset management platform with significant scale
- The Group's global footprint has created new growth opportunities
- The Group has actively fulfilled social responsibility and integrated into the global ESG system
- The Group has exercised effective risk management enabled by technology and talent
- The Group established a development platform that continuously empowers the growth of first-class professional talents
- Diversified financing channels provide sufficient liquidity for the Group
- The Group has an experienced management team with a highly proficient professional workforce

BUSINESS STRATEGIES

The Group is firmly convinced that technology is a key variant in breaking traditions and triggering the reform of business models. The technology-empowered "two-pronged" development strategy of wealth management and institutional services, which was officially determined in 2019, has become a core driving force for reshaping the Group's business systems and operation models and the business model, innovation led by digital transformation started to create value.

The Group intends to continue to deepen the technology-empowered "two-pronged" strategy, refine the full-service chain system with the platform-based and ecological development philosophy and build unique brand and competitiveness. The Group has a client-based organisational mechanism, provides a full range of securities and financial services to both individual and institutional clients through an organic online-offline synergy, and is committed to becoming a leading investment bank with strong domestic advantages and global influence.

The Group intends to pursue the following business strategies in order to strengthen its market position:

- Enhancing client centricity to generate long-term value
- Continuing to pursue product and service innovation
- Strategically expanding and integrating international business
- Attracting, retaining and developing first class talent
- Strengthening technology leadership to drive future growth

RECENT DEVELOPMENTS

See "*Description of the Group — Recent Developments*" for details.

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Phrases used in this summary and not otherwise defined shall have the meanings given to them in the section entitled "Terms and Conditions of the Notes" or as otherwise further described below.

Issuer	Pioneer Reward Limited (Legal entity identifier (LEI): 213800S7P8CY8UE2TH93).
Guarantor	Huatai Securities Co., Ltd. (华泰证券股份有限公司).
Description	Guaranteed Medium Term Note Programme.
Size	Up to U.S.$10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer and the Guarantor may increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement (as defined in the section entitled "*Subscription and Sale*").
Arranger and Dealer	Huatai Financial Holdings (Hong Kong) Limited The Issuer and the Guarantor may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"). Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Trustee	The Hongkong and Shanghai Banking Corporation Limited.
Issuing and Paying Agent, Registrar, Transfer Agent and (where appointed) Calculation Agent	The Hongkong and Shanghai Banking Corporation Limited.
CMU Lodging and Paying Agent .	The Hongkong and Shanghai Banking Corporation Limited.

Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and/or the issue price), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, the issue price, the first payment of interest on them and the timing for submission of the NDRC Post-Issue Filing (if applicable) and other NDRC Filings (if applicable) and for complying with the Registration Condition and for the completion of the Cross-Border Security Registration and the giving of the consequential notices thereof, will be identical to the terms of other Tranches of the same Series) will be completed in the pricing supplement (the "**Pricing Supplement**").
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	Notes may be issued in bearer or registered form as described in "*Terms and Conditions of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Tranche of Registered Notes will initially be represented by a Global Certificate. Where TEFRA D (as defined below) is applicable, Bearer Notes must initially be issued in the form of a Temporary Global Note, exchangeable for Permanent Global Notes or definitive Notes upon certification of non-U.S. beneficial ownership. Individual definitive Notes or Certificates will only be available in certain limited circumstances as described in "*Summary of Provisions Relating to the Notes while in Global Form*".
Clearing Systems	Clearstream, Euroclear, the CMU and/or in relation to any Tranche, such other clearing system as may be selected by the Issuer and the Guarantor and approved by the Issuing and Paying Agent, the Trustee and if applicable, the Registrar.

Initial Delivery of Notes.	On or before the issue date for each Tranche, the Global Note or Global Certificate representing the Notes may be deposited with a common depositary for Euroclear and Clearstream or deposited with a sub-custodian for the CMU. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies.	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealer(s).
Maturities	Subject to compliance with all relevant laws regulations and directives, any maturity as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).
Specified Denomination.	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all relevant laws, regulations and directives. Unless otherwise permitted by the then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes	Fixed interest will be payable in arrear on such date or dates as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).

Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as amended and updated as at the Issue Date of the first Tranche of Notes) or the 2021 ISDA Definitions (the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of Notes), plus or minus (as specified in the relevant Pricing Supplement) the Margin, if any; or (ii) by reference to EURIBOR or HIBOR or CNH HIBOR or SOFR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer, the Guarantor and the relevant Dealer(s) may agree and as may be specified in the relevant Pricing Supplement.
Index-Linked Notes	Payments of principal in respect of Index-Linked Redemption Notes or of interest in respect of Index-Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in prices of securities or commodities or to such other factors as the Issuer, the Guarantor and the relevant Dealer(s) may agree and as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Floating Rate Notes and Index-Linked Interest Notes may also have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable (detailed in a formula, index or otherwise). Unless permitted by then-current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement as further described in Condition 6(e) (*Redemption at the Option of the Issuer*) and Condition 6(f) (*Redemption at the Option of Noteholders*), respectively, of the Terms and Conditions of the Notes.
Redemption for Relevant Events .	At any time following the occurrence of a Relevant Event, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Put Settlement Date at 100 per cent. of their nominal amount, together in each case with accrued interest to (but excluding), such Put Settlement Date, as further described in Condition 6(d) (*Redemption for Relevant Events*) of the Terms and Conditions of the Notes.
Redemption for Taxation Reasons	The Notes may be redeemed at the option of the Issuer prior to maturity for taxation reasons as further described in Condition 6(c) (*Redemption for Taxation Reasons*) of the Terms and Conditions of the Notes.
Status of Notes	The Notes and any Receipts and Coupons relating to them will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.
Status of the Guarantee	The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

Cross-Acceleration	The Notes will contain a cross-acceleration provision as described in Condition 10(c) (*Cross-Acceleration*) of the Terms and Conditions of the Notes.
Withholding Tax	All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts, the Coupons or under the Guarantee, shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands, Hong Kong, the PRC or, in each case, any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law. Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the rate of up to and including the applicable tax rate as at the date on which agreement is reached to issue the first Tranche of Notes, the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so that the net amount received by Noteholders, Receiptholders or Couponholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required, as further described in Condition 8 (*Taxation*) of the Terms and Conditions of the Notes.
Ratings	The Programme has been assigned a rating of "Baa1" by Moody's. The Guarantor has been assigned a corporate rating of "Baa1" by Moody's with a stable outlook and a long-term issuer rating of "BBB+" by S&P with a stable outlook. Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.
Governing Law and Jurisdiction .	English law with the submission to the exclusive jurisdiction of Hong Kong courts.
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations in respect of the Notes and the Guarantee are discussed under "*Risk Factors*".

Listing and Admission to Trading	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only. Separate application will be made for the listing of the relevant Notes on the Hong Kong Stock Exchange. Notes listed on the Hong Kong Stock Exchange are required to denomination of at least HK$500,000 (or its equivalent in other currencies). The Issuer may also make an application to list Notes issued by it under the Programme on any other stock exchange. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s). Unlisted Notes may also be issued.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, Macau, the PRC, Singapore and the British Virgin Islands and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

SELECTED FINANCIAL INFORMATION OF THE GROUP

The Group's auditor, Deloitte, audited the consolidated financial statements for the years ended 31 December 2023, 2024 and 2025 of the Group. Deloitte also reviewed the condensed consolidated financial statements for the six months ended 30 June 2026 of the Group. The Group's summary audited consolidated financial information as at and for the year ended 31 December 2023 set forth below is derived from the 2024 Audited Consolidated Financial Statements, the Group's summary audited consolidated financial information as at and for the years ended 31 December 2024 and 2025 set forth below is derived from the 2025 Audited Consolidated Financial Statements, and the Group's summary reviewed condensed consolidated financial information as at 30 June 2026 and for the six months ended 30 June 2025 and 2026 set forth below is derived from the 2026 Reviewed Condensed Consolidated Financial Statements. See "Presentation of Financial Information". Such financial information should be read in conjunction with the Audited Consolidated Financial Statements and the 2026 Reviewed Condensed Consolidated Financial Statements, together with the auditor's report or review report, in respect of such financial years or period in each case as included elsewhere in this Offering Circular.

The Group changed its accounting policy under IFRS Accounting Standards in relation to transactions involving standard warehouse receipts as a result of the Implementation Q&A issued by the Ministry of Finance in July 2025. According to the Implementation Q&A, for enterprises that frequently buy and sell standard warehouse receipts in futures trading exchanges in order to profit from short-term price fluctuations, without physical delivery of the underlying commodities corresponding to the standard warehouse receipts, the contracts of the standard warehouse receipts are within the scope of accounting standard on financial instruments, and the transaction should not be recognised as revenue with the corresponding cost in the statement of profit or loss. The difference between the carrying amount of the standard warehouse receipts derecognised and the gross sales consideration of those contracts should be recognised in net investment gain/loss. Certain comparative financial information during the year ended 31 December 2024 as set out in the 2025 Audited Consolidated Financial Statements were restated accordingly. There is no corresponding restatement on the consolidated financial statements for the year ended 31 December 2023 and therefore this financial information may not be comparable to those for the years ended 31 December 2024 and 2025, and accordingly investors should exercise caution when using such data. Please refer to Note 2 "Material accounting policy information" in the notes to the 2025 Audited Consolidated Financial Statements for details.

The Audited Consolidated Financial Statements were prepared and presented in accordance with the IFRS Accounting Standards and have been audited by Deloitte, in accordance with ISAs. The 2026 Reviewed Condensed Consolidated Financial Statements were prepared and presented in accordance with IAS 34 and have been reviewed by Deloitte in accordance with ISRE 2410. The 2026 Reviewed Condensed Consolidated Financial Statements have not been audited by a certified public accountant, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Investors should exercise caution when using such data to evaluate the Group's business, financial condition and results of operation. The 2026 Reviewed Condensed Consolidated Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
			(RMB in thousands)		
Revenue					
Fee and commission income	18,940,982	17,259,336	19,564,646	8,027,182	12,686,247
Interest income	14,615,232	13,560,994	13,913,370	6,417,878	8,317,215
Net investment gains	11,670,400	14,413,799	13,828,725	6,629,834	12,220,398
	45,226,614	45,234,129	47,306,741	21,074,894	33,223,860
Other income and gains/(losses)	7,033,807	1,104,152	(87,137)	(95,769)	(1,917,614)
Total revenue, gains and other income	**52,260,421**	**46,338,281**	**47,219,604**	**20,979,125**	**31,306,246**
Fee and commission expenses	(4,328,290)	(4,310,977)	(5,167,934)	(2,063,672)	(3,714,445)
Interest expenses	(13,662,909)	(10,856,424)	(9,517,831)	(4,381,310)	(6,034,004)
Staff costs	(9,371,842)	(10,074,621)	(9,771,202)	(4,569,531)	(5,493,978)
Depreciation and amortisation expenses	(1,856,409)	(1,774,611)	(1,461,102)	(733,905)	(714,119)
Tax and surcharges	(187,664)	(179,417)	(218,473)	(92,999)	(125,004)
Other operating expenses	(11,644,373)	(5,897,575)	(5,441,604)	(2,304,447)	(2,443,780)
Impairment losses under expected credit loss model, net of reversal	410,946	(246,269)	(593,714)	(523)	(1,109,892)
Total expenses	**(40,640,541)**	**(33,339,894)**	**(32,171,860)**	**(14,146,387)**	**(19,635,222)**
Operating profit	**11,619,880**	**12,998,387**	**15,047,744**	**6,832,738**	**11,671,024**
Share of profit of associates and joint ventures	2,584,784	2,353,953	3,356,895	1,692,103	2,101,185
Profit before income tax	**14,204,664**	**15,352,340**	**18,404,639**	**8,524,841**	**13,772,209**
Income tax expense	(1,168,404)	166,534	(2,031,885)	(973,992)	(2,070,318)
Profit for the year/period	**13,036,260**	**15,518,874**	**16,372,754**	**7,550,849**	**11,701,891**
Attributable to:					
Shareholders of the Company	12,750,633	15,351,162	16,383,497	7,549,447	11,691,538
Non-controlling interests	285,627	167,712	(10,743)	1,402	10,353
	13,036,260	**15,518,874**	**16,372,754**	**7,550,849**	**11,701,891**
Earnings per share (Expressed in Renminbi per share)					
– Basic	1.35	1.62	1.73	0.80	1.25
– Diluted	1.33	1.62	1.73	0.80	1.19

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
			(RMB in thousands)		
Profit for the year/period	**13,036,260**	**15,518,874**	**16,372,754**	**7,550,849**	**11,701,891**
Other comprehensive income/(expense) for the year/period					
Items that will not be reclassified to profit or loss:					
Equity instruments at fair value through other comprehensive income/(expense)					
– Net change in fair value	17,759	(15)	1,149,468	745,932	(1,759,911)
– Income tax impact	(4,760)	97	(124,870)	(188,085)	452,301
Items that may be reclassified subsequently to profit or loss:					
Net gain/(loss) from debt instruments at fair value through other comprehensive income	106,977	58,221	(568,389)	(44,084)	235,718
Fair value (loss)/gain on hedging instruments designated in cash flow hedges	(3,571)	(83,916)	44,844	(75,662)	–
Share of other comprehensive income/(expense) of associates and joint ventures	(40,580)	367,987	(178,833)	(137,242)	63,557
Exchange differences on translation of financial statements in foreign currencies	262,953	267,501	(570,295)	(46,881)	(928,944)
Income tax impact	(22,779)	(12,120)	142,511	11,361	(60,257)
Other comprehensive income/(expense) for the year/period, net of income tax	**315,999**	**597,755**	**(105,564)**	**265,339**	**(1,997,536)**
Total comprehensive income for the year/period	**13,352,259**	**16,116,629**	**16,267,190**	**7,816,188**	**9,704,355**
Attributable to:					
Shareholders of the Company	13,024,562	15,985,388	16,277,728	7,814,698	9,691,871
Non-controlling interests	327,697	131,241	(10,538)	1,490	12,484
Total	**13,352,259**	**16,116,629**	**16,267,190**	**7,816,188**	**9,704,355**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	(audited)	(audited)	(audited)	(unaudited)
		(RMB in thousands)		
Non-current assets				
Property and equipment	6,519,710	6,489,412	6,749,551	6,971,058
Investment properties	136,284	182,131	178,018	162,987
Goodwill	3,419,332	51,342	249,707	249,837
Land-use rights and other intangible assets	7,515,260	2,035,899	2,135,007	2,005,499
Interests in associates	19,496,027	21,446,915	22,285,733	23,365,586
Interests in joint ventures	1,299,405	999,113	1,344,777	1,352,671
Debt instruments at amortised cost	45,404,582	40,854,764	42,557,169	39,959,818
Financial assets held under resale agreements	–	199,610	1,117,472	1,892,043
Debt instruments at fair value through other comprehensive income	15,207,952	5,938,076	38,412,576	41,319,197
Equity instruments at fair value through other comprehensive income	124,506	125,860	14,613,478	19,684,166
Financial assets at fair value through profit or loss	7,952,021	5,292,149	6,072,976	6,522,633
Refundable deposits	40,544,278	33,451,298	49,391,627	57,615,006
Deferred tax assets	702,722	1,591,926	2,413,051	3,323,086
Other non-current assets	311,789	240,951	187,881	165,316
Total non-current assets	**148,633,868**	**118,899,446**	**187,709,023**	**204,588,903**
Current assets				
Accounts receivable	9,743,761	5,587,233	12,589,543	13,339,681
Other receivables, prepayments and other current assets	2,539,985	2,880,227	4,093,160	3,796,493
Margin accounts receivable	112,341,094	132,546,005	186,014,825	226,955,047
Debt instruments at amortised cost	4,712,230	6,938,958	1,961,138	4,597,999
Financial assets held under resale agreements	12,460,232	15,028,791	16,491,714	17,925,584
Debt instruments at fair value through other comprehensive income	1,054,048	4,197,477	6,403,360	1,937,839
Financial assets at fair value through profit or loss	405,127,363	296,245,608	372,869,353	466,059,731
Derivative financial assets	16,259,881	9,991,125	11,437,030	26,527,458
Clearing settlement funds	9,129,266	11,136,758	8,346,763	15,165,428
Cash held on behalf of brokerage clients	137,210,295	170,880,569	221,738,092	311,016,526
Cash and bank balances	46,296,366	39,521,458	47,693,555	59,706,323
	756,874,521	694,954,209	889,638,533	1,147,028,109
Assets classified as held for sale	–	416,839	–	–
Total current assets	**756,874,521**	**695,371,048**	**889,638,533**	**1,147,028,109**
Total assets	**905,508,389**	**814,270,494**	**1,077,347,556**	**1,351,617,012**

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	(audited)	(audited)	(audited)	(unaudited)
	(RMB in thousands)			
Current liabilities				
Short-term bank loans	11,478,573	3,362,980	21,647,664	30,781,533
Short-term debt instruments issued	25,475,507	28,852,939	60,329,377	49,143,622
Placements from other financial institutions	39,536,527	30,113,661	37,134,967	38,971,757
Accounts payable to brokerage clients	144,701,360	184,586,976	240,910,426	335,023,778
Employee benefits payable	4,151,439	4,589,013	4,502,377	4,131,964
Other payables and accruals	113,884,799	75,436,419	109,915,712	146,486,032
Contract liabilities	177,500	104,692	223,153	299,885
Current tax liabilities	493,520	179,973	1,450,281	2,240,012
Financial assets sold under repurchase agreements	144,056,149	121,048,168	148,156,522	183,949,302
Financial liabilities at fair value through profit or loss	43,710,135	33,474,911	33,370,249	45,448,291
Derivative financial liabilities	16,848,878	10,943,785	18,224,472	71,365,834
Long-term bonds due within one year	44,803,489	41,787,436	83,066,273	92,013,877
	589,317,876	534,480,953	758,931,473	999,855,887
Liabilities associated with assets classified as held for sale	–	75,402	–	–
Total current liabilities	**589,317,876**	**534,556,355**	**758,931,473**	**999,855,887**
Net current assets	**167,556,645**	**160,814,693**	**130,707,060**	**147,172,222**
Total assets less current liabilities	**316,190,513**	**279,714,139**	**318,416,083**	**351,761,125**
Non-current liabilities				
Derivative financial liabilities	32,763	–	–	–
Long-term bonds	115,012,512	73,671,381	100,025,526	119,696,771
Long-term bank loans	647,052	–	170,903	162,232
Non-current employee benefits payable	6,431,780	6,116,922	6,901,015	8,983,457
Deferred tax liabilities	1,960,663	476,548	668,282	898,965
Financial liabilities at fair value through profit or loss	8,961,031	6,973,421	3,051,669	5,296,348
Other payables and accruals	927,280	581,946	602,484	509,338
Total non-current liabilities	**133,973,081**	**87,820,218**	**111,419,879**	**135,547,111**
Net assets	**182,217,432**	**191,893,921**	**206,996,204**	**216,214,014**
Equity				
Share capital	9,074,663	9,027,302	9,026,864	9,026,864
Other equity instruments	25,700,000	28,300,000	33,300,000	37,300,000
Treasury shares	(1,064,173)	(100,545)	(7,102)	(7,102)
Reserves	102,967,146	105,753,021	108,747,265	106,472,220
Retained profits	42,430,731	48,694,124	55,872,443	63,352,814
Total equity attributable to shareholders of the Company	179,108,367	191,673,902	206,939,470	216,144,796
Non-controlling interests	3,109,065	220,019	56,734	69,218
Total equity	**182,217,432**	**191,893,921**	**206,996,204**	**216,214,014**

SELECTED OTHER FINANCIAL DATA OF THE GUARANTOR

	As at 31 December and for the year ended			As at 30 June and for the six months ended	
	2023	**2024**	**2025**	**2025**	**2026**
Debt to Asset Ratio (%)[(1)]	76.04	69.52	75.25	–	78.73
Current Ratio[(2)]	1.38	1.46	1.25	–	1.22
Profit to Income Ratio (%)[(3)]	24.40	33.13	34.70	35.99	37.35

Notes:

(1) Debt to asset ratio equals to the sum of total current liabilities and total non-current liabilities less accounts payable to brokerage clients and funds payable to securities issuers, divided by total assets less accounts payable to brokerage clients and funds payable to securities issuers as at 31 December 2023, 2024 and 2025, and 30 June 2026, respectively.

(2) Current ratio equals to total current assets less accounts payable to brokerage clients, divided by total current liabilities less accounts payable to brokerage clients as at 31 December 2023, 2024 and 2025, and 30 June 2026, respectively.

(3) Profit to income ratio equals to profit for the year/period attributable to shareholders of the Company divided by total revenue, gains and other income for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, respectively.

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information contained in this Offering Circular, including the risks and uncertainties described below. The business, financial condition or results of operations of the Group could be materially and adversely affected by any of these risks. Each of the Issuer and the Guarantor believes that the following factors may affect the Issuer's ability to fulfil its obligations under the Notes or, as the case may be, the Guarantor's ability to fulfil its obligations pursuant to the Guarantee of the Notes. Additional risks and uncertainties not presently known to the Group or which each of the Issuer and the Guarantor currently deems immaterial may also have an adverse effect on an investment in the Notes. All of these factors are contingencies which may or may not occur and each of the Issuer and the Guarantor is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which each of the Issuer and the Guarantor believes may be material for the purpose of assessing the market risks associated with Notes are described below. Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer, or as the case may be, the Guarantor to repay principal, pay interest (if any) or other amounts or fulfil other obligations on or in connection with the Notes and the Guarantee of the Notes may occur for other reasons and each of the Issuer and the Guarantor does not represent that the statements below regarding the risks of holding the Notes are exhaustive.

RISKS RELATING TO THE GROUP'S BUSINESS AND THE PRC SECURITIES INDUSTRY

General economic and market conditions could materially and adversely affect the Group's business

The Group's business is highly dependent on economic and market conditions in China, as a substantial majority of its revenue is derived from the securities markets in China. Like other businesses operating in the same industry, the Group's business is directly affected by the inherent risks associated with the securities markets, such as market volatility, fluctuations in the trading volume and the credit capacity or perceived creditworthiness of the securities industry in the marketplace. For instance, the PRC stock market has experienced significant fluctuations in recent years and there can be no assurance that such volatility would not continue in the future. The Group's business is also subject to general economic and political conditions, such as macroeconomic and monetary policies, legislation and regulations affecting the financial and securities industries, upward and downward trends in the business and financial sectors, inflation, deflation, currency fluctuations, availability of short-term and long-term market funding sources, cost of funding and the level and volatility of interest rates. For instance, concerns over inflation, deflation, geopolitical issues, export controls, tariffs, the availability and cost of credit, volatile oil price, the rise in anti-globalisation sentiment and the ambiguity of the policies of the United States administration have contributed to increased volatility in the global economy and the markets. The United Kingdom's exit from the European Union in January 2020 has created further challenges to regional stability. On 24 February 2022, Russia launched a large-scale military action against Ukraine which is still on-going. As a result, the United States, the United Kingdom, the member states of the European Union and other public and private sectors have levied severe sanctions on Russia. The on-going conflicts in the Middle East among the United States, Israel and Iran could increase the risk of destabilisation of the region and the situation remains highly volatile and uncertain. The geopolitical and macro-economic consequences of such conflict, and associated sanctions cannot be predicted, and such events, or any further hostilities in Ukraine or elsewhere, could severely impact the world economy. Furthermore, despite the tentative trade truce, the prolonged trade dispute between the United States and the PRC may continue to weaken the global economy, raise prices for corporate investments and slow down economic growth around the globe.

The Group's businesses, financial condition and results of operations may be adversely affected by general economic and market conditions in many ways, including, among others:

- The Group's wealth management business heavily depends on trading volumes and market performance. Unfavourable economic, geopolitical and market conditions can adversely affect investor sentiment and investment and trading activities, resulting in declining brokerage fee and commission income. Market downturns will also negatively impact the value of the customers' investment portfolio, which may result in a loss of customer confidence in the Group and even reputational harm.

- The Group's institutional services business integrates investment banking, institutional investor services and investment trading resources, for various types of enterprises and financial institutions, which has been and may continue to be affected by market conditions. Unfavourable economic and geopolitical conditions may negatively impact investor confidence and corporate finance activities, resulting in significant declines in the size and number of M&A and capital raising transactions. This may adversely impact the revenue and profitability of the Group's investment banking business.

- In addition, the Group has net long trading positions in various equity and fixed-income securities as part of its investment and trading business. As a substantial portion of these financial instruments is marked to market, declines in fair values could directly impact the Group's profit and capital position. However, it may not be feasible or economical for the Group to entirely hedge such exposures. Sudden declines and significant volatility in the asset prices may cause the Group to record significant realised and unrealised losses.

- The Group's investment management business mainly consists of securities firm asset management, private equity fund management, asset management for fund companies and asset management for futures companies. Under its investment management business, the Group receives asset management fees based on the value of its clients' portfolios or their assets under investment accounts that it manages. In addition, the Group also earns performance fees on certain asset management schemes. Market volatility and adverse economic conditions may reduce the Group's AUM, and affect the performance of the assets or funds it manages, which could cause decline in management fees or performance fees.

- The Group engages in the operation of international business including investment banking, wealth management, equity sales and trading, FICC, cross-border and structured finance, equity derivatives, and asset management business through Huatai Financial Holdings, Huatai Securities (USA), the Singapore Subsidiary and the Japanese Subsidiary, which are the Guarantor's subsidiaries in Hong Kong, the United States, Singapore and Japan respectively. The Group's international business is exposed to risks inherent in operating any international business, such as economic uncertainties and recessions in overseas markets, more stringent regulatory requirements and unpredictability in the local political environment, among other things, which could have material repercussions on the Group's business, financial condition and results of operations.

The Group is subject to extensive and evolving regulatory requirements, non-compliance with which, or changes in these regulatory requirements, may affect its business operations and prospects

As a participant in the financial services industry, the Group is subject to extensive regulation in mainland China, Hong Kong, U.S., Singapore, Japan, the United Kingdom and other jurisdictions where the Group has substantive operations. Regulators limit business activities by imposing capital requirements, limiting the types of products and services which may be offered and restricting the types of possible security investments.

The relevant regulatory authorities above conduct inspections, examinations and inquiries in respect of the Group's compliance with the relevant regulatory requirements. Failure to comply with the applicable regulatory requirements could result in sanctions, fines, penalties or other disciplinary actions, including, among other things, a downgrade of regulatory rating and restrictions or prohibitions on the Group's future business activities. These actions may limit its ability to conduct pilot programmes and launch new businesses, harm its reputation, and consequently materially and adversely affect its business, financial condition and results of operations.

The Guarantor and its subsidiaries and their employees have received warning letters and penalties and other administrative measures imposed on them regarding certain non-compliance incidents and have also been subject of regulatory investigations in recent years. In response to these incidents, the Group has conducted internal accountability proceedings in accordance with its internal policies and in light of the specific circumstances. The Group has required the relevant departments to carry out a comprehensive review and self-inspection of their job responsibilities, work processes, professional quality management, and risk identification and control, with a view to continuously improving operational capabilities and work quality, and preventing the recurrence of similar incidents. Material incidents of non-compliance or any failure to complete or comply with regulatory approvals and governance arrangements may subject the Group to penalties, restrictions or prohibitions on its business activities, which could have a material adverse impact on the Group's business, financial condition and results of operations.

Moreover, the securities industry is highly regulated and relevant rules and regulations could be changed from time to time based on the development of the securities markets. New rules and regulations, and changes in the interpretation or enforcement of the existing rules and regulations may directly impact the Group's business strategies and prospects. There are certain regulatory changes currently being contemplated in respect of the PRC securities industry. For example, the CSRC published the Rules on Administration of Equity Interests in Securities Firms (《證券公司股權管理規定》) on 5 July 2019 (as amended on 18 March 2021 and 27 March 2025), which imposes additional obligations on securities firms regarding the management of shareholders as well as changes in and transfer of their share capital. In another instance, on 13 June 2019, the STAR Market, a Nasdaq-style Sci-Tech Innovation Board was opened and the pilot programme of registration-based listing was introduced, allowing start-ups to go public and get listed without requiring substantive review and approval from government regulators. On 28 December 2019, the National People's Congress Standing Committee approved the amendments to the Securities Law of PRC (the "**New Securities Law**"), streamlining the process for new listings on the stock markets in the PRC and marking a milestone in line with the fast-changing PRC capital markets. A key provision under the New Securities Law is to provide for the implementation of registration-based IPO system, and to allow stock exchanges instead of the CSRC to review and approve listing applications, which is expected to simplify and shorten the IPO approval process in the PRC. The New Securities Law came into force on 1 March 2020. The Central Economic Work Conference proposed the full implementation of the registration system for stock issuance at the end of 2021, which proposed the reform of the capital market. Although the Guarantor does not believe such changes would have a material impact on the Group, there can be no assurance that enforcement of the regulatory changes would not materially and adversely affect the Group's business and financial condition. In addition, changes in the rules and regulations could result in restrictions on the business lines of the Group, revisions to its business practices and incur additional costs, which may adversely affect the Group's ability to compete effectively with other institutions that are not affected in the same way.

The Group's international business is highly regulated in, among other jurisdictions, Hong Kong

The Group's international business is subject to various applicable laws, regulations and codes of relevant regulatory authorities, in particular, the relevant regulatory authorities in Hong Kong. From time to time, the Hong Kong regulatory regime for the financial services industry (for example, the Securities and

Futures Ordinance (Cap. 571) of Hong Kong and the Money Lenders Ordinance (Cap. 163) of Hong Kong) has implemented changes in such rules and regulations, some of which have resulted in additional costs to or restrictions on the Group's international business activities. If the Group fails to comply with the applicable rules and regulations, it may become subject to enquiries and/or investigations by the relevant regulatory bodies and if the results of any investigations or enquiries are severe or proved to involve serious misconduct, the Group may be subject to penalties including fines and/or restrictions on its international business activities. In extreme cases, it may be hampered or prevented from conducting its international business in a normal manner and some or all of its operation licences may become suspended or revoked. Where penalties are substantial or protracted litigation is involved, there may also be an adverse impact on the Group's reputation and financial position, and in some cases, there may be material and adverse impact on its business, financial condition, results of operations and prospects.

Failure to meet the capital and other risk control measures requirements in China will adversely affect the Group's results of operations, financial condition and prospects

The Group is subject to minimum capital and other requirements under the Measures for the Risk Control Indexes of Securities Firms (《證券公司風險控制指標管理辦法》) in China. As at 31 December 2023, 2024 and 2025, as at 30 June 2026, and as at the date of this Offering Circular, the Guarantor was in compliance with all capital adequacy and risk control indicator requirements, and it did not experience any difficulty in complying with such requirements in 2023, 2024 and 2025, first half of 2026, and up to the date of this Offering Circular, and it does not currently anticipate any difficulty to comply with them in the near future. However, if the Group fails to meet regulatory capital requirements in the future, the local regulatory authorities may impose penalties on the Group or restrict the scope of the Group's business, which could, in turn, have a material adverse effect on the Group's financial condition and results of operations.

Government measures for stabilising the PRC stock market and involvement by market participants in these measures could increase the Group's exposure to market and other risks

In 2015, the A share market experienced significant fluctuations, especially from mid-June to the end of August of the year. As a result, the PRC government announced a series of measures to stabilise the stock market and restore investor confidence. In July and September 2015, along with many other PRC securities firms, the Group contributed to the designated accounts at China Securities Finance for purchasing blue-chip ETFs in China. These stabilisation measures expose the Group to additional market and other risks. There is no publicly available information regarding how the Group's contributions to the designated accounts at China Securities Finance have been invested and when the Guarantor's contributions will be returned. The Group may incur losses from these contributions due to future disposal or impairment and its financial position may fluctuate as a result of revaluation. In addition, the Group may be unable to reduce its A share proprietary trading positions or effectively hedge its exposures through short-selling to mitigate market risks in a highly volatile market.

The occurrence of any of the foregoing risks could materially and adversely affect the Group's business, financial condition, results of operations and prospects. The Group is unable to predict the long-term impact of the foregoing measures on its operations. There is also no assurance that the PRC government will not introduce any additional measures to stabilise the stock market in the future.

The PRC securities industry is highly competitive and gradual deregulation may cause new market competitors to enter into the market which could adversely affect the Group's businesses and prospects

The PRC securities industry is highly competitive and as the securities sector is gradually becoming more accessible to foreign investors, the Group faces more intense competition in most of its business lines.

For its wealth management business, the Group competes primarily with other PRC securities firms in terms of pricing and the range of products and services offered. Intense price competition in recent years has led the Group to proactively reduce its fee and commission rates for securities brokerage. See also "*— The Group's wealth management business is subject to various risks and there can be no assurance that brokerage fees and commission income can be sustained*".

For its institutional services business, the Group competes primarily with other PRC or Sino-foreign joint venture securities firms as well as PRC commercial banks in terms of brand recognition, marketing and distribution capability, service quality, financial strength and pricing. Intense competition may result in lower underwriting and advisory fees for the Group's institutional services business.

For its investment management business, the Group competes primarily with other securities firms, fund management companies, banks, insurance companies and other financial institutions in the PRC in terms of the range of products and services offered, pricing and quality of customer service.

Some of its peers may have certain competitive advantages over the Group, including greater financial resources, stronger brand recognition, broader product and service offerings and a branch network with wider geographic coverage. They may also have more experience with a broader range of services and more complex financial products than the Group. As China is taking steps to open up its financial industry through easing its limits to foreign stakes in securities firms, new competitors may enter into the securities industry, which could further intensify market competition. The Group's business, financial condition and results of operation may be materially and adversely affected as a result.

The Group's wealth management business is subject to various risks and there can be no assurance that brokerage fees and commission income can be sustained

Wealth management revenue represents a significant portion of the Group's revenue. The Group's wealth management business is significantly affected by external factors, such as market conditions, regulatory policies, investor confidence and general economic conditions, all of which are beyond the Group's control. For example, the stock market in China experienced a sharp decline in 2016. There can be no assurance that such unfavourable economic and market conditions will not recur in the future.

Market competition is another key factor affecting the Group's wealth management business. To enhance competitiveness, product pricing is monitored in relation to competitors and commission rates and other fee structures are adjusted. In light of the decreasing brokerage fee and commission rate in the PRC securities market, the Group has adopted cost reduction measures and proactively lowered its brokerage fee and commission rate to expand customer base and gain market share. Some of the Group's competitors also launched online brokerage services in recent years, which has caused the Group to continue to reduce its brokerage commission rates so as to stay competitive. If the number of discount brokers and internet companies seeking to enter and expand the online brokerage and wealth management business continues to increase, the brokerage fee and commission rate of the industry may further decrease due to market competition, which could adversely affect the Group's price competitiveness.

The Group is also confronted with pressure to maintain its client base and attract new customers. Although the Group has a large wealth management customer base, there can be no assurance that the client base can be maintained or continue to grow. If the Group is unable to address the needs of its clients by maintaining high-quality client service, continuing product innovation, providing value-added services, or otherwise failing to meet clients' demands or expectations, the Group may lose its existing clients to competitors or fail to attract new clients. As a result, the Group's business, financial condition and results of operations may be adversely affected.

In addition to the Group's own asset management products, it also distributes, through its branch network and online platform, financial products developed by third-party financial institutions, such as mutual

fund management companies, private investment fund management companies and trust companies in China. As a third-party distributor, the Group is not liable for any investment loss or default directly derived from the third-party financial products distributed by the Group to its customers. However, the Group may be subject to client complaints and possibly litigations which could have an adverse effect on the Group's reputation and wealth management business. In the recent years, the Group received certain customer complaints with respect to the financial products issued by third-party financial institutions, among which a large majority were resolved and closed as at the date of this Offering Circular. Although such complaints did not result in any litigations or administrative penalties imposed on the Group, there can be no assurance that the regulators will not take such actions in the future. In addition, certain third-party financial products, such as trust schemes and structural OTC products, may have complex structures with various risks, including credit risks, interest risks and liquidity risks. The Group's risk management policies and procedures may fail to fully identify such risks, and its sales representatives may fail to disclose such risks to its wealth management customers properly, resulting in potential mismatch to customers' risk tolerance and investment preference and unanticipated significant loss. This may also subject the Group to client complaints and litigation risks. As a result, the Group's reputation, customer relationships, business and prospects will be materially and adversely affected.

The Group may suffer significant losses from its credit exposures in its capital-based intermediary businesses, futures brokerage business and OTC transactions

The Group's capital-based intermediary businesses, including margin financing and securities lending, as well as its securities, futures and options brokerage business, are exposed to risks associated with the failure of customers to perform its payment obligations or the fall in value of collateral held by the Group below the level required to secure the obligations. The Group also faces credit risks in its role as a counterparty in derivative contracts and other OTC transactions. Any material failure of payment or performance by a client or counterparty could adversely affect its financial position, results of operations and cash flows. Although the Group regularly reviews its credit exposure to specific clients or counterparties and specific industries that it believes may present credit concerns, default risks may arise from events or circumstances that are difficult to detect or foresee. The Group may also fail to receive all relevant information required to examine the credit risks of its clients and counterparties. For the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2026 the Group did not experience any material and adverse impacts on its business profitability and liquidity from deterioration in the credit quality of its clients and counterparties. However, there can be no assurance that the credit quality and repayment abilities of these parties would not deteriorate in the future due to significant volatility in the market and other unforeseeable circumstances.

For the capital-based intermediary businesses, the Group may be forced to liquidate collateral if its clients are unable to meet their obligations as scheduled, or are unable to maintain the maintenance margin ratios/collateral coverage ratios above the Group's minimum threshold due to fluctuations in market prices of the collateral. For the Group's futures and options brokerage business activities, its clients are required to maintain a certain amount of account balance for their futures and options trading. The Group conducts automatic valuations for clients' account balances on each trading day, and, in the event of an insufficient account balance, the Group requires clients to replenish their account balance or liquidate their positions. Such mandatory liquidation mechanism may trigger disputes between clients and the Group, which may subject the Group to significant expenses or litigation risks.

The Group's ability to carry out forced liquidation of client positions would be adversely affected by market volatilities. If the market price of securities which is held as collateral decreases sharply for an extended period, the value of the collateral may fall below the value of the Group's margin loans when it is unable to liquidate clients' positions in a timely manner due to the daily price fluctuation limit on the A-share stock markets, resulting in significant losses.

In addition, the Group also conducts OTC trades with its clients as a counterparty to provide them with customised products or services, such as repurchase or resale transactions and equity return swaps. Since

there is no exchange or clearing agent for these contracts, the Group will be exposed to credit risk of non-performance of the counterparty.

Any downgrading of the Guarantor's corporate ratings, or those of its subsidiaries, by rating agencies could adversely affect the Group's business and the Group's liquidity

As at the date of this Offering Circular, the Guarantor has been assigned a corporate rating of "Baa1" by Moody's with a stable outlook and a long-term issuer rating of "BBB+" by S&P with a stable outlook. However, any adverse revision to the Guarantor's corporate ratings, or those of its subsidiaries, for domestic and international debt by rating agencies such as Fitch, Moody's and S&P may adversely affect the Group's business, its financial performance and the trading price of its debt securities, including any Notes issued under the Programme. Further, the Group's ability to obtain financing or to access capital markets may also be limited, thereby lowering its liquidity.

The Group's institutional services business is subject to various risks associated with financial advisory services, underwriting and sponsorship of securities as well as market volatility and the investment decisions that the Group makes

For the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026, the segment revenue and other income of the Group's institutional services business accounted for 19.49 per cent., 17.33 per cent. and 20.99 per cent., and 21.63 per cent. and 22.45 per cent. of its total revenue, gains and other income for segments, respectively.

- ***Risks related to the investment banking business***

  The Group's investment banking business, a segment under the Group's institutional services business, is subject to certain risks related to the uncertainties in regulatory policies and approvals. The primary offering of securities in the PRC, especially IPOs, secondary offerings and certain types of M&A of listed companies, are subject to review and approval process conducted by various regulatory authorities. The result and timing of these reviews are beyond the Group's control and may cause substantial delays to, or the termination of, securities offerings underwritten by the Group or M&A advised by the Group. There can also be no assurance that regulatory approvals on securities offerings and M&A will be granted in a timely manner or at all in the future. A significant decline in the approval rate of the securities offerings underwritten or sponsored by the Group or M&A advised by the Group could harm its reputation, erode client confidence and reduce its underwriting, sponsorship and advisory fee income, because the Group only receives most of its fees after the successful completion of a securities offering or M&A. In addition, since the Group may be required by a given client to underwrite securities offerings on a hard-underwriting basis, it may be required to purchase all of the unsubscribed portion for its own account on such a transaction, which may materially and adversely affect the Group's liquidity, and the Group may even incur losses as a result. In the recent years, the Group underwrote some securities on a hard-underwriting basis and was required to purchase the unsubscribed portion for its account, without any material impact on the Group's business. However, there can be no assurance that any future hard-underwriting arrangement would not materially and adversely affect the Group's financial condition.

  Moreover, relevant rules and regulations could be changed from time to time based on the development of the securities markets. New rules and regulations, and changes in the interpretation or enforcement of existing rules and regulations, may bring out new products or services or result in limitations on certain investment banking activities, which may adversely affect the Group's ability to effectively compete with other financial institutions that are not affected in the same way. The Group may be unable to develop new products and services in a timely manner, or face difficulties in providing new products and services, or its competitive activities may be subject to limitations, and the Group may not maintain its current market share, resulting in reputation harm and income loss.

In addition, when acting as a sponsor or an underwriter in securities offerings, or a financial adviser for M&A transactions, the Group may be subject to regulatory sanctions, fines, penalties or other disciplinary actions or other legal liabilities for conducting inadequate due diligence in connection with an offering or the post-transaction compliance supervision, fraud or misconduct committed by issuers, their agents, other sponsors or the Group, misstatements and omissions in disclosure documents, or other illegal or improper activities that occur during the course of the underwriting or advisory process. Moreover, according to the rules in China, if the prospectus of the IPOs sponsored by the Group contains fraudulent records, misstatements or omissions which cause losses to investors, the Group may be required to compensate investors for their losses resulting from false disclosures in IPOs before issuers' compensation liability can be determined. The due diligence that the Group undertakes in the course of its investment banking business operations is inherently limited and may not reveal all facts that may be relevant.

The performance of the Group's investment banking business also depends on market conditions. Adverse market conditions and volatility in the capital markets may also cause delays to, or the termination of, securities offerings underwritten and sponsored by the Group and M&A advised by the Group, or may result in fewer financing and M&A activities, which may in turn materially and adversely affect the Group's revenue from the investment banking business.

Although in recent years the PRC securities offering regime, particularly the IPO review process for A-share listings, has transitioned from an approval-based review system to a registration-based system, the implementation of the registration-based regime remains subject to a transition period, and there can be no assurance as to how the relevant PRC regulatory authorities will interpret, apply or implement the new regime in practice, which may create uncertainty and affect the timing or outcome of relevant securities offering transactions. If the Group is unable to adjust its business strategies to meet these new challenges, it may not be able to compete effectively in the securities industry, which could in turn materially adversely affect income from its investment banking business.

- ***Risks related to the investment and trading business***

The Group trades equity and fixed-income securities as well as derivative products for its own account. The Group's equity and fixed income securities are subject to market volatility and, therefore, the results of its securities trading activities generally correlate with the performance of the PRC securities markets. The Group uses derivative instruments to hedge the risk. However, the PRC derivatives market currently does not provide sufficient means for the Group to hedge against volatile trading markets, which may make it difficult for it to reduce its exposure to fluctuations in prices, and the derivatives that the Group uses may not be as effective as it expects for hedging purposes. In addition, derivatives contracts which the Group enters into expose it to the risks associated with these instruments and their underlying assets, which could result in substantial losses.

The performance of the Group's investment and trading business is determined by its investment decisions and judgments based on its assessment of existing and future market conditions. The Group closely monitors the market value and financial performance of its investment and trading portfolio, and actively adjusts such portfolio to allocate assets based on market conditions and internal risk management guidelines. However, the Group's investment decisions are mainly based on human judgments, which involve management discretion and assumptions. If the Group's decision-making process fails to minimise losses effectively while producing meaningful gains, or its forecasts deviate significantly from actual changes in market conditions, its investment and trading business may not achieve the investment returns it anticipates, and the Group could suffer material losses, any of which would materially and adversely affect its business, financial condition and results of operations.

The Group may also be exposed to risks associated with its financial assets, which may be subject to price fluctuations as a result of changes in the financial market's assessment of the issuer's creditworthiness, delinquency and default rates and other factors, which could adversely affect its financial condition and results of operations. While the Group has internal policies and procedures to limit such occurrences, these policies and procedures may not be fully effective. In addition, the Group may not have sufficient access to resources and trading counterparties to effectively implement its trading and investment risk mitigation strategies and techniques. If the Group's trading position becomes overly concentrated in a limited set of assets, asset classes, or a limited number of third parties, or if the Group fails to effectively manage its exposure through its risk management policies and procedures, the volatility of any negative impact of adverse credit exposures could be magnified, and as a result, the Group may experience significant financial losses that could materially and adversely affect its business, financial condition and results of operations.

In addition, certain classes of the Group's financial assets are marked to market at fair value through profit or loss. A decline in the value of such assets could result in substantial losses to the Group.

A significant decline in the size of the Group's AUM or a poor investment performance may materially and adversely affect its asset management business, a segment under the Group's investment management business

The Group receives asset management fees based on the asset size of each asset management scheme under its management. In addition, the Group may earn performance fees for certain asset management schemes. Investment performance has a significant impact on the Group's AUM and is one of the most important factors in retaining its clients and competing for new asset management businesses. Limited investment options and hedging strategies in the PRC, as well as market volatility, could negatively affect the Group's ability to provide stable returns for its clients and cause the Group to lose clients. Poor investment performance could adversely affect its revenue and growth because:

- existing clients might withdraw funds from the Group's investment management business, which would result in lower management fees for the Group;

- clients may request that the Group lower its fees for asset management services, particularly in an intensely competitive industry; and

- the Group's performance fees, which are based on a percentage of investment returns, would decline.

In addition, with the release of Guidance Opinions Concerning Standardisation of Asset Management Operations by Financial Institutions in April 2018, financial institutions in China are required to deleverage their business and reduce channel-based services. Under these tightening requirements, the Group's asset management business is under more stringent regulatory scrutiny, which may result in additional downside pressure for the Group to expand its AUM.

The Group's asset management fees or market share may decrease due to increased competition from insurance companies, mutual fund companies and other competitors. Market volatility, adverse economic conditions or the failure to outperform the Group's competitors may reduce its AUM or affect the performance of the assets or funds it manages, which could adversely affect the amount of management fees or performance fees received by the Group.

The Group contributed its own capital to the subordinated tranche of certain of its collective asset management plans. Under the Group's agreement with clients, if the investment return on the senior

tranche of these schemes falls below its anticipated yield, the Group is required to compensate its clients for the shortfall up to the amount of its capital contribution to the subordinated tranche of such scheme. The Group may continue to develop and offer more asset management schemes with similar features to attract customer interest, and therefore it is exposed to the risk of losing part or all of its capital contributions to those asset management schemes.

The Group may fail to realise profits from its private equity investments or lose some or all of the capital invested

The ability of the Group's private equity funds to dispose of their investments is dependent primarily on the conditions of the equity capital markets. The Group's private equity funds may sometimes be forced to sell securities at undesirable prices or defer sales, potentially for a considerable period of time. The Group has made and expects to continue to make significant capital investments in its current and future private equity funds. Contributing capital to these funds is risky, and the Group may lose some or all of the principal amount of its investments.

In addition, the Group has limited control over the portfolio companies it invests in. The portfolio companies may make business, financial or management decisions with which it does not agree or that the majority shareholders or the management of the company may take risks or otherwise act in a manner that is not aligned with the Group's best interests. Furthermore, the Group's portfolio companies may fail to abide by their agreements with the Group, for which it has limited or no recourse. If any of the foregoing were to occur, the value of the Group's private equity investments could decrease or it may face investment failure, in which case its financial condition, results of operations and cash flow could be adversely affected.

The business of the Group is subject to concentration risks due to significant holdings of financial assets or significant capital commitments

Some of the Group's business lines are capital intensive, such as its investment banking, investment and trading, investment management and prime brokerage businesses, which may result in the Group having significant holdings of selected asset classes or bank and other borrowings. Such capital commitments expose the Group to concentration risks, including market risk, in the case of its holdings of concentrated or illiquid positions in a particular asset class as part of investment banking and investment and trading activities, and credit risk, in the case of its margin financing and investment management businesses. Any decline in the value of the asset held by the Group may reduce its income or result in losses.

Any significant adverse impact on the Group's international business operations and failure to manage the risks associated with overseas expansion could have a material adverse effect on its overall business

The Group conducts international business operations primarily through its wholly-owned subsidiary, Huatai International, which holds Huatai Financial Holdings, Huatai Securities (USA), the Singapore Subsidiary and the Japanese Subsidiary. The Group also expects to further expand its international business, and may subject itself to the following risks:

- revenue fluctuation of its overseas subsidiaries from period to period in the future due to unfavourable market conditions, intensified competition, unattractive products and services, downward pressure on fees and any other inherent risks associated with the Group's international business operations;

- difficulties in managing international business operations, including complying with various regulatory and legal requirements of different jurisdictions, and obtaining approvals and necessary licences;

- differences in accounting treatment in different jurisdictions, potential adverse tax implications and foreign exchange losses;

- inability to effectively enforce contractual or legal rights; and

- changes in laws, regulations and policies as well as political, economic and market instability or civil unrest, in the relevant jurisdictions.

If the Group is unable to effectively avoid or mitigate these risks, its ability to expand its international business will be impaired, or its international business may not be able to achieve or sustain profitability, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Any significant decrease in the Group's internal or external liquidity could negatively affect its business and reduce customer confidence in the Group

Maintaining adequate liquidity is crucial to the Group's business operations as it continues to expand its margin financing and securities lending, investment banking, investment and trading, and other business activities with substantial cash requirements. The Group meets its liquidity needs primarily through cash generated from operating activities and debt financing. A reduction in the Group's liquidity could reduce the confidence of its customers or counterparties in the Group, which may result in the loss of business and customer accounts. In addition, according to the CSRC's requirements, the ratio between the Guarantor's Net Capital and net assets cannot fall below 20.0 per cent., the ratio between its Net Capital and total liabilities cannot fall below 8.0 per cent., the ratio between its net assets and total liabilities cannot fall below 10.0 per cent. and its capital leverage ratio (the ratio of its core net capital to total amount of in-balance-sheet and off-balance-sheet assets) shall not be less than 8.0 per cent. and both its liquidity coverage ratio (ratio of good-quality liquid assets to forecast net cash outflow for the next 30 days) and net stable funding ratio (ratio of stable funding available to stable funding required) shall not be less than 100 per cent. As at 30 June 2026, the Guarantor's liquidity coverage ratio and net stable funding ratio stood at 167.08 per cent. and 135.71 per cent., respectively. If the Group fails to meet regulatory liquidity requirements in the PRC, the CSRC may impose penalties on the Group, suspend or revoke business licences assigned by the CSRC or limit the scope of the Group's business, which could, in turn, have a material adverse effect on its financial condition and results of operations. Failure to comply with such requirements may also result in disciplinary actions imposed by the SAC such as regulatory warning, rectification order, industry-wide criticism, public condemnation, or suspension or revocation of business licences assigned by the SAC.

Factors that may adversely affect the Group's liquidity position include a significant increase in its capital-based intermediary businesses, increased regulatory capital requirements, substantial investments, loss of market or customer confidence or other regulatory changes. The Group has incurred negative net cash flows from operating activities: net cash used in operating activities amounted to RMB28,475.6 million and RMB63,456.1 million, and RMB5,436.1 million and RMB10,448.3 million, respectively, for the years ended 31 December 2023 and 2025, and for the six months ended 30 June 2025 and 2026; though the Group recorded net cash generated from operating activities of RMB34,818.4 million for the year ended 31 December 2024. When cash generated from the Group's operating activities is not sufficient to meet its liquidity or regulatory capital needs, the Group must seek external financing. During periods of disruption in the credit and capital markets, potential sources of external financing could be limited and the Group's borrowing costs could increase. Although the Group believes that it has diversified sources of external financing, including a mix of short-term and long-term debt financing instruments, such financing may not be available on acceptable terms or at all due to unfavourable market conditions and disruptions in the credit and capital markets.

The Group's business might be affected by the operational failure of its employees

The Group faces the risk of the operational failure of its employees, which mainly includes accidents or errors that take place in the course of the day-to-day operation of wealth management business, institutional services business, investment management business and international business. Although the Group has implemented internal control measures, including strengthened transaction review and enhanced standard operation training to prevent against the risk of employee operational failure, the Group may not be able to completely avoid the occurrence of, or timely detect, any operational failure. Any future operational failure of employees or any termination of employment relationships in relation to operational failure could adversely affect the Group's business and reputation, as well as the Group's ability to execute transactions, service the Group's clients and manage the Group's exposure to various risks.

The Group's risk management policies and procedures and internal controls, as well as the risk management tools available to the Group, may not fully protect it against various risks inherent in its businesses

The Group follows its internal risk management framework and procedures to manage its risk exposures, primarily including market risk, credit risk, liquidity risk, compliance risk, operational risk, IT risk, model risk and reputational risk. The Group's risk management policies and procedures and internal controls may not be adequate or effective in mitigating its risk exposures or protecting it against unidentified or unanticipated risks. In particular, some methods of managing risks are based upon observed historical market behaviour and the Group's experience in the securities industry. These methods may fail to predict future risk exposures, which could be significantly greater than those indicated by the Group's historical measures. Other risk management methods depend upon an evaluation of available information regarding operating and market conditions and other matters, which may not be accurate, complete, up to date or properly evaluated. In addition, in markets that are rapidly developing, the information and experience that the Group relies on for its risk management methods may become quickly outdated as markets and regulations continue to evolve. Deficiencies in the Group's risk management policies and procedures and internal control systems may adversely affect its ability to identify any errors and non-compliance with rules and regulations, which in turn may have a material adverse effect on its business, financial condition and results of operations.

The Group faces additional risks as it expands its product and service offerings

The Group is committed to providing new products and services in order to strengthen its leading market position in the PRC securities industry. The Group expanded its business to include margin financing and securities lending, securities-backed lending and stock repurchases as well as OTC trading in recent years. In addition, the Group launched the revamped version of "AI ZhangLe", which focuses on enhancing customers' investment and trading experience, implements and iterates a Task Assistant as the central hub for full-chain investment execution, and coordinates specialised AI agents for functions such as limit-up hunting and event catching. These new businesses, products, services and technologies expose the Group to additional risks.

The Group plans to continue to expand its product and service offerings as permitted by relevant regulatory authorities, transact with new customers not in its traditional customer base and enter into new markets. These activities expose the Group to new and increasingly challenging risks, including, but not limited to the following:

- the Group may have insufficient experience or expertise in offering new products and services or applying new technologies and dealing with new counterparties and customers;

- the Group may be subject to stricter regulatory scrutiny as well as additional licence and approval requirements, increased credit risks, market risks, compliance risks and operational risks;

- the Group may suffer from reputational concerns arising from dealing with less sophisticated counterparties and customers;

- the Group may be unable to provide customers with adequate levels of service for its new products and services;

- the Group may be unable to hire additional qualified personnel to support the offering of a broader range of products and services;

- the Group's new products and services may not be accepted by its customers or meet its profitability expectations;

- the Group may be unable to obtain sufficient financing from internal and external sources or sufficient resources to support its business expansion; and

- the Group may be unsuccessful in enhancing its risk management capabilities and IT systems to identify and mitigate the risks associated with these new products and services, new customers and new markets.

If the Group is unable to achieve the intended results with respect to its offering of new products and services, its business, financial condition, results of operations and prospects could be materially and adversely affected.

Significant interest rate fluctuations could affect the Group's financial condition and results of operations

The Group's exposure to interest rate risk is primarily associated with its interest income, interest expenses and fixed-income investments.

The Group earns interest income from bank deposits (including its own deposits and customer deposits), margin financing and securities lending, securities-backed lending, stock repurchases and financial assets held under resale agreements. Interest income from these sources is directly linked to the prevailing market interest rates. During periods of declining interest rates, the Group's interest income would generally decrease.

The Group also makes interest payments on deposits it holds on behalf of its customers, short-term commercial papers, corporate bonds and repurchase transactions as well as subordinated bonds and other debt securities. These interest expenses are directly linked to the prevailing market interest rates. During periods of rising interest rates, the Group's interest expenses and financing costs would generally increase.

In addition, the Group holds fixed-income investments. During periods of rising interest rates, market prices and the Group's investment returns on fixed-income securities will generally decrease. Significant interest rate fluctuations could reduce the Group's interest income or returns on fixed-income investments, or increase its interest expenses, any of which could adversely affect its financial condition and results of operations.

The Group's operations depend on key management and professional staff and its business may suffer if it is unable to retain or replace them

The success of the Group's business is dependent to a large extent on the continuous service of its senior management and its ability to attract and retain key personnel who possess in-depth knowledge and understanding of the securities and financial markets. If the Group loses the services of any member of its

senior management, it may not be able to execute its existing business strategy effectively or may have to change its existing business direction, which may materially adversely affect its business prospects. These key personnel include members of its mid-level management, experienced investment and trading managers, risk management officers, research analysts, IT specialists, licensed sponsor representatives and other personnel. Therefore, the Group devotes considerable resources to recruiting and retaining these personnel. However, the market for quality professionals is highly competitive and the Group faces increasing competition in recruiting and retaining these individuals as other securities firms and financial institutions are competing for the same pool of talent. There is no assurance that the Group will always be able to retain these individuals upon the expiry of their respective employment contract. Intense competition may require the Group to offer higher compensation and other benefits in order to attract and retain qualified professionals, which could materially and adversely affect its financial condition and results of operations.

The Group may pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs and may not enhance its business as it expects

The Group has in the past pursued M&A, joint ventures and other transactions aimed at expanding the geographic scope and scale of its operations. Acquisitions and joint ventures involve a number of risks and present financial, managerial and operational challenges, including potential disruption of the Group's ongoing business and distraction of management, difficulties with integrating IT, financial and human resources systems, hiring additional management and other critical personnel and increasing the scope, geographic diversity and complexity of the Group's operations.

The Group may not be able to realise any anticipated benefits or achieve the synergies it expects from these acquisitions or joint ventures; its clients may react unfavourably to its acquisition and joint venture strategy; and it may be exposed to additional liabilities of any acquired business or joint venture. Any of these could materially adversely affect the Group's revenue and results of operations.

If the Group makes acquisitions or forms joint ventures, there can be no assurance that it will be able to generate expected margins or cash flows, or to realise the anticipated benefits of such acquisitions or joint ventures, including growth or expected synergies. There can be no assurance that the Group's assessments of and assumptions regarding acquisition targets and joint venture will prove to be correct, and actual developments may differ significantly from the Group's expectations. The Group may not be able to integrate acquisitions into its business or manage the joint ventures successfully, or such integration and management may require more investment than it expects, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to clients, employees, suppliers, government authorities or other parties, which may impact its results of operations. The Group's clients may react unfavourably to its acquisition and joint venture strategy, and the Group may be exposed to additional liabilities of any acquired business or joint venture. The process of integrating business may be disruptive to the Group's operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in the Group's results of operations as a result of difficulties or risks, including:

- unforeseen legal, regulatory, contractual and other issues;
- difficulty in standardising information and other systems;
- difficulty in realising operating synergies; and
- diversion of management's attention from the Group's day-to-day business.

Changes in accounting standards, procedures or policies may materially affect the Group's financial condition and results of operations

The financial accounting, procedures and reporting standards governing the Group's financial statements as well as their application and interpretation may change from time to time. Such changes may be

beyond the Group's control, and can be difficult to predict, which, in turn, could materially impact its results of operations and financial condition. In some cases, the Group may be required to apply a new or revised standard retrospectively, resulting in material changes to previously reported financial results. For the six months ended 30 June 2026, the Group applied certain amendments to IFRS Accounting Standards for the first time, including amendments to IFRS 9 and IFRS 7 relating to the classification and measurement of financial instruments and contracts referencing nature-dependent electricity, and Annual Improvements to IFRS Accounting Standards Volume 11. The application of these amendments had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in its condensed consolidated financial statements. However, any future changes in accounting standards, procedures or policies may materially affect the Group's results of operations and financial condition.

The Group changed its accounting policy under IFRS Accounting Standards in relation to transactions involving standard warehouse receipts as a result of the Implementation Q&A issued by the Ministry of Finance in July 2025. According to the Implementation Q&A, for enterprises that frequently buy and sell standard warehouse receipts in futures trading exchanges in order to profit from short-term price fluctuations, without physical delivery of the underlying commodities corresponding to the standard warehouse receipts, the contracts of the standard warehouse receipts are within the scope of accounting standard on financial instruments, and the transaction should not be recognised as revenue with the corresponding cost in the statement of profit or loss. The difference between the carrying amount of the standard warehouse receipts derecognised and the gross sales consideration of those contracts should be recognised in net investment gain/loss. As a result of assessing the Implementation Q&A, the Group decided to change its relevant accounting policy under IFRS for sales contracts involving warehouse receipts since 1 January 2025, and has retrospectively adjusted the comparative financial statements for 2024. There is no corresponding restatement on the consolidated financial statements for the year ended 31 December 2023 and therefore this financial information may not be comparable to those for the years ended 31 December 2024 and 2025, and accordingly investors should exercise caution when using such data. Please refer to Note 2 "Material accounting policy information" in the notes to the 2025 Audited Consolidated Financial Statements for details.

The Guarantor published and may continue to publish periodical financial information pursuant to applicable regulatory rules. Investors should be cautious and not place any undue reliance on the financial information other than that disclosed in this Offering Circular

The Guarantor's equity securities are listed on the HKSE, the Shanghai Stock Exchange and the London Stock Exchange. According to applicable securities regulations, the Guarantor publishes its quarterly financial information to satisfy its continuing disclosure obligations relating to its listed securities. The quarterly financial information published by the Guarantor is normally derived from the Group's management accounts which have not been audited or reviewed by any independent auditors. As such, the quarterly financial information published should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited or reviewed information. The investors should not place any undue reliance on any such quarterly financial information.

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject the Group to financial losses and sanctions imposed by governmental authorities, as well as adversely affect its reputation.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, its internal control procedures may be unable to identify all incidents of noncompliance or suspicious transactions in a timely manner or at all. Furthermore, it is not always

possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective. There can be no assurance that fraud or other misconduct will not occur in the future and there can be no assurance that the Group will detect and prevent such fraud or misconduct. If such fraud or other misconduct does occur, it may cause negative publicity as a result. The Group's failure to detect and prevent fraud and other misconduct may have a material adverse effect on its business reputation, financial condition and results of operations.

In addition, as there are other financial institutions which carry similar trademarks or corporate names as the Group's, any negative publicity involving such institutions may adversely affect the Group's reputation and business if the market or its clients are unable to distinguish its trademarks or names from other financial institutions.

The Group may fail to comply fully with money laundering and other laws and regulations in its business operations

The Group is required to comply with applicable anti-money laundering and anti-terrorism laws and regulations of the relevant regulatory authorities. These laws and regulations require financial institutions to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. Such policies and procedures require the Group to, among other things, establish or designate an independent anti-money laundering department, establish a customer identification system in accordance with relevant rules, record the details of customer activities and report suspicious transactions to relevant authorities.

While the Group has adopted policies and procedures aimed at detecting and preventing the use of its business platforms to facilitate money laundering activities and terrorist acts, such policies and procedures may not completely eliminate instances in which the Group may be used by other parties to engage in money laundering and other illegal or improper activities. In the event that the Group fails to fully comply with applicable laws and regulations, the relevant government agencies may impose fines or other penalties on the Group. For example, on 13 February 2020, the Group was imposed fines by the PBOC in an aggregate amount of RMB10.1 million for non-compliance with the requirements under Article 32 of the Anti-Money Laundering Law of the PRC. There can be no assurance that there will not be failures in fully complying with money laundering or other laws and regulations in the Group's business operations in the future, which may adversely affect the Group's business reputation, financial condition and results of operations.

The Group's substantial amounts of deferred tax assets and financial assets are subject to the uncertainties of accounting estimates

In the application of the Group's accounting policies, the Group's management is required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Therefore, actual results may differ from these accounting estimates.

The Group believes that the substantial amounts of its deferred tax assets are subject to the uncertainties of accounting estimates and therefore warrant particular attention. The Group's deferred tax assets were RMB702.7 million, RMB1,591.9 million and RMB2,413.1 million, and RMB3,323.1 million as at 31 December 2023, 2024 and 2025, and 30 June 2026, respectively. Based on the Group's accounting policies, deferred tax assets are recognised where there are temporary differences between the carrying amounts of assets for financial reporting purposes and the amounts used for taxation purposes. The realisation of a deferred tax asset mainly depends on the Group's management's judgement as to whether sufficient profits or taxable temporary differences will be available in the future. Management's assessment is constantly reviewed and additional deferred tax assets will be recognised if it is probable

that future taxable profits will allow the deferred tax assets to be recovered. On each balance sheet date, the Group reviews the carrying value of the deferred tax asset.

The Group relies heavily on IT systems to process and record its transactions and offer online products and services

As a pioneer in the PRC securities industry in terms of IT application, the Group's operations rely heavily on the ability of its IT systems to record and process accurately a large number of transactions across numerous and diverse markets and different business segments in a timely manner. The Group's system for processing securities transactions is highly automated. A prolonged disruption to, or failure of, the Group's information processing or communications systems would limit its ability to process transactions. This would impair the Group's ability to service its customers and execute trades on behalf of customers and for its own account, which could materially and adversely affect the Group's competitiveness, financial condition and results of operations.

The proper functioning of the Group's core IT systems, e-Platform, data processing system, CRM system, mobile APPs, risk management and legal and compliance system and other data processing systems, together with the communication networks between its headquarters and branches, are critical to its business and its ability to compete effectively. The Group has established back-up centres to carry on principal functions in the event of a catastrophe or failure of its systems, including those caused by human errors. However, there can be no assurance that the Group's operations will not be materially disrupted if any of its systems fail. In addition, if the capacity of the Group's trading system is unable to process all trading orders when the securities market experiences high volatility, the Group may be subject to client complaints, litigation or adverse effects on its reputation.

The securities industry is characterised by rapidly changing technology. Online trading platforms and mobile APPs and the introduction of AI technology are becoming increasingly popular among the Group's customers due to their convenience and user-friendliness. The Group relies heavily on technology, including its e-Platform and mobile APPs, to provide a wide range of brokerage and wealth management services. The Group has also implemented multiple AI applications across customer service, key business operations and back-office support. However, the Group's technology operations are susceptible to human error, natural disasters, power failure, computer viruses, spam attacks, unauthorised access and other similar events. Disruptions to, or instability of, the Group's technology or external technology that allows its customers to use its online products and services could harm its business and its reputation.

The Group's business is susceptible to the operational failure of third parties

The Group faces the risk of operational failure or termination of any of the exchanges, depositaries, clearing agents or other financial intermediaries it uses to facilitate its securities transactions. The Group was not subject to any material operational failure of third parties in 2023, 2024 and 2025 and for the six months ended 30 June 2026. However, any future operational failure or termination of the particular financial intermediaries that the Group uses could adversely affect its ability to execute transactions, service its customers and manage its exposure to various risks.

In addition, as the Group's interconnectivity with its customers grow, the Group's business also relies heavily on its customers' use of their own systems, such as PC, mobile devices and the websites, and the Group will increasingly face the risk of operational failure in connection with its customers' systems. The operational failure of third parties may harm the Group's business and reputation.

The Group may be subject to litigation and regulatory investigations and proceedings and may not always be successful in defending itself against such claims or proceedings

The securities industry faces substantial litigation and regulatory risks, including the risk of lawsuits and other legal actions relating to information disclosure, sales or underwriting practices, product design,

fraud and misconduct, as well as protection of personal and confidential information of customers. The Group may be subject to arbitration claims and lawsuits in the ordinary course of its business. The Group may also be subject to inquiries, investigations, and proceedings by regulatory and other governmental agencies. Actions brought against the Group may result in settlements, injunctions, fines, penalties or other results adverse to the Group that could harm its reputation. Even if the Group is successful in defending itself against these actions, the costs of such defence may be significant. In market downturns, the number of legal claims and amount of damages sought in litigation and regulatory proceedings may increase.

From time to time, the Group was subject to a number of legal proceedings arising from the ordinary course of its business, including, for example, disputes relating to financial product transactions and pledged repurchases of securities. A significant judgment or regulatory action against the Group, a failure by the Group to prevail in the legal proceedings where the Group is the plaintiff, a failure by the Group to enforce judgment debts, or a disruption in its business arising from adverse adjudications in proceedings against its directors, officers or employees, would have a material adverse effect on its liquidity, business, financial condition, results of operations and prospects.

A failure to identify and address conflicts of interest appropriately could adversely affect the Group's business

As the Group expands the scope of its business and its client base, it is critical for the Group to be able to address potential conflicts of interest, including situations where two or more interests within its business legitimately exist but are in competition or conflict.

The Group has extensive internal control and risk management procedures that are designed to identify and address conflicts of interest. However, appropriately identifying and dealing with potential conflicts of interest is complex and difficult. The Group's failure to manage conflicts of interest could harm its reputation and erode client confidence. In addition, potential or perceived conflicts of interest may also give rise to litigation or regulatory actions. Any of the foregoing could adversely affect the Group's business, financial condition and results of operations.

The Group may be subject to liability and regulatory action if it is unable to protect personal data and confidential information of its clients

The Group is subject to various laws, regulations and rules governing the protection of the personal data and confidential information of its clients. The Group's databases contain personal data of its customers, such as name and account number, location information relating to the address and telephone numbers for the customer and account-specific information such as the date of transactions and balance. These databases are vulnerable to damage, including telecommunications and network failures, natural disasters and human acts both by individuals external to the Group's business, as well as its employees, including fraud, identity theft and other misuse of personal data. The Group routinely transmits and receives personal data and confidential information of its customers through the internet, by email and other electronic means.

Despite the security measures that the Group has implemented, the systems may be subject to physical or electronic break-ins, cyberattacks, computer viruses and similar disruptive problems, and third parties may have the technology or expertise to breach the security of the Group's transaction data and the Group may not be able to ensure that its vendors, service providers, counterparties or other third parties, have appropriate measures in place to protect the confidentiality of such information. In addition, there can be no assurance that the Group's employees who have access to the personal data and confidential information of its customers will not improperly use such data or information. Any security or privacy breach of these databases could expose the Group to liability, including regulatory fines or penalties, increase its expenses relating to the resolution of these breaches and the mitigation of their impact on

affected individuals, harm the Group's reputation and deter customers from turning to it for their investment needs, which could have a material adverse effect on the Group's business, financial condition, financial returns and results of operations.

The Group's insurance coverage may not be adequate, which could expose it to costs and business disruption

The Group maintains certain insurance to cover risks in business operations. See "*Description of the Group — Insurance*" for details. However, insurance companies in China generally do not offer as extensive an array of insurance products as other insurance companies do in countries with more developed economics. Consequently, the Group may not maintain sufficient business interruption insurance or key life insurance, which are not mandatory under PRC laws. The Group believes it has obtained all necessary insurance required under PRC laws.

General reputation risks from business operation, management and other behaviour or external incidents may lead to negative media coverage on the Group

As at the date of this Offering Circular, the Group's reputational risk management mechanism runs steadily without occurrence of any significant reputational risk events. Focusing on its strategy and key business, the Group has increased its communication with domestic and foreign media and intensified its monitoring and handling of reputational risks, which creates a good public sentiment for the Group's development. At the same time, the Group has continued to improve its workflow, and strengthened prior management and internal publicity, further enhancing its response to reputational risk. However, there can be no assurance that events affecting the reputation of the Group will not happen in the future.

RISKS RELATING TO THE PRC

The PRC government and the Jiangsu People's Government have no legal obligations under the Notes and do not provide assurance as to the financial condition of the Group

The PRC government (including the Jiangsu People's Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes in lieu of the Issuer or the Guarantor. Noteholders shall have no recourse to the PRC government (including the Jiangsu SASAC) in respect of any obligation arising out of or in connection with the Notes in lieu of the Issuer. This position has been reinforced by the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (《財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) (the "**MOF Circular**"), which was promulgated on 28 March 2018 and took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (《國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知》) (the "**Joint Circular**"), which was promulgated on 11 May 2018 and took effect on the same day. Both circulars are relatively new, and because of the limited volume of published decisions, the interpretation and enforcement of these laws and regulations involve uncertainties.

The Jiangsu SASAC, as a PRC government and the *de facto* controller of the Guarantor only has limited liability in the form of its equity contribution in the Issuer and the Guarantor. As such, the PRC government (including the Jiangsu SASAC) has no payment obligations under the Notes. The Notes are solely to be repaid by the Issuer and the Guarantor as an obligor under the relevant transaction documents and as an independent legal person.

The PRC government (including the Jiangsu SASAC) does not correlate to, or provide assurance as to, the financial condition of the Issuer, the Guarantor and the Group. Investors should base their investment

decision on the financial condition of the Issuer, the Guarantor and the Group and any perceived credit risk associated with an investment in the Notes based on the Group's own financial information reflected in its financial statements.

The Issuer may be treated as a PRC resident enterprise for PRC tax purposes which may subject the Issuer to PRC income taxes on its worldwide income and interest payable by the Issuer or the Guarantor to foreign investors in respect of the Notes or under the Guarantee may be subject to withholding taxes under PRC tax law

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**") which became effective on 1 January 2008 and as amended on 24 February 2017 and 29 December 2018 and its implementing rules, enterprises established outside the PRC whose "*de facto* management bodies" are located in the PRC are considered "resident enterprises" for PRC tax purposes.

The implementation rules define the term "*de facto* management body" as a management body that exercises full and substantial control and management over the business, personnel, accounts and properties of an enterprise. The Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (《國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) issued by the SAT on 22 April 2009, as revised in 2013 and 2017 ("**Circular 82**") provides that a foreign enterprise controlled by a PRC company or a PRC company group will be treated as a "resident enterprise" with a "*de facto* management body" located within the PRC if all of the following requirements are satisfied at the same time: (i) the senior management and core management departments in charge of daily operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and (iv) at least half of the enterprise's directors with voting rights or senior management frequently reside within the PRC. Circular 82 also provides that the determination of "*de facto* management body" shall be governed by the principle of substance being more important than form. On 27 July 2011, the SAT issued the Provisional Administrative Regulations of Enterprise Income Taxation of a Chinese-Controlled Foreign Resident Enterprise (Trial Implementation) (《境外註冊中資控股居民企業所得税管理辦法(試行)》), as revised in 2015, 2016 and 2018 ("**Circular 45**"), to further prescribe the rules concerning the recognition, administration and taxation of a foreign enterprise "controlled by a PRC enterprise or PRC enterprise group". Circular 45 identifies and defines two ways in which a foreign enterprise "controlled by a PRC enterprise or a PRC enterprise group" would be treated as a resident enterprise: *first*, the foreign enterprise may decide on its own whether its *de facto* management body is located in the PRC based on the criteria set forth in Circular 82, and, if it makes such determination, it shall apply to the competent tax bureau to be treated as a resident enterprise; *second*, the tax authority may determine that such foreign enterprise is a resident enterprise after its active investigation.

The Group takes the position that the Issuer is currently not a PRC resident enterprise for tax purposes, and as at the date of this Offering Circular, neither the Issuer nor the Guarantor has been notified or informed by the PRC tax authorities that the Issuer is considered as a "resident enterprise" for EIT purposes. However, there is no assurance that the tax authorities will agree with the Group's position. If the Issuer is deemed to be a PRC resident enterprise for EIT purposes, the Issuer would be subject to the PRC enterprise income tax at the rate of 25 per cent. on its worldwide taxable income. Furthermore, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities, the Issuer may be obligated to withhold PRC income tax of up to seven per cent. on payments of interest and certain other amounts on the Notes to investors that are Hong Kong resident enterprises or 10 per cent. on payments of interest and other amounts on the Notes to investors that are not Hong Kong resident enterprises, **provided that** there are no tax treaties between the PRC and those countries which exempt or reduce such withholding tax, because the interest and other amounts may be regarded as being derived

from sources within the PRC. Similarly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities, payments of interest and certain other amounts on the Notes to a non-resident individual holder may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. pursuant to the Individual Income Tax Law of the PRC, as last revised in 2018 ("**IIT Law**") and its implementation rules, provided that there are no tax treaties between the PRC and those countries or regions which exempt or reduce such withholding tax. Further, the payments of the interest and other interest like earnings on the Notes to a non-resident enterprise or a non-resident individual holder may be subject to withholding of PRC enterprise income tax or individual income tax in the event that the Guarantor is required to discharge its obligations under the Guarantee, subject to applicable tax treaties between the PRC and those countries or regions which exempt or reduce such withholding of tax. In addition, if the Issuer or the Guarantor fails to do so, it may be subject to fines and other penalties.

On 23 March 2016, MOF and the SAT issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) (關於全面推開營業税改徵增值税試點的通知, the "**Circular 36**"), which introduced a new value-added tax ("**VAT**") from 1 May 2016. VAT is applicable where entities or individuals provide services within the PRC. On 25 December 2024, the National People's Congress of the PRC (the "**NPC**") issued the new Value-added Tax law (the "**New VAT Law**"), which is effective on 1 January 2026. Pursuant to the New VAT Law, VAT is applicable where the entities or individuals provide services within the PRC. The revenues generated from the taxable sale of services by entities and individuals, such as financial services, shall be subject to PRC VAT, if the seller of the services is within the PRC or the services are consumed within the PRC (including services provided to the entities or individuals located within the PRC by the entities or individuals outside of the PRC). If treated as a PRC resident enterprise, the Issuer may be obligated to withhold VAT of 6 per cent. (as described below) on payments of interest and certain other amounts on the Notes paid by the Issuer to Noteholders who are outside of the PRC. VAT is unlikely to be applicable to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Notes, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located within the PRC.

If the Issuer or the Guarantor is required under the EIT Law, IIT law, New VAT Law, Circular 36 or other related PRC tax laws to withhold PRC income tax from interest payments made to the holders of the Notes who are "non-resident enterprises" or who are located outside of the PRC, the Issuer will be required to pay such additional amounts as will result in receipt by a holder of the Notes of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Notes, and could have a material adverse effect on its ability to pay interest on, and repay the principal amount of, the Notes, as well as its profitability and cash flow. It is unclear whether, if the Issuer is considered a PRC "resident enterprise", holders of the Notes might be able to claim the benefit of income tax treaties or agreements entered into between the PRC and other countries or areas.

The Group's business, financial condition, results of operations and prospects could be adversely affected by slowdowns in the PRC economy

The Group primarily conducts its businesses in the Yangtze River Delta region and substantially most of the Group's revenue is derived from the PRC. The Group relies, to a significant degree, on the development and economic growth of the PRC to achieve revenue growth. The global crisis in financial services and credit markets in 2008 caused a slowdown in the growth of the global economy. In 2015, the PRC government adopted intensive reforms with the primary aim of restructuring and rebalancing the PRC economy towards a more sustainable model by focusing more on domestic consumption and moving away from investment and export fuelled growth.

Although the PRC's economic growth has increased compared to its level immediately after the global financial crisis, it has displayed signs of slowdown as evidenced by a decrease in the growth rate of the

PRC's GDP in recent years. This was caused by a combination of factors most of which are beyond the Group's control, such as the global economic conditions, governmental policies and changes in market dynamics globally and regionally. Furthermore, as reindustrialisation and trade protectionism in some countries continues to expand, the overall prospects of global and PRC economies may be adversely affected. Any slowdown of the PRC economy may create a credit tightening environment, increase the Group's financing costs, or reduce government subsidies to the Group, resulting in a material adverse effect on its business, results of operations and financial condition.

Changes in the economic, political and social conditions in the PRC and government policies adopted by the PRC government could adversely affect the Group's business and prospects

The PRC economy could be influenced by the degree of government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. The PRC economy has been transitioning from a planned economy to a more market-oriented economy. In recent years, the PRC government has implemented a series of measures emphasising market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. However, any changes in political, economic and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof) could result in a material adverse effect on its business, results of operations and financial condition.

The PRC legal system could affect the legal protection available to prospective investors

PRC laws and regulations govern the Group's operations in mainland China. The Group and most of its operating subsidiaries are organised under PRC laws. China's legal system is based on written statutes. Since the late 1970s, China has promulgated laws and regulations dealing with economic matters, such as the issuance and trading of securities, shareholder rights, foreign investment, corporate organisation and governance, commerce, taxation and trade.

However, many of these laws and regulations, particularly with respect to the financial services industry, are relatively new and evolving, are subject to different interpretations and may be inconsistently implemented and enforced. In addition, only limited volumes of published court decisions may be cited for reference, and such cases have limited precedential value as they are not binding on subsequent cases. These uncertainties relating to the interpretation, implementation and enforcement of China's laws and regulations and a system of jurisprudence that gives only limited precedential value to prior court decisions can affect the legal remedies and protections available to investors, and can adversely affect the value of such investors' investment.

Additional procedures may be required to effect service of legal process and enforcing judgments against the Guarantor and its directors, supervisors and management

The Guarantor is a company incorporated under the laws of the PRC and a substantial majority of its assets and subsidiaries are located in the PRC. In addition, most of its directors, supervisors and executive officers reside within the PRC and the assets of its directors, supervisors and executive officers are likely to be located within the PRC. As a result, additional procedures may be required to effect service of process outside the PRC upon the Group's directors, supervisors and executive officers, including with respect to matters arising under applicable state securities laws. Moreover, the PRC does not have treaties providing for the reciprocal enforcement of court judgments with the United States, the United Kingdom, Japan or most other western countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of court judgments with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgments of a court in the United States, the United Kingdom, Japan or most other western countries in relation to any matter that is not subject to a binding arbitration provision may be difficult or impossible.

Future fluctuations in the value of the Renminbi could have a material adverse effect on the Group's financial condition and results of operations

While the Group generates most of its revenue in the PRC, it also offers securities products and services in Hong Kong to overseas customers. A portion of the Group's revenue, expenses and bank borrowings are denominated in Hong Kong dollars and U.S. dollars, although its functional currency is the Renminbi. As a result, fluctuations in exchange rates, particularly between the Renminbi, Hong Kong dollar and U.S. dollar, could affect the Group's profitability and may result in foreign currency exchange losses of its foreign currency-denominated assets and liabilities.

The exchange rate of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's and international political and economic conditions and the PRC government's fiscal and currency policies. Since 1994, the conversion of the Renminbi into foreign currencies, including the Hong Kong dollar and U.S. dollar, has been based on rates set daily by the PBOC based on the previous business day's inter-bank foreign exchange market rates and exchange rates in global financial markets. In August 2015, the PBOC changed the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily midpoint. This change resulted in a depreciation in the value of the Renminbi at approximately 1.9 per cent. relative to the U.S. dollar in August 2015 and further subsequent depreciation against major currencies. Further to the PBOC's adjustment on 11 August 2015, the value of Renminbi depreciated significantly against the U.S. dollar. In January and February 2016, Renminbi experienced further fluctuation in value against the U.S. dollar. Following the gradual appreciation against U.S. dollar in 2017, Renminbi experienced a depreciation in value against U.S. dollar followed by fluctuation in 2018 and early 2019. On 5 August 2019, the PBOC set the Renminbi's daily reference rate above RMB7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. Since June 2020, Renminbi has been experiencing another round of appreciation against the U.S. dollar. However, as at 31 August 2023, the Renminbi was around 4.2 per cent. weaker against the U.S. dollar than it was a year ago. Renminbi kept experiencing fluctuations against the U.S. dollar for the years of 2023, 2024 and 2025. The PRC government may make further adjustments to the exchange rate system in the future.

The International Monetary Fund announced on 30 September 2016 that, effective from 1 October 2016, the Renminbi will be added to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the Renminbi against foreign currencies. There has historically been significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in further appreciation or depreciation of the Renminbi against the U.S. dollar. However, in light of the recent depreciation of the Renminbi against the U.S. dollar, there have also been calls on the PRC government to take measures to maintain stability of the exchange rate of the Renminbi. There can be no assurance that the Renminbi will not experience significant appreciation or depreciation against the U.S. dollar in the future.

Any future occurrence of *force majeure* events, natural disasters or outbreaks of contagious diseases in the PRC may materially and adversely affect the Group's business, financial condition and results of operations

Any future occurrence of force majeure events, acts of war, natural disasters or outbreaks of epidemics and contagious diseases may materially and adversely affect the Group's business, financial condition and results of operations. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect the Group's business.

The PRC has experienced natural disasters such as earthquakes, floods and droughts in the past few years. Any future occurrence of severe natural disasters in the PRC may materially and adversely affect its

economy and therefore the Group's business. There is no assurance that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases or the measures taken by the PRC government or other countries in response to such contagious diseases, will not seriously disrupt the Group's operations or those of its customers, which may materially and adversely affect its business, financial condition and results of operations.

Government management of currency conversion may adversely affect the value of investors' investments

Most of the Group's revenue is denominated in Renminbi, which is also the reporting currency. A portion of the Group's cash may be required to be converted into other currencies in order to meet the Group's foreign currency needs, including payments of interest, principal and premium on the Notes. However, the PRC government may restrict future access to foreign currencies for current account transactions at its discretion. If this were to occur, the Group might not be able to pay interest, principal and premium to the holders of the Notes in foreign currencies. On the other hand, foreign exchange transactions under capital accounts in the PRC continue to be regulated and require the approval of SAFE. These limitations could affect the Group's ability to obtain foreign currencies through equity financing, or to obtain foreign currencies for capital expenditure.

The payment of dividends by the Guarantor's operating subsidiaries in the PRC is subject to restrictions under PRC law

PRC laws require that dividends be paid only out of net profits, calculated according to PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions. In addition, PRC law requires enterprises to set aside part of their net profits as statutory reserves before distributing the net profits for the current financial year. These statutory reserves are not available for distribution as cash dividends. Since the availability of funds to fund the Guarantor's operations and to service its indebtedness depends upon dividends received from its subsidiaries, any legal restrictions on the availability and usage of dividend payments from the Guarantor's subsidiaries may impact the Guarantor's ability to fund its operations and to service its indebtedness.

In addition, the Group is subject to certain restrictive covenants in the financing arrangements entered into by the Guarantor's subsidiaries and certain banks. For instance, loan agreements with certain commercial banks may restrict the Guarantor's subsidiaries from paying any dividends to the Guarantor or repaying intercompany loans before the loan is fully repaid.

There can be no assurance of the accuracy or comparability of facts and statistics contained in this Offering Circular with respect to the PRC, its economy or the relevant industry

Certain facts and other statistics in this Offering Circular relating to the PRC, its economy or the relevant industry in which the Group operates have been directly or indirectly derived from official government publications and certain other public industry sources and although the Group believes such facts and statistics are accurate and reliable, it cannot guarantee the quality or the reliability of such source materials. They have not been prepared or independently verified by the Group, the Arranger, the Dealers, the Trustee or any of its or their respective affiliates, employees, directors, agents, advisers or representatives, and, therefore, none of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents or any of its or their respective affiliates, employees, directors, agents, advisers or representatives makes any representation as to the completeness, accuracy or fairness of such facts or other statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be incomplete, inaccurate or unfair or may not be comparable to statistics produced for other economies or the same or similar industries in other countries and should not be unduly relied upon. Furthermore, there is no assurance that they are

stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

RISKS RELATING TO THE NOTES AND THE GUARANTEE

The Issuer has no material business and will rely on remittances from the Guarantor and its subsidiaries to make payments under the Notes

The Issuer will not conduct business or any other activities other than the offering, sale or issuance of indebtedness and the lending of the proceeds thereof to any company controlled, directly or indirectly, by the Guarantor and any other activities in connection therewith or related thereto. The Issuer's ability to make payments under the Notes will primarily depend on its receipt of timely remittances from the Guarantor or its subsidiaries.

The ability of the Guarantor to make payments to the Issuer is subject to, among other things, its cash flow conditions, restrictions contained in its articles of association, applicable laws, restrictions contained in its debt instruments and claims by its creditors. Further, the Guarantor derives its revenue from its subsidiaries. The Guarantor thus may need to depend on dividends or interest and principal payments from its subsidiaries to satisfy its obligations.

As a result, any claim by the Issuer against the Guarantor will be effectively subordinated to existing and future claims of the secured creditors of the Guarantor and, in the case of payment by the Guarantor to the Issuer in the form of capital increases, also to the claims of the other creditors of the Guarantor. The Issuer's claims will be further effectively subordinated to all existing and future claims of the lenders, holders of debt securities and other creditors, including trade creditors, of the Guarantor's subsidiaries (other than the Issuer), from which the Guarantor derives its revenue. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of the Guarantor or any of the Guarantor's subsidiaries (other than the Issuer), the creditors of the Guarantor or the creditors of the Guarantor's subsidiaries, as the case may be, generally will have the right to be paid in full before any distribution is made to the Guarantor or to the Issuer.

The Notes and the Guarantee are unsecured obligations

The Notes and the Guarantee are unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Notes and payment under the Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's assets may not be sufficient to pay amounts due on the Notes.

The Notes and the Guarantee will be structurally subordinated to the existing and future indebtedness and other liabilities of the Issuer's and the Guarantor's existing and future subsidiaries, other than the Issuer, and effectively subordinated to the Issuer's and the Guarantor's secured debt to the extent of the value of the collateral securing such indebtedness

The Notes and the Guarantee will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's and the Guarantor's existing

and future subsidiaries, other than the Issuer, whether or not secured. The Notes will not be guaranteed by any of the Issuer's or the Guarantor's subsidiaries, and the Issuer and the Guarantor may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer or the Guarantor. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer or the Guarantor is subject to various restrictions under applicable laws.

Each of the Issuer's and the Guarantor's subsidiaries is a separate legal entity that has no obligation to pay any amounts due under the Notes or the Guarantee or make any funds available therefor, whether by dividends, loans or other payments. The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's subsidiaries, respectively, upon that subsidiary's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer or the Guarantor is a creditor of that subsidiary). Consequently, the Notes and the Guarantee will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Issuer's and the Guarantor's subsidiaries, other than the Issuer, and any subsidiaries that the Issuer or the Guarantor may in the future acquire or establish.

The Notes and the Guarantee are the Issuer's and the Guarantor's unsecured obligations, respectively, and will (i) rank equally in right of payment with all the Issuer's and the Guarantor's other present and future unsubordinated and unsecured indebtedness; and (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations. Accordingly, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid.

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities.

The interpretation of the NDRC Foreign Debt Measures may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Notes

Under the NDRC Foreign Debt Measures, the Guarantor shall (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the relevant pre-issuance certificate of review and registration of enterprise borrowing of foreign debts with respect to the relevant Notes in accordance with the NDRC Foreign Debt Measures, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations.

The NDRC Foreign Debt Measures mentions some legal consequences of non-compliance with the pre-issue registration requirement. For example, if the enterprise borrows a foreign debt in violation of the NDRC Foreign Debt Measures, the examination and registration authority shall take disciplinary actions such as holding an interview and giving a public warning against the relevant enterprise and its principal person-in-charge depending on the seriousness of the circumstances, and if an intermediary agency knows or should have known that an enterprise is borrowing a foreign debt in violation of the provisions of the NDRC Foreign Debt Measures but still provides the relevant intermediary services to the enterprise, the examination and registration authority shall circulate a notification of violation of regulations, and consult the relevant department on punishing the relevant intermediary agency and relevant liable persons in accordance with the applicable laws and regulations.

However, the NDRC Foreign Debt Measures is relatively new and the administration and enforcement of the NDRC Foreign Debt Measures may be subject to executive and policy discretion of the NDRC. While the NDRC Foreign Debt Measures has set out the legal consequences for debtors and involved professional parties in cases of non-compliance of the NDRC Foreign Debt Measures, the NDRC Foreign Debt Measures is silent on whether any such non-compliance would affect the validity and enforceability of the Notes. There is no assurance that the failure to comply with the NDRC Foreign Debt Measures would not result in adverse consequences on the Issuer's and/or the Guarantor's ability to perform in accordance with the Conditions or the enforceability of the Notes. In a worst case scenario, if pre-issuance registration is required but not obtained and complied with, it might become unlawful for the Issuer and/or the Guarantor to perform or comply with its obligations under the relevant Notes and the relevant Notes might be subject to enforcement as provided in Condition 10 (*Events of Default*) of the Terms and Conditions of the Notes. Potential investors of Notes are advised to exercise due caution when making their investment decisions.

If the Guarantor fails to complete registration of the relevant Deed of Guarantee with SAFE in connection with the Guarantee, there may be logistical and practical hurdles for cross-border payments under the Guarantee

The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The Guarantee will be contained in the relevant Deed of Guarantee to be executed on the relevant Issue Date of the relevant Tranche of Notes.

The Guarantor is required to submit the relevant Deed of Guarantee to SAFE within 15 PRC Business Days upon the execution of such Deed of Guarantee for registration in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (《跨境擔保外匯管理規定》) promulgated by SAFE. Although non-registration would not as a matter of the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (《跨境擔保外匯管理規定》) render the Guarantee ineffective or invalid, SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame. The Guarantor intends to register the Guarantee as soon as practicable. If the Guarantor fails to complete registration with SAFE, there may be logistical and practical hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of registration with SAFE in connection with the Guarantee prior to giving effect to any such remittance.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes (in the case of Bearer Notes) or Global Certificates (in the case of Registered Notes). Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream or lodged with the CMU (each of Euroclear, Clearstream and the CMU, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes or Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing System(s).

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer, or failing which, the Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System(s) for distribution to their account holders or in the case of the CMU, to the persons for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the Issuer and the Guarantor in a relevant CMU Instrument Position Report or any other notification by the CMU.

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. None of the Issuer, the Guarantor, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents and advisers and each person who controls any of them or their respective affiliates has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer or the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed (as defined in the Terms and Conditions of the Notes).

Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of the Notes which have a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may

be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of the Notes such that it holds an amount equal to one or more Specified Denominations. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Issuer may not be able to redeem the Notes upon the due date for redemption thereof

If specified in the relevant Pricing Supplement, the Issuer may, at its option, at maturity, at Noteholders' option or following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Notes), be required to redeem all but not some only of that holder's Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Notes could constitute an event of default under the Notes, which may also constitute a default under the terms of the Issuer's or the Group's other indebtedness.

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in their respective debt agreements (if any), or the Notes, there could be a default under the terms of these agreements, or the Notes, which could cause repayment of the debt of the Issuer or the Guarantor to be accelerated

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in the Notes, or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer or the Guarantor, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, those debt agreements may contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer or the Guarantor under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements, including the Notes. If any of these events occur, there can be no assurance that there would be sufficient assets and cash flows to repay in full all the indebtedness of the Issuer or the Guarantor, or that it would be able to find alternative financing. Even if the Issuer or the Guarantor could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer or the Guarantor.

The ratings of the Programme may be downgraded or withdrawn

The Programme has been assigned a rating of "Baa1" by Moody's. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Notes and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time. A reduction or withdrawal of the ratings may adversely affect the market price of the Notes and the Issuer's or the Guarantor's ability to access the debt capital markets.

Substitutions may be made in respect of the Issuer and/or the Guarantor.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to the substitution of the Issuer's or the Guarantor's successor in business or certain subsidiary of the Issuer or the Guarantor in place of the Issuer or the Guarantor as principal debtor or

guarantor under the Notes. In the case of such a substitution, the Trustee may, without the consent of the Noteholders, agree to a change of the governing law of the Notes, the Trust Deed, the relevant Deed of Guarantee if such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

The insolvency laws of the British Virgin Islands, the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar

As the Issuer and the Guarantor are incorporated under the laws of the British Virgin Islands and the PRC, respectively, any insolvency proceeding relating to the Issuer or the Guarantor would likely involve the insolvency laws of the British Virgin Islands or the PRC, respectively, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

The Trustee may request the Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction

In certain circumstances, including, without limitation, giving of notice to the Issuer and the Guarantor pursuant to Condition 16 (*Notices*) of the Terms and Conditions of the Notes and taking any steps and/or actions and/or instituting any proceedings pursuant to Condition 19 (*Governing Law and Jurisdiction*) of the Terms and Conditions of the Notes, the Trustee may, at its sole discretion, request the Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction before it takes any steps and/or actions and/or institutes any proceedings on behalf of the Noteholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity, security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity, security or pre-funding to it, in breach of the terms of the Trust Deed or the Terms and Conditions of the Notes and, in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

Decisions that may be made on behalf of all holders of the Notes may be adverse to the interests of individual holders of the Notes

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their general interests. These provisions permit defined majorities to bind all holders of the Notes, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual Noteholders.

The Terms and Conditions of the Notes also provide that the Trustee may (but shall not be obliged to), without the consent of Noteholders, agree to any modification (other than with respect to certain reserved matters) of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed, the relevant Deed of Guarantee or the Agency Agreement which in the opinion of the Trustee will not be materially prejudicial to the interests of Noteholders and to any modification of the Trust Deed, the Terms and Conditions of the Notes, the relevant Deed of Guarantee or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provision of applicable law. In addition, the Trustee may (but shall not be obliged to), without the consent of the Noteholders, authorise or waive any proposed breach or breach (other than a proposed breach or breach relating to the subject of certain reserved matters) of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed, the relevant Deed of Guarantee or the Agency Agreement.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

The Issuer may redeem outstanding notes for tax reasons

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer or, if the Guarantee was called, the Guarantor would be obliged to increase the amounts payable in respect of any Notes or the Guarantee if it is called due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, Hong Kong, the PRC, or any other jurisdiction to which the Issuer or, if the Guarantee was called, the Guarantor becomes subject or any political subdivision thereof or any authority therein or thereof having power to tax in respect of payments made by it of principal and interest on the Notes or the Guarantee if it is called, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions of the Notes.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to exercise its right to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index linked Notes and dual currency Notes have features that are different from Notes that are not index-linked or have a single currency

Notes may be issued with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, Notes may be issued with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and

- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any index linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any index linked Notes and the suitability of such Notes in light of its particular circumstances.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The market prices of the Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Regulation of benchmarks may lead to future reforms or discontinuation

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate.

In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies to the provisions of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA, as amended (the "**UK Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark, within the UK, subject to certain transitional provisions. Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index — for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro short-term rate ("**€STR**") or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Terms and Conditions of the Notes (as further described in Condition 5(b) (*Interest on Floating Rate Notes and Index Linked Interest Notes*) of the Terms and Conditions of the Notes, or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The administrator of SOFR or any related indices may make changes that could change the value of SOFR or any related index, or discontinue SOFR or any related index

The Federal Reserve or the Bank of New York (or their successors) as administrators of SOFR (and the SOFR Compounded Index) may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

Interest rate "fallback" arrangements may lead to Notes performing differently or the effective application of a "fixed rate"

If a relevant benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event occurs, the Terms and Conditions of the Notes provide for certain fallback arrangements. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective.

Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. It is also possible that such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Moreover, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Terms and Conditions of the Notes) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time. Additionally, in certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used, which may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation reforms or arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Methodologies for the calculation of risk-free rates (including overnight rates or forward-looking rates) as reference rates for Floating Rate Notes may vary and may evolve

Risk-free rates, including those such as the Secured Overnight Financing Rate ("**SOFR**"), as reference rates for Eurobonds, have become more commonly used as benchmark rates for bonds in recent years. Most of the rates are backwards-looking, but the methodologies to calculate the risk-free rates are not uniform. Such different methodologies may result in slightly different interest amounts being determined in respect of otherwise similar securities.

The Issuer may in the future also issue Notes referencing SOFR or the SOFR Compounded Index that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. Such variations could result in reduced liquidity or increased volatility, or might otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, investors should carefully consider how any mismatch between applicable conventions for the use of reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of the Notes referencing such risk-free rates.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SOFR or any related indices.

It is not possible to calculate interest rates in advance for Notes which reference SOFR or any related index

Interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may therefore be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes.

Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 10 (*Events of Default*) of the Terms and Conditions of the Notes, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt

The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and *vice versa*, may have lower market values than other Notes

Fixed Rate Notes and Floating Rate Notes (as defined in the Terms and Conditions of the Notes) may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed Rate Notes may be less favourable than then-prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then-prevailing rates on its Notes.

RISKS RELATING TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer, the Guarantor and the Group. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although application may be made to the Hong Kong Stock Exchange or another stock exchange for the Notes issued under the Programme to be admitted to listing on the Hong Kong Stock Exchange or such other stock exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

The liquidity and price of Notes following an offering may be volatile

The price and trading volume of Notes issued under the Programme may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Notes

The market price of Notes issued under the Programme may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Notes is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one

country can affect the securities markets and the securities of issuers in other countries, including China. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility, such as that caused in recent years by the global financial and economic crisis and other events as further described in "— *General economic and market conditions could materially and adversely affect the Group's business*". If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

Exchange rate risks and exchange controls may result in a Noteholder receiving less interest or principal than expected

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a Noteholder may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The credit ratings assigned to the Notes may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer to perform their respective obligations under such Notes and the credit risks in determining the likelihood that payments will be made when due under such Notes. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of such Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to any Notes will remain in effect for any given period or that the ratings will not be lowered, suspended or withdrawn by the rating agencies in the future if, in their judgment, the circumstances so warrant. Neither the Issuer nor the Guarantor is obligated to inform holders of the Notes of any such suspension, revision, downgrade or withdrawal. A suspension, downgrade or withdrawal of the ratings of any Notes at any time may materially and adversely affect the market price of such Notes and the Issuer's and the Guarantor's ability to access the debt capital markets.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

RISKS RELATING TO RENMINBI-DENOMINATED NOTES

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

There are restrictions on remittance of Renminbi into and out of Mainland China which may adversely affect the liquidity of the Renminbi Notes

The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi into and out of Mainland China for settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with the relevant authorities on a case by case basis and is subject to a strict monitoring system. Regulations in Mainland China on the remittance of Renminbi into and out of Mainland China for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and the PBOC and MOFCOM have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in Mainland China will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside Mainland China. In the event that any regulatory restrictions inhibit the ability of the Issuer or the Guarantor to repatriate funds outside the PRC to meet its obligations under the Renminbi Notes, the Issuer or the Guarantor will need to source Renminbi offshore to finance such obligations under the relevant Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside Mainland China, which may affect the liquidity of Renminbi Notes and the Issuer's or the Guarantor's ability to source Renminbi outside Mainland China to service such Renminbi Notes

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside Mainland China is limited. While the PBOC has entered into agreements on the clearing of Renminbi business (the "**Settlement Arrangements**") with financial institutions in a number of financial centres and cities (each, a "**Renminbi Clearing Bank**"), including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside Mainland China remains limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with enterprises in Mainland China. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC, although the PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions and are not obliged to square for participating banks

any open positions resulting from other foreign exchange transactions or conversion services. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside Mainland China. The limited availability of Renminbi outside Mainland China may affect the liquidity of the Renminbi Notes. To the extent the Issuer or the Guarantor is required to source Renminbi outside Mainland China to service the Renminbi Notes, there is no assurance that the Issuer or the Guarantor will be able to source such Renminbi on satisfactory terms, if at all.

Remittance of proceeds into or outside of the PRC in Renminbi may be difficult

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer or the Guarantor subsequently is not able to repatriate funds outside the PRC in Renminbi, the Issuer or the Guarantor will need to source Renminbi outside the PRC to finance its respective obligations under the Renminbi Notes, and their ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Investment in Renminbi Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in Mainland China and international political and economic conditions as well as other factors. In August 2015, the PBOC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBOC's reference rates to consider the previous day's closing spot rate, foreign exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBOC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect the actual economic performance of Mainland China. However, the volatility in the value of the Renminbi against other currencies still exists. The Issuer and the Guarantor will make all payments of interest and principal with respect to the Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Renminbi Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against such currency could cause a decrease in the effective yield of the Renminbi Notes below their stated coupon rates and could result in a loss when the return on the Renminbi Notes is translated into such currency. Accordingly, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in Renminbi Notes is subject to interest rate risks

The value of Renminbi payments under the Renminbi Notes may be susceptible to interest rate fluctuations occurring within and outside Mainland China, including Mainland China Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside Mainland China may significantly deviate from the interest rate for Renminbi in Mainland China as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in Renminbi interest rates. If holders of Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments in respect of Renminbi Notes may be made only in the manner designated in such Renminbi Notes

Holders of beneficial interests in the Renminbi Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

All payments to investors in respect of Renminbi Notes will be made solely:

(i) for so long as Renminbi Notes are represented by Global Notes or Global Certificates held with the common depositary for Euroclear and Clearstream or any alternative clearing system, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing Euroclear and Clearstream rules and procedures or those of such alternative clearing system;

(ii) for so long as the Renminbi Notes are represented by Global Certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing CMU rules and procedures; or

(iii) for so long as Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing rules and regulations.

Neither the Issuer nor the Guarantor can be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in Mainland China).

There may be PRC tax consequences with respect to investment in the Renminbi Notes

In considering whether to invest in the Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situation as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder's investment in the Renminbi Notes may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement and subject to compliance with applicable laws, regulations and rules, the Group intends the net proceeds from the issue of each Tranche of Notes to be used for refinancing, development of the Group's businesses and liquidity replenishment.

EXCHANGE RATE INFORMATION

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of Renminbi appreciated by 2.0 per cent. against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0 per cent. on 16 April 2012. These changes in currency policy resulted in Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from 21 July 2005 to 31 December 2013. On 14 March 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. On 11 August 2015, the PBOC announced to improve the central parity quotations of Renminbi against the U.S. dollar by authorising market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre daily before the opening of the interbank foreign exchange market with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates. Following the announcement by the PBOC on 11 August 2015, Renminbi depreciated significantly against the U.S. dollar. In 2016, Renminbi experienced further fluctuation in value against the U.S. dollar but in 2017 and 2018 rebounded and appreciated significantly against the U.S. dollar. In July 2018, Renminbi depreciated sharply against the U.S. dollar. In August 2019, the RMB further depreciated past RMB7.0 per U.S. dollar for its first time since the global financial crisis in 2008. Since June 2020, Renminbi has been experiencing another round of appreciation against U.S. dollar. However, as at 31 August 2023, the Renminbi was around 4.2 per cent. weaker against the U.S. dollar than it was a year ago. There is no assurance that the Renminbi will not experience significant fluctuations against the U.S. dollar in the future. The PRC government may from time to time make further adjustments to the exchange rate system in the future.

The following table sets forth information concerning exchange rates between Renminbi and the U.S. dollar for the periods presented:

	Renminbi per U.S. Dollar Noon Buying Rate[1]			
	Period end	**Average[2]**	**High**	**Low Period**
Period		**(RMB per U.S.$1.00)**		
2021	6.3726	6.4382	6.5716	6.3435
2022	6.8972	6.7518	7.3048	6.3084
2023	7.0999	7.0896	7.3430	6.7010
2024	7.2993	7.1957	7.2993	7.0106
2025	6.9931	7.1875	7.3499	6.9931
2026				
May	6.7662	6.7996	6.8300	6.7662
June	6.7851	6.7758	6.8106	6.7562
July	6.7509	6.7757	6.8025	6.7509
August	6.7197	6.7361	6.7563	6.7197
September	6.7045	6.7084	6.7202	6.6947
October	6.6538	6.6844	6.7038	6.6538
November (till 13 November)	6.6710	6.6688	6.6760	6.6480

Notes:

(1) Exchange rates between Renminbi and U.S. dollar represent the noon buying rates release of the Federal Reserve Board.

(2) Annual averages are calculated by using the average of the exchange rates on the last business day of each month during the relevant year. Monthly averages or the average for a period are calculated by using the average of the daily rates during the relevant month or period.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Guarantor's consolidated capitalisation and indebtedness as at 30 June 2026. This table should be read in conjunction with the 2026 Reviewed Condensed Consolidated Financial Statements and the accompanying notes, which are included elsewhere in this Offering Circular.

	As at 30 June 2026	
	(RMB'000) (unaudited)	**(U.S.$'000)[(1)]**
Short-term interest-bearing borrowings:		
Short-term bank loans	30,781,533	4,536,637
Short-term debt instruments issued	49,143,622	7,242,874
Placements from other financial institutions	38,971,757	5,743,726
Long-term bonds due within one year	92,013,877	13,561,167
Total short-term interest-bearing borrowings	210,910,789	31,084,404
Long-term interest-bearing borrowings:		
Long-term bonds	119,696,771	17,641,121
Long-term bank loans	162,232	23,910
Total long-term interest-bearing borrowings	119,859,003	17,665,031
Equity		
Share capital	9,026,864	1,330,395
Other equity instruments	37,300,000	5,497,340
Treasury shares	(7,102)	(1,047)
Reserves	106,472,220	15,692,063
Retained profits	63,352,814	9,337,049
Total equity attributable to shareholders of the Company	216,144,796	31,855,800
Non-controlling interest	69,218	10,201
Total equity	**216,214,014**	**31,866,001**
Total Capitalisation[(2)]	**546,983,806**	**80,615,436**

Notes:

(1) The translation of Renminbi amounts into U.S. dollar amounts has been made at the rate of RMB6.7851 to U.S.$1.00, the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 30 June 2026.

(2) Total capitalisation equals the sum of total short-term interest-bearing borrowings, total long-term interest-bearing borrowings and total equity.

Subsequent to 30 June 2026 and up to the date of this Offering Circular, the Group issued various onshore debt securities in U.S. dollar and HK dollar in an aggregate principal amount of U.S.$700.00 million and HK$1.50 billion, respectively; and offshore debt securities in U.S. dollar, HK dollar and CNH in an aggregate principal amount of U.S.$1.86 billion, HK$1.50 billion and CNH660.00 million, respectively.

Except as otherwise disclosed above, there has been no material change to the consolidated capitalisation and indebtedness of the Guarantor since 30 June 2026. The Guarantor and its subsidiaries may, from time to time, issue debt or other securities in various currencies and tenors depending on market conditions.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

[**EU MiFID II product governance/Professional investors and ECPs only target market** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**EU MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][1]

[**UK MiFIR product governance/Professional investors and ECPs only target market** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][2]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][3]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as

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1 Legend for issuance involving one or more MiFID Firm manufacturers.

2 Legend for issuance involving one or more UK MiFIR Firm manufacturers.

3 Include if sub-paragraph 38 (Prohibition of Sales to EEA Retail Investors) is stated to be applicable.

defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook (the "**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.][4]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore** — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).][5]

[This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes (each as defined below) on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor or the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, together with the Offering Circular (as defined below), includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor and its subsidiaries (the "**Group**"). Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.][6]

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4 Include if sub-paragraph 39 (Prohibition of Sales to UK Retail Investors) is stated to be applicable.

5 For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to reclassify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

6 To be included for any Notes to be listed on the Hong Kong Stock Exchange.

[Date]

Pioneer Reward Limited

(a BVI business company incorporated under the laws of the British Virgin Islands with limited liability)

Legal entity identifier (LEI): 213800S7P8CY8UE2TH93
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [[●]]
(the "Notes")

Unconditionally and Irrevocably Guaranteed by

Huatai Securities Co., Ltd. (华泰证券股份有限公司)

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

under its U.S.$10,000,000,000
Guaranteed Medium Term Note Programme
(the "Programme")

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the offering circular dated 18 November 2026 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular[, the Supplemental Offering Circular dated [●]] and this Pricing Supplement.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular[, the Supplemental Offering Circular dated [●]] and this Pricing Supplement.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1.	(i)	Issuer:	Pioneer Reward Limited
	(ii)	Guarantor:	Huatai Securities Co., Ltd. (华泰证券股份有限公司)
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]

	(iii)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 27 below, which is expected to occur on or about [date]]/[Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5.	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
	(ii)	[[Gross/Net] proceeds:	[●]] [*Delete for unlisted issuances.*]
6.	(i)	Specified Denominations:[7, 8]	[●]
	(ii)	Calculation Amount:	[●]
7.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
8.	Maturity Date:		[*Fixed rate — specify date/Floating rate* — Interest Payment Date falling on or nearest to [*specify month*]][9]

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7 Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

8 If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000. In relation to any issue of the Notes which are a "Global Note exchangeable to Definitive Notes" in circumstances other than in the limited circumstances specified in the Global Note, such Notes may only be issued in denominations equal to, or greater than, €100,000 (or equivalent) and multiples thereof.

9 Note that for Renminbi and Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

9.	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index-Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index-Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*] [*Not Applicable*]
12.	Put/Call Options:	[Relevant Event Put] [Investor Put][10] [Issuer Call] [(further particulars specified below)]
13.	Date of [board and shareholder] approval[s] for issuance of Notes and Guarantee obtained:	[●] [and [●], respectively] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes or related Guarantee*)
14.	Regulatory approval for issuance of Notes obtained:[11]	[[●]/None required] [Date]
15.	Listing:	[The Stock Exchange of Hong Kong Limited/ *specify other*/None] (*For Notes to be listed on the Hong Kong Stock Exchange, insert the expected effective listing date of the Notes*)
16.	Method of Distribution:	[Syndicated/Non-syndicated]

[10] For as long as Bearer Notes issued in accordance with TEFRA D are represented by a Temporary Global Note, an Investor Put shall not be available unless the certification required under TEFRA D with respect to non-U.S. beneficial ownership has been received by the Issuer or the Agent.

[11] If the NDRC Foreign Debt Measures is applicable to the particular tranche of Notes, state the date when the Pre-Issuance NDRC Registration has been obtained.

Provisions Relating to Interest (if any) Payable

17.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/other (*specify*)] in arrear]
	(ii)	Initial Rate of Interest:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/other (*specify*)] in arrear]
	(iii)	Relevant Subsequent Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/other (*specify*)] in arrear] for the period from, and including, [●] to, but excluding, [●][; and [●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] for the period from, and including, [●] to, but excluding, [●]]
	(iv)	Interest Step-up Date[(s)]:	[●] [and [●], respectively]
	(v)	Subsequent Rate of Interest Period[(s)]:	The period from, and including, [●] to, but excluding, [●] [and the period from, and including, [●] to, but excluding, [●], respectively] *(If not applicable, delete these subparagraphs (ii)-(v) of this paragraph)*
	(vi)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted*] *(N.B.: This will need to be amended in the case of long or short coupons)*
	(vii)	Fixed Coupon Amount(s): (Applicable to Notes in definitive form)	[●] per Calculation Amount[12]

[12] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards in the case of Renminbi denominated Fixed Rate Notes and to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards."

	(viii) Broken Amount(s): (Applicable to Notes in definitive form)	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(ix) Day Count Fraction:	[30/360 or Actual/Actual (ICMA/ISDA) or Actual/365 (Fixed)[13] or [*specify other*]]
	(x) Determination Date(s):	[●] in each year *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]* *(N.B.: This will need to be amended in the case of regular interest payment dates which are not of equal duration)* *(N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
	(xi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
18.	Floating Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Interest Period(s):	[●][[, subject to adjustment in accordance with the Business Day Convention set out in (v) below][, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
	(ii) Specified Interest Payment Dates:	[●] in each year[[, subject to adjustment in accordance with the Business Day Convention set out in (v) below][, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
	(iii) Interest Period Date:	[Not Applicable]/[●] [in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below][, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]] *(Not applicable unless different from Interest Payment Date)*
	(iv) First Interest Payment Date:	[●]

[13] Applicable to Hong Kong dollar denominated Fixed Rate Notes and Renminbi denominated Fixed Rate Notes.

(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
(vi)	Additional Business Centre(s):	[●]
(vii)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
(viii)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[●]
(ix)	Screen Rate Determination (other than SOFR):	
	• Reference Rate:	[●] *(Either EURIBOR, HIBOR, CNH HIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)*
	• Interest Determination Date(s):	[●] *(Second Hong Kong business day prior to the start of each Interest period if CNH HIBOR, first day of each Interest Period if Hong Kong Dollar HIBOR and the second day on which the T2 System is open prior to the start of each Interest Period if EURIBOR)*
	• Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

(x) Screen Rate Determination (SOFR):

- SOFR Benchmark: [Simple SOFR Average/Compounded Daily SOFR/Compounded SOFR Index]

- Compounded Daily SOFR: [Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout]

  (Only applicable in the case of Compounded Daily SOFR)

- Interest Determination Date(s): [The [●] U.S. Government Securities Business Day prior to the last day of each Interest Period — *only applicable in the case of Simple SOFR Average/SOFR Observation Lag/SOFR Observation Shift/SOFR Lockout/Compounded SOFR Index*]

  [The Specified Interest Period Date at the end of each Interest Period, provided that the Interest Determination Date with respect to the final Interest Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date — *only applicable in the case of SOFR Payment Delay*]

- Lookback Days: [Not Applicable/[●]] U.S. Government Securities Business Day(s)]

  (Only applicable in the case of SOFR Observation Lag)

- SOFR Observation Shift Days: [Not Applicable/[●]] U.S. Government Securities Business Day(s)]

  (Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index)

- Interest Payment Delay Days: [Not Applicable/[●]] U.S. Government Securities Business Day(s)]

  (Only applicable in the case of SOFR Payment Delay)

- SOFR Rate Cut-Off Date: [Not Applicable/The day that is the [●] U.S. Government Securities Business Day(s) prior to the end of each Interest Period]

  (Only applicable in the case of Simple SOFR Average, Compounded Daily SOFR: SOFR Payment Delay or Compounded Daily SOFR: SOFR Lockout)

	• SOFR $Index_{Start}$:	[Not Applicable/[●]] U.S. Government Securities Business Day(s)] *(Only applicable in the case of Compounded SOFR Index)*
	• SOFR $Index_{End}$:	[Not Applicable/[●]] U.S. Government Securities Business Day(s)] *(Only applicable in the case of Compounded SOFR Index)*
(xi)	ISDA Determination:	
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]
(xii)	Linear Interpolation:	[Not Applicable/Applicable — the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(xiii)	Margin(s):	[+/-] [●] per cent. per annum
(xiv)	Minimum Rate of Interest:	[●] per cent. per annum
(xv)	Maximum Rate of Interest:	[●] per cent. per annum
(xvi)	Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365(Fixed) Actual/365(Sterling) Actual/360 30/360, 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Other] *(See Condition 5 (Interest and Other Calculations) for alternatives)*
(xvii)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Benchmark Discontinuation (Condition 5(b)(iii)(C)(x))/Benchmark Discontinuation (SOFR) (Condition 5(b)(iii)(C)(y))/*specify other if different from those set out in the Conditions*]

19.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Day Count Fraction:	[●]
	(iii)	Any other formula/basis of determining amount payable:	[●]
20.	Index-Linked Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Formula:	[*give or annex details*]
	(ii)	Calculation Agent:	[●]
	(iii)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Issuing and Paying Agent):	[●]
	(iv)	Interest Determination Date(s):	[●]
	(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(vi)	Interest or calculation period(s):	[●]
	(vii)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(viii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
	(ix)	Additional Business Centre(s):	[●]
	(x)	Minimum Rate of Interest:	[●] per cent. per annum
	(xi)	Maximum Rate of Interest:	[●] per cent. per annum
	(xii)	Day Count Fraction:	[●]

21.	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*] [●]
	(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Issuing and Paying Agent):	
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

Provisions Relating to Redemption

22.	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
	(iii)	If redeemable in part:	[●]
		(a) Minimum Redemption Amount:	[●]
		(b) Maximum Redemption Amount:	[●]
	(iv)	Notice period (if other than as set out in the Conditions):	*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*

23.	Investor Put:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[●]
	(iii)	Notice period (if other than as set out in the Conditions):	[[●] per Calculation Amount/*specify other*/see Appendix] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
24.	Relevant Event Put:		Condition 6(d) (*Redemption for Relevant Events*) applies
25.	Final Redemption Amount:		[[●] per Calculation Amount/*specify other*/see Appendix]
26.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):		[[●] per Calculation Amount/*specify other*/see Appendix]

General Provisions Applicable to the Notes

27.	Form of Notes:	[**Bearer Notes**: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice[14]] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]] [**Registered Notes**: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate]
28.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(vi), 18(vi) and 20(ix) relate)*
29.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
30.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B.: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]

[14] If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000", the Temporary Global Note shall not be exchangeable on [●] days' notice.

31.	Details relating to Instalment Notes:		
	(i)	Instalment Amount(s):	[Not Applicable/*give details*]
	(ii)	Instalment Date(s):	[Not Applicable/*give details*]
32.	Redenomination applicable:		Redenomination [not] applicable [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*]
33.	Consolidation provisions:		[Not Applicable]/[The provisions annexed to this Pricing Supplement apply]
34.	Other terms or special conditions:		[Not Applicable/*give details*]

Distribution

35.	(i)	If syndicated, names and addresses of Managers:	[Not Applicable/*give names and addresses*]
	(ii)	Date of Subscription Agreement:	[●]
	(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
36.	If non-syndicated, name of relevant Dealer:		[Not Applicable/*give name and address*]
37.	U.S. Selling Restrictions:		[Reg. S Category 1/Category 2; TEFRA D/TEFRA C/TEFRA not applicable[15]]
38.	Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

[15] "TEFRA not applicable" is only available for Bearer Notes with a with a term of 365 days or less (taking into account any unilateral extensions and rollovers) or Registered Notes.

39.	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
40.	Additional Selling Restrictions:	[Not Applicable/*give details*]

Operational Information

41.	Any clearing system(s) other than Euroclear or Clearstream and the relevant identification number(s):	[CMU/Not Applicable/*give name(s)*]
42.	Delivery:	Delivery [against/free of] payment
43.	Additional Paying Agent(s) (if any):	[●]
44.	(i) ISIN:	[Not applicable/[●]]
	(ii) Common Code:	[Not applicable/[●]]
	(iii) *(insert here any other relevant codes such as a CMU instrument number)*:	[Not applicable/[●]]
45.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of U.S.$1:[●], producing a sum of (for Notes not denominated in U.S. dollars):	[Not applicable/Approximately U.S.$[●]]
46.	Ratings:	The Notes to be issued have been rated: [[●]: [●]] [[●]: [●]] [[●]: [●]] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*

Hong Kong SFC Code of Conduct

47.	Private Bank Rebate/Commission:	[Not Applicable/*To be included if a PB rebate is paid:* A rebate of [●] basis points is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
48.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent — Overall Coordinators to provide*]/[*Not Applicable*]
49.	[Marketing and Investor Targeting Strategy:	[*Provide details if different from the Programme Offering Circular*]]

[USE OF PROCEEDS

[Give details if different from the "Use of Proceeds" section in the Offering Circular.]]

[STABILISATION

In connection with the issue of any Tranche of Notes, one or more of the Dealers named as Stabilisation Manager in this Pricing Supplement (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date of the relevant Tranche of Notes. However, there is no obligation on the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager) to do this. Such stabilisation if commenced may be discontinued at any time, and must be brought to an end after a limited period. Such stabilisation shall be in compliance with all applicable laws, regulations and rules.]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$10,000,000,000 Guaranteed Medium Term Note Programme of Pioneer Reward Limited.]

[MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Issuer, the Guarantor or the Group since [*insert date of last audited accounts or interim accounts (if later)*] and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or the Group since [*insert date of last published annual accounts*].]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer

By: _____
Name:
Title:
Duly Authorised

Signed on behalf of the Guarantor

By: _____
Name:
Title:
Duly Authorised

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement or the Trust Deed. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued by Pioneer Reward Limited (the "**Issuer**") and guaranteed by Huatai Securities Co., Ltd. (华泰证券股份有限公司) (the "**Guarantor**"), and are constituted by an amended and restated trust deed dated 10 September 2025 (as amended, restated and/or supplemented from time to time, the "**Trust Deed**") between the Issuer, the Guarantor and The Hongkong and Shanghai Banking Corporation Limited (the "**Trustee**", which expression shall, where the context so permits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An agency agreement dated 31 July 2023 (as amended, restated and/or supplemented from time to time, the "**Agency Agreement**") has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, The Hongkong and Shanghai Banking Corporation Limited as initial issuing and paying agent, the CMU lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU**") and other agents named therein. The issuing and paying agent, the CMU lodging and paying agent, any other paying agents, the registrar, the transfer agent(s) and the calculation agent(s) for the time being are referred to below respectively as the "**Issuing and Paying Agent**", the "**CMU Lodging and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent and the CMU Lodging and the Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and where appointed, the "**Calculation Agent(s)**", and collectively, the "**Agents**". For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. Each Tranche (as defined below) of Notes will have the benefit of a deed of guarantee dated on or about the relevant date of issue of the Notes (the "**Issue Date**") (as amended, restated and/or supplemented from time to time, each a "**Deed of Guarantee**") entered into between the Guarantor and the Trustee.

Copies of the Trust Deed, the relevant Deed of Guarantee, and the Agency Agreement are available for inspection at all reasonable time during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time) upon prior written request and proof of holding and identity satisfactory to the Trustee, or as the case may be, the Issuing and Paying Agent at the principal office of the Trustee (presently at Level 26, HSBC Main Building, 1 Queen's Road Central, Hong Kong) and at the specified office of the Issuing and Paying Agent.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments (the "**Receiptholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the

provisions of the Trust Deed and the relevant Deed of Guarantee and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the relevant Deed of Guarantee and the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects, and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series with such Tranche of Notes and (b) identical in all respects (or in all respects except for the Issue Date, the issue price, the first payment of interest on them and the timing for submission of the NDRC Post-Issue Filing (as defined in Condition 4 and if applicable) and other NDRC Filings (as defined in Condition 4 and if applicable) and for complying with the Registration Condition (as defined in Condition 6) and for the completion of the Cross-Border Security Registration (as defined in Condition 4) and the giving of the consequential notices thereof).

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement or the Trust Deed.

1. Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the relevant Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. No Exchange of Notes, Transfers of Registered Notes and Certificates

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: One or more Registered Notes may, subject to this Condition 2(b) and Condition 2(f), be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement (the "**Regulations**"). The Regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current Regulations will be made available by the Registrar to any Noteholder upon written request and proof of holding and identity satisfactory to the Registrar.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Registered Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within seven business days of receipt of a duly completed form of transfer or Put Exercise Notice (as defined in Condition 2(d)) or Exercise Notice (as defined in Condition 6(f)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Exercise Notice, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Put Exercise Notice, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate (but free of charge to the holder and at the Issuer's expense) to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge**: Transfers of Registered Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or any other Transfer Agent, but upon (i) payment by the relevant Noteholder of any tax, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar or the relevant Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the relevant Agent being satisfied that the Regulations have been complied with.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) after the exercise of the put option in Condition 6(d), (iii) after the exercise of the put option in Condition 6(f), (iv) during the period of 15 days prior to any date on which Notes may called for redemption in part by the Issuer at its option pursuant to Condition 6(e), (v) after any such Note has been called for redemption or (vi) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(c)(i)).

3. Guarantee and Status

(a) **Status of Notes**: The Notes and any Receipts and Coupons relating to them constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) **Guarantee**: The Guarantor will, in respect of each Tranche of Notes pursuant to the relevant Deed of Guarantee, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and, if applicable, the Receipts and the Coupons (the "**Guarantee**") when and as the same shall become due and payable, whether on the stated maturity, upon acceleration, by call for redemption or otherwise.

The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

4. Covenants

(a) **Financial Information**: For so long as any Note or Coupon remains outstanding, (i) the Guarantor shall send to the Trustee, as promptly as reasonably practicable (in the case of each annual fiscal period, within 180 days after the close of each annual fiscal period and in the case of each semi-annual fiscal period, within 120 days after the close of each such semi-annual fiscal period), a copy of (A) in the case of the first semi-annual fiscal period falling within each of the annual fiscal periods, the semi-annual interim report in English containing unaudited consolidated accounts of the Guarantor in respect of such fiscal period which accounts are prepared on a basis substantially consistent with the most recent audited consolidated accounts, or which indicate the way in which their basis of preparation is different; and (B) in the case of each annual fiscal period, the annual report in English containing audited consolidated accounts of the Guarantor as at the end of, and for, such fiscal period, prepared in accordance with the general applicable accounting principles of

the People's Republic of China or other financial reporting standards applicable to the Guarantor; (ii) each of the Issuer and the Guarantor will furnish the Trustee with a compliance certificate in the form scheduled to the Trust Deed (on which the Trustee may rely conclusively as to such compliance and shall not be liable to any Noteholder or any other person for such reliance) at the same time as the provision of the audited financial reports or within 14 days of any request therefor from the Trustee; **provided that**, if at any time the capital stock of the Guarantor is listed for trading on a recognised stock exchange, the Guarantor may deliver to the Trustee, as soon as they are available but in any event not more than 14 days after any annual audited financial report or semi-annual interim report is filed with such exchange, a copy of such annual consolidated accounts or semi-annual interim report in lieu of the annual audited financial statements and semi-annual interim report identified above in Condition 4(b)(i).

The Trustee shall not be required to review the financial reports or certificates furnished or delivered to it as contemplated in this Condition 4(a), and shall not be liable to the Noteholders and/or Couponholders or any other person for not doing so.

(b) **Undertaking relating to the Guarantee/NDRC Foreign Debt Measures:**

(i) For the benefit of each Tranche of the Notes to be issued in accordance with these Conditions and the Trust Deed, the Guarantor shall on or around the Issue Date execute a Deed of Guarantee in connection with such Tranche substantially in the form attached to the Trust Deed.

(ii) In relation to each Tranche of Notes where the NDRC Foreign Debt Measures are applicable,

(A) the Guarantor undertakes to report or cause to report a notification to the NDRC of the requisite information and documents within the prescribed timeframe in accordance with the NDRC Foreign Debt Measures (the "**NDRC Filings**"), including but not limited to, the NDRC Post-Issue Filing;

(B) The Guarantor undertakes to register or cause to be registered with the State Administration of Foreign Exchange or its local counterpart ("**SAFE**"), the relevant Deed of Guarantee within 15 PRC Business Days after the execution of the relevant Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). The Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee; and

(C) The Guarantor shall, on or before the Registration Deadline, provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming (x) the submission of the NDRC Post-Issue Filing and the completion of the Cross-Border Security Registration and (y) no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred; and (ii) copies of the relevant documents evidencing the NDRC Post-Issue Filing (if any) and the relevant SAFE registration certificates, or

any other document evidencing the completion of registration issued by SAFE and the particulars of registration (the items specified in (i) and (ii) together, the "**Registration Documents**").

In addition, the Guarantor shall procure that, within ten PRC Business Days after the documents comprising the Registration Documents are delivered to the Trustee, the Issuer gives notice to the Noteholders (in accordance with Condition 16) confirming the submission of the NDRC Post-Issue Filing and the completion of the Cross-Border Security Registration.

(iii) In relation to each Tranche of Notes where the NDRC Foreign Debt Measures are not applicable,

(A) The Guarantor undertakes to register or cause to be registered with SAFE, the relevant Deed of Guarantee within 15 PRC Business Days after the execution of the relevant Deed of Guarantee the Cross-Border Security Registration. The Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee; and

(B) The Guarantor shall, on or before the Registration Deadline, provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory of the Guarantor confirming (A) the completion of the Cross-Border Security Registration and (B) no Event of Default or Potential Event of Default has occurred; and (ii) copies of the relevant SAFE registration certificates, or any other document evidencing the completion of registration issued by SAFE and the particulars of registration (the items specified in (i) and (ii) together, the "**SAFE Registration Documents**").

In addition, the Guarantor shall procure that, within ten PRC Business Days after the documents comprising the SAFE Registration Documents are delivered to the Trustee, the Issuer gives notice to the Noteholders (in accordance with Condition 16) confirming the completion of the Cross-Border Security Registration.

(c) **Trustee Reliance**: The Trustee shall be entitled to conclusively rely on or act in reliance on any certificate, notice or document received by it as contemplated in this Condition 4 as sufficient evidence of the facts and/or matters stated therein and shall not be liable to any Noteholder and/or Couponholder or any other person for so doing.

The Trustee shall have no obligation or duty to monitor or ensure or to assist with the submission of NDRC Post-Issue Filing or the completion of the Cross-Border Security Registration on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-Issue Filing, the Cross-Border Security Registration, the Registration Documents and/or the SAFE Registration Documents or any translation thereof or to give notice to the Noteholders confirming the submission of the NDRC Post-Issue Filing or the completion of the Cross-Border Security Registration, and shall not be liable to Noteholders or any other person for not doing so.

In these Conditions:

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Macau**" means the Macau Special Administrative Region of the People's Republic of China;

"**NDRC**" means the National Development and Reform Commission of the PRC or its local counterparts;

"**NDRC Foreign Debt Measures**" means the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(中華人民共和國國家發展和改革委員會令)(第56號)) as issued by the NDRC and effective from 10 February 2023 and as amended, supplemented or replaced from time to time and any applicable implementation rules, reports, certificates, approvals or guidelines as may be issued by the NDRC from time to time, as amended, supplemented or replaced from time to time;

"**NDRC Post-Issue Filing**" means the filing with the NDRC of the requisite information and documents relating to the issuance of Notes required to be filed with the NDRC within ten business days of issuance pursuant to the NDRC Foreign Debt Measures;

"**PRC**" means the People's Republic of China which, for the purposes of these Conditions, shall not include Hong Kong, Macau and Taiwan;

"**PRC Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Beijing, the PRC;

"**Registration Deadline**" means the day falling 150 PRC Business Days after the relevant Issue Date; and

a "**Subsidiary**" of any person means any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

5. Interest and Other Calculations

(a) **Interest on Fixed Rate Notes**: Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the relevant Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

The relevant Rate of Interest applicable to the Fixed Rate Notes shall be:

(i) if there is no Interest Step-up Date specified in the relevant Pricing Supplement, the Rate of Interest.

(ii) if there is any Interest Step-up Date specified in the relevant Pricing Supplement:

(A) in respect of the period from, and including, the Interest Commencement Date to, but excluding, the first Interest Step-up Date, the Initial Rate of Interest; and

(B) in respect of each successive period from, and including, an Interest Step-up Date to, but excluding, the next succeeding Interest Step-up Date and/or the period from, and including, the Interest Step-up Date immediately before the Maturity Date to, but excluding, the Maturity Date (each "**Subsequent Rate of Interest Period**"), the Relevant Subsequent Rate of Interest for such Subsequent Rate of Interest Period as set out in the relevant Pricing Supplement;

Each Interest Step-up Date shall be a date which falls on an Interest Payment Date.

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

(i) **Interest Payment Dates**: Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date (or, if "SOFR Payment Delay" is applicable in the relevant Pricing Supplement, on each Delayed Interest Payment Date (as defined in Condition 5(b)(iii)(B)(ii)(B)(3))). The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) **Business Day Convention**: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) **Rate of Interest for Floating Rate Notes**: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any

Interest Period means a rate equal to the Floating Rate (as defined in the applicable ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) if the Pricing Supplement specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(B) the Designated Maturity (as defined in the ISDA Definitions), if applicable, is a period specified in the relevant Pricing Supplement;

(C) the relevant Reset Date (as defined in the ISDA Definitions), unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions; and

(D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period;

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, **that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer (or an agent appointed by it) determines appropriate;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Pricing Supplement and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lookback is the Overnight Rate Compounding Method (as defined in the ISDA Definitions) and (b) Lookback is the number of Applicable

Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement; or

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Pricing Supplement; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;

(F) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Pricing Supplement and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lookback is the Overnight Rate Averaging Method (as defined in the ISDA Definitions) and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Pricing Supplement; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement; and

(G) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift (as defined in the ISDA Definitions) shall be applicable and (i) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (ii) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; and

(ii) references in the applicable ISDA Definitions to:

(A) "**Confirmation**" shall be references to the relevant Pricing Supplement;

(B) "**Calculation Period**" shall be references to the relevant Interest Period;

(C) "**Termination Date**" shall be references to the Maturity Date; and

(D) "**Effective Date**" shall be references to the Interest Commencement Date; and

(iii) if the relevant Pricing Supplement specifies "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) "Administrator/Benchmark Event" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback — Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback — Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback — Previous Day's Rate".

(B) Screen Rate Determination for Floating Rate Notes

(i) Screen Rate Determination for Floating Rate Notes where the method of Screen Rate Determination in the relevant Pricing Supplement is specified as "Applicable — Screen Rate Determination" (other than SOFR)

If "Applicable — Screen Rate Determination" is specified as the method of Screen Rate Determination in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is not SOFR Benchmark, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(1) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(2) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, **that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer (or an agent selected by it) determines appropriate;

(C) in any other case, the Calculation Agent will determine the Reference Rate or, as the case may be, arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the Reference Rates in the relevant currency for a period of the duration of the relevant Interest Period which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(D) if, in the case of (A) above, such rate does not appear on that page or, in the case of (C) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or an agent appointed by it) will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date offered to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time and Issuer (or an agent appointed by it) shall notify the Calculation Agent of the same. The Calculation Agent will determine the arithmetic mean of such quotations; and

(E) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by four major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer (or an agent appointed by it), at approximately 11:00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading international banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of an immediately preceding Interest Period.

(ii) Screen Rate Determination for Floating Rate Notes where the method of Screen Rate Determination in the relevant Pricing Supplement is specified as "Applicable — Screen Rate Determination" (SOFR)

If "Applicable — Screen Rate Determination" is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus (if any) (as indicated in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Simple SOFR Average, Compounded Daily SOFR or Compounded SOFR Index, as follows (subject in each case to Condition 5(b)(iii)(C) as further specified in the applicable Pricing Supplement):

(A) If Simple SOFR Average ("**Simple SOFR Average**") is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be the arithmetic mean of the SOFR reference rates for each U.S. Government Securities Business Day during such Interest Period, as calculated by the Calculation Agent, and where, if applicable and as specified hereon, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the U.S. Government Securities Business Days in the relevant Interest Period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the last date of that Interest Period.

(B) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the relevant Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where SOFR Observation Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable in the relevant Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified as applicable in the relevant Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable in the relevant Pricing Supplement:

(1) SOFR Observation Lag:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-\times USBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g. 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

"**$SOFR_{i-\times USBD}$**", for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day "i";

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day "i"**"); and "**n_i**", for any U.S. Government Securities Business Day "i", means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.

(2) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g. 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**", for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";

"**SOFR Observation Period**" means, in respect of each Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of the relevant Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day "i"**"); and

"**n_i**", for any U.S. Government Securities Business Day "i", means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.

(3) SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g. 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**Delayed Interest Payment Date**" shall be the number of Interest Payment Delay Days following each Interest Period Date; **provided that** the Delayed Interest Payment Date with respect to the final Interest Period will be the Maturity Date (or, if the Notes are redeemed on any earlier date, the relevant Optional redemption date);

"**Interest Payment Delay Days**" means the number of Business Days as specified in the applicable Pricing Supplement;

"**$SOFR_i$**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day "i"**"); and

"$\mathbf{n_i}$", for any U.S. Government Securities Business Day "i", means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Period where SOFR Payment Delay is specified in the applicable Pricing Supplement, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant Optional Redemption Date, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

(4) SOFR Lockout:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g. 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"$\mathbf{SOFR_i}$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i", except that the SOFR for any U.S. Government Securities Business Day "i" in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date for such Interest Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"**d**" means the number of calendar days in the relevant Interest Period;

"$\mathbf{d_o}$" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day "i"**"); and

"$\mathbf{n_i}$", for any U.S. Government Securities Business Day "i", means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of Condition 5(b)(iii)(B)(ii)(A) and this Condition 5(b)(iii)(B)(ii)(B):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(b)(iii)(C) shall apply as specified in the applicable Pricing Supplement;

"**SOFR Rate Cut-Off Date**" means the date that is a number of U.S. Government Securities Business Days prior to the Interest Payment Date relating to the relevant Interest Period, the Maturity Date or the relevant Optional Redemption Date, as applicable, as specified in the applicable Pricing Supplement; and

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(C) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g. 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, **provided that**:

(1) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(b)(iii)(B)(ii)(B)(2) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean five U.S. Government Securities Business Days; or

(2) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(b)(iii)(C) shall apply as specified in the relevant Pricing Supplement;

"**SOFR Index$_{End}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant

Pricing Supplement prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement prior to the first day of the relevant Interest Period;

"**SOFR Index Determination Time**" means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of each Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of the relevant Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement; and "**d_c**" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(iii)(B)(ii):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified:

(i) (where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate and where SOFR Observation Lag, SOFR Observation Shift or SOFR Lockout is specified as applicable in the applicable Pricing Supplement to determine Simple SOFR Average and Compounded Daily SOFR or where Compounded SOFR Index is specified as applicable in the applicable Pricing Supplement) the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period; or

(ii) (where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate and where SOFR Payment Delay is specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR) the Interest Period Date at the end of each Interest Period, **provided that** the Interest Determination Date with respect to the final Interest Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date;

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York (currently, being *https://www.newyorkfed.org*), or any successor source;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current Benchmark; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(C) Benchmark Discontinuation (General)

(x) Independent Adviser

Unless "Benchmark Discontinuation (SOFR)" is specified as applicable in the relevant Pricing Supplement, if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with this Condition 5(b)(iii)(C)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(b)(iii)(C)) and any Benchmark Amendments (in accordance with Condition 5(b)(iii)(C)(aa)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(b)(iii)(C) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, the Trustee, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition 5(b)(iii)(C).

(A) If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(b)(iii)(C) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Reference Rate applicable to the relevant Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate that would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. For the avoidance of doubt, any adjustment pursuant to this Condition 5(b)(iii)(C)(x)(A) shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 5(b)(iii)(C).

(B) If the Independent Adviser determines in its discretion that:

(1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(b)(iii)(C)(x)(C)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 5(b)(iii)(C) in the event of a further Benchmark Event affecting the Successor Rate; or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(b)(iii)(C)(x)(C)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 5(b)(iii)(C) in the event of a further Benchmark Event affecting the Alternative Rate.

(C) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(y) Benchmark Discontinuation (SOFR)

This Condition 5(b)(iii)(C)(y) shall only apply where "Benchmark Discontinuation (SOFR)" is specified as applicable in the relevant Pricing Supplement.

(A) Benchmark Replacement

If the Issuer or any of its designees determine on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or any of its designees will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and any of the Agents shall, at the direction and expense of the Issuer but subject to the receipt by the Trustee and the Agents of a certificate signed

by an Authorised Signatory of the Issuer confirming that a Benchmark Event has occurred, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(b)(iii)(C)(y), **provided that** the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee and the Agents in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or any of its designees with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or any of its designees pursuant to this Condition 5(b)(iii)(C)(y), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or any of its designees, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(z) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(aa) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(b)(iii)(C) and the Independent Adviser, determines (1) that amendments to these Conditions, the Trust Deed and/or the Agency

Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (2) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(b)(iii)(C)(bb), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by an Authorised Signatory of the Issuer pursuant to Condition 5(b)(iii)(C)(bb) confirming that a Benchmark Amendment has occurred, the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), **provided that** the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

Notwithstanding any other provision of this Condition 5(b)(iii)(C), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(b)(iii)(C) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement (including any supplemental agency agreement) and/or these Conditions.

In connection with any such variation in accordance with this Condition 5(b)(iii)(C)(aa), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(bb) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(b)(iii)(C) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Trustee, the Calculation Agent and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(1) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(b)(iii)(C); and

(2) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(b)(iii)(C), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(b)(iii)(C), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(cc) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(b)(iii)(C)(x), Condition 5(b)(iii)(C)(y), Condition 5(b)(iii)(C)(z) and Condition 5(b)(iii)(C)(aa), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii)(B) will continue to apply unless and until a Benchmark Event has occurred.

(D) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear

interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period **provided however that** if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(iv) **Rate of Interest for Index Linked Interest Notes**: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes**: In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes**: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Maximum Instalment Amount/Minimum Instalment Amount and Maximum Redemption Amount/Minimum Redemption Amount and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Maximum Instalment Amount or Minimum Instalment Amount or Maximum Redemption Amount or

Minimum Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (**provided that** if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the jurisdiction(s) of such currency.

(h) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, each of the Transfer Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Hong Kong Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate

of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Determination or Calculation by an agent of the Issuer**: Without prejudice to the provisions of Condition 5(l) below, if the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall appoint an agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances, such determination or calculation shall (in the absence of manifest error) be final and binding upon all parties.

(k) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Independent Adviser determines that no such spread is customarily applied), the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(b)(iii)(C)(y) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity;

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the relevant Pricing Supplement; **provided that** if the Issuer or any of its designees determine on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Amendments**" has the meaning given to it in Condition 5(b)(iii)(C)(aa);

"**Benchmark Event**" means:

(A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by the Specified Future Date, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by the Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by the Specified Future Date, be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or

(F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);

notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D) or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

provided that where "Benchmark Discontinuation (SOFR)" is specified as applicable in the relevant Pricing Supplement, "**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such

administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or any of its designees as of the Benchmark Replacement Date:

(A) the sum of:

(i) the alternate reference rate that has been selected or recommended by the Relevant Nominating Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(ii) the Benchmark Replacement Adjustment;

(B) the sum of.

(i) the ISDA Fallback Rate; and

(ii) the Benchmark Replacement Adjustment; or

(C) the sum of.

(i) the alternate reference rate that has been selected by the Issuer or any of its designees as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(ii) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or any of its designees as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Nominating Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or any of its designees giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or any of its designees decide may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or any of its designees decide that adoption of any portion of such market practice is not administratively feasible or if the Issuer or any of its designees determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or any of its designees determine is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) in the case of sub-paragraph (A) or (B) of the definition of "Benchmark Event" applicable where "Benchmark Discontinuation (SOFR)" is specified as applicable in the relevant Pricing Supplement, the later of:

  (i) the date of the public statement or publication of information referenced therein; and

  (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of sub-paragraph (C) of the definition of "Benchmark Event" applicable where "Benchmark Discontinuation (SOFR)" is specified as applicable in the relevant Pricing Supplement, the date of the public statement or publication of information referenced therein;

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than euro or Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and in each (if any) Additional Business Centre; and/or

(ii) in the case of Notes denominated in euro, a day on which the T2 is operating (a "**TARGET Business Day**") and in each (if any) Additional Business Centre; and/or

(iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Pricing Supplement, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s);

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(b)(iii)(C)(x);

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date) unless otherwise specified hereon;

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR;

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date) unless otherwise specified thereon;

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon;

"**ISDA Definitions**" means the 2006 ISDA Definitions or "2021 ISDA Definitions" (as applicable) published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer (or an agent appointed by it) in the market that is most closely connected with the Reference Rate and notified in writing to the Trustee and the Calculation Agent;

"**Reference Rate**" means the rate specified as such hereon;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service);

"**Reference Time**" with respect to any determination of the Benchmark means (a) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable in the relevant Pricing Supplement) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable in the relevant Pricing Supplement), or (b) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or any of its designees after giving effect to the Benchmark Replacement Conforming Changes;

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated;

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

"**T2**" means the real-time gross settlement system operated by the Eurosystem or any successor or replacement thereto; and "**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(l) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note or Coupon is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under

these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior written notice to the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place.

(m) **Certificates to be final**: All certificates, communications, opinions, determinations, calculations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the other Agents and all Noteholders and/or Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders or any other person shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6. Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within Condition 6(a)(i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c), Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below of this Condition 6(b)(i), the Amortised Face Amount of any such Note shall be the scheduled Final

Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above of this Condition 6(b)(i), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons**: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 16) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to (but excluding) the date fixed for redemption), if the Issuer (or, if the Guarantee was called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that (i) it (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the giving of any notice of

redemption pursuant to this Condition 6(c), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate in English signed by an Authorised Signatory of the Issuer (or of the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(c) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out in (i) and (ii) above of this Condition 6(c) without further enquiry and without liability to any Noteholder, Receiptholder or Couponholder, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders. The Trustee shall be protected and shall have no liability to any Noteholder or any other person for so accepting and relying on any such certificate and opinion. All Notes in respect of which any notice of redemption is given under this Condition 6(c) shall be redeemed on the date specified in such notice in accordance with this Condition 6(c).

(d) **Redemption for Relevant Events**: At any time following the occurrence of a Relevant Event, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Put Settlement Date at 100 per cent. of their nominal amount, together in each case with accrued interest to (but excluding), such Put Settlement Date. To exercise such right, the holder of the relevant Note must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and (in the case of Fixed Rate Notes other than Due Currency Notes of Index Linked Notes) Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificates representing such Note(s) with the Registrar or any Transfer Agent at its specified office together with a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent, Transfer Agent or the Registrar (as applicable) (a "**Put Exercise Notice**"), by not later than 30 days following the occurrence of a Relevant Event or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 16. The "**Put Settlement Date**" shall be the 14th day (in the case of a redemption for a Change of Control) or the fifth day (in the case of redemption for a No Registration Event) after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes which are the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice to Noteholders in accordance with Condition 16 and the Trustee by not later than 14 days (in the case of a redemption for a Change of Control) or five days (in the case of a redemption for a No Registration Event) following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 6(d)).

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Relevant Event has occurred and shall not be responsible for or liable to the Noteholders, the Receiptholders, the Couponholders, the Issuer, the Guarantor or any other person for any loss arising from any failure to do so.

In this Condition 6(d):

a "**Change of Control**" occurs when:

(i) the Guarantor ceases to directly or indirectly own and control 100 per cent. of the issued share(s) of the Issuer; or

(ii) SASAC, and any other person controlled by, or any subdivision or department of, the central or local government of the PRC (together, the "**PRC Government Persons**"), together cease to be the largest direct or indirect holder of the issued share capital of the Guarantor; or

(iii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any person or persons, acting together, other than any of the PRC Government Persons, the Guarantor or any of its Subsidiaries;

a "**No Registration Event**" occurs when the Registration Condition is not complied with by the Registration Deadline;

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case, whether or not being a separate legal entity);

"**Registration Condition**" means the receipt by the Trustee of (in the case where Condition 4(b)(i) applies) the Registration Documents or (in the case where Condition 4(b)(ii) applies) the SAFE Registration Documents;

a "**Relevant Event**" means a Change of Control or a No Registration Event; and "**SASAC**" means the State-owned Assets Supervision and Administration Commission of the PRC or its successor.

(e) **Redemption at the Option of the Issuer**: If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 60 days' irrevocable notice to the Noteholders (in accordance with Condition 16) and to the Trustee and the Issuing and Paying Agent in writing (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date specified hereon. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to (but excluding) the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(e).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee and the Issuing and Paying Agent, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(f) **Redemption at the Option of Noteholders**: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note, in whole or in part, on the Optional Redemption Date(s) specified hereon at its Optional Redemption Amount specified hereon (which may

be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to (but excluding) the date fixed for redemption, if applicable (the "**Put Redemption Interest**").

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form for the time being current, obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) **Partly Paid Notes**: Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the provisions specified hereon.

(h) **Purchases**: The Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Notes (**provided that** all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including for the purpose of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11(a) and 12.

(i) **Cancellation**: All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be held, reissued, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, shall be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

(j) **Trustee Reliance**: The Trustee shall be entitled to conclusively rely on or act in reliance without further enquiry on any certificate, notice or document received by it as contemplated in this Condition 6 as sufficient evidence of the facts and/or matters stated therein and shall not be liable to any Noteholder and/or Couponholder or any other person for so doing.

Neither the Trustee nor any of the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 6 and none of them will be responsible or liable to the Noteholders, the Receiptholders or the Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 6, it shall be entitled to assume that no such event or circumstance has occurred or exists.

Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption under this Condition

6, whether from the Note Issuer or any Noteholder and none of them shall be liable to the Noteholders, the Note Issuer or any other person for not doing so.

7. Payments and Talons

(a) **Bearer Notes**: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii) and Condition 7(f)(vi)), as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank;

(ii) in the case of Renminbi, by transfer from the relevant Paying Agent's office outside the United States to a Renminbi account maintained by or on behalf of the Noteholder with a Bank in Hong Kong.

In this Condition 7(a), Condition 7(a) and Condition 7(c), "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) **Payments in the United States**: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) **Registered Notes**:

(i) Payments of principal (which for the purposes of this Condition 7(c) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(c)(ii).

(ii) Interest (which for the purpose of this Condition 7(c) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in the case of Renminbi or otherwise specified, on the fifth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(A) in the case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(B) in the case of Renminbi, by transfer to Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(d) **Payments subject to Fiscal Laws**: All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law, regulation or official guidance implementing an intergovernmental approach thereto but no commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**: The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and, save as provided in the Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligation or relationship of agency or trust for or with any Noteholder, Receiptholders or Couponholder and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto. The Issuer and the Guarantor reserve the right at any time with the prior written approval of the Trustee (where required in accordance with the Agency Agreement) to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuer and the Guarantor shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) one or more Calculation Agent(s) where these Conditions so require, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(b) above.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

(f) **Unmatured Coupons and Receipts and unexchanged Talons**:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if

any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons**: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days**: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday,

Sunday or public holiday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Additional Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day; or

(iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; or

(iv) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Pricing Supplement, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Financial Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed.

For so long as any of the Notes that are cleared through Euroclear or Clearstream are represented by a Global Note or a Global Certificate, each payment in respect of the Global Note or Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. For so long as any of the Notes that are cleared through the CMU are represented by a Global Note or a Global Certificate, payments of interest or principal will be made to CMU in accordance with the rules and procedures for the time being of the CMU. Such payment will discharge the Issuer's obligations in respect of that payment. Any payments by CMU participants to indirect participants will be governed by arrangements agreed between CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts, the Coupons or under the Guarantee, shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands, Hong Kong, the PRC or, in each case, any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the rate of up to and including the applicable tax rate as at the date on which agreement is reached to issue the first Tranche of Notes (the "**Applicable Rate**"), the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so

that the net amount received by Noteholders, Receiptholders or Couponholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding in respect of PRC tax in excess of the Applicable Rate, or British Virgin Islands, Hong Kong or PRC deduction or withholding is required, in such event the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Tax Amounts**"), so that the net amount received by Noteholders, Receiptholders or Couponholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note, Receipt or Coupon:

(a) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the British Virgin Islands, Hong Kong or the PRC other than the mere holding of the Note, Receipt or Coupon; or

(b) presented (or in respect of which the Certificate representing it is presented) for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that the Noteholder, Receiptholder or Couponholder would have been entitled to such Additional Tax Amounts on presenting it for payment on the thirtieth day; or

(c) with respect to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon that would not have been imposed but for the failure of the Noteholder, Receiptholder or Couponholder to comply with a timely request of the Issuer or the Guarantor, addressed to the holder of such Note, Receipt or Coupon to provide certification or information concerning the nationality, residence or identity of the holder or beneficial owner of such Note, Receipt or Coupon, if compliance is required as a precondition to relief or exemption from such taxes, duties, assessments or governmental charges; or

(d) with respect to any taxes, withholding or deduction imposed pursuant to the provisions of Sections 1471 through 1474 of the Code (including any successor provisions or amendments thereof), any current or future regulations or agreements thereunder, any official interpretations thereof or any law, regulation or official guidance implementing an intergovernmental approach thereto.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer, the Guarantor or any Noteholder, Receiptholder or Couponholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition 8; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, the Guarantor, any Noteholder, Receiptholder or Couponholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9. Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall (subject as provided in Condition 7(f)(i)) be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. of the aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion), give written notice to the Issuer and the Guarantor declaring that the Notes are, and they shall immediately become, due and payable at (in the case of Zero Coupon Notes) their Early Redemption Amount or (in the case of Notes other than Zero Coupon Notes) their nominal amount together (if applicable) with accrued interest:

(a) **Non-Payment**: there is a failure to pay (i) the principal of any of the Notes when due; or (ii) any interest on any of the Notes when due and in the case of interest, such failure continues for a period of 14 days; or

(b) **Breach of Other Obligations**: the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations under the Notes, the relevant Deed of Guarantee or the Trust Deed (other than where it gives rise to a right of redemption pursuant to Condition 6(d)) to which it is a party and such default (i) is incapable of remedy or, (ii) being a default which is capable of remedy remains unremedied for 45 days after the Trustee has given written notice thereof to the Issuer or the Guarantor, as the case may be; or

(c) **Cross-Acceleration**: (i) any other present or future indebtedness of the Issuer, the Guarantor or any of the Principal Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, the Guarantor or any of the Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised **provided that** (A) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds (either

individually or in the aggregate) U.S.$60,000,000 (or its equivalent in any other currency or currencies) and (B) such indebtedness has an original maturity of more than 365 days; or

(d) **Enforcement Proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or a substantial part of the property, assets or revenues of the Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 45 days; or

(e) **Security Enforced**: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, the Guarantor or any of the Principal Subsidiaries in respect of all or a substantial part of its assets becomes enforceable and any step taken to enforce it (including the taking of possession or the appointment of a receiver, administrator, manager or other similar person) and such action is not discharged or stayed within 45 days after the date thereof; or

(f) **Insolvency**: the Issuer or the Guarantor or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as and when such debts fall due, stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of the debts of the Issuer or the Guarantor or any Principal Subsidiary; or

(g) **Winding-up**: an order of any court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any of the Principal Subsidiaries, or the Issuer or the Guarantor or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, except for (A) the purpose of and followed by a solvent winding-up, dissolution, reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor or another of their respective Subsidiaries in any combination or (B) a disposal of a Principal Subsidiary on an arm's length basis where the net proceeds resulting from such disposal are vested in the Issuer, the Guarantor or any of their respective Subsidiaries in any combination; or

(h) **Nationalisation**: any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition or expropriation of all or a substantial part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries, **provided that** the value of the assets subject to such seizure, compulsory acquisition or expropriation, individually or in the aggregate, exceeds 50 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries; or

(i) **Authorisation and Consents**: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable each of the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes, the Trust Deed and the relevant Deed of Guarantee, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the Trust Deed and the relevant Deed of Guarantee admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or

(j) **Illegality**: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of their respective obligations under any of the Notes, the relevant Deed of Guarantee, the Coupons, the Receipts or the Trust Deed; or

(k) **Unenforceability of Guarantee**: the Guarantee becomes unenforceable or invalid or shall for any reason cease to be in full force and effect, or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or

(l) **Analogous Events**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Condition 10(d) to 10(g).

"**Principal Subsidiary**" means any Subsidiary of the Guarantor:

(a) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least five per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Guarantor and its Subsidiaries; or

(b) whose total profit or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total profit, as shown by its latest audited income statement are at least five per cent. of the consolidated total profit as shown by the latest audited consolidated income statement of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(c) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet are at least five per cent. of the amount which equals the amount included in the consolidated total assets of the Guarantor and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the investment of the Guarantor in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor and after adjustment for minority interests; or

(d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, **provided that** (xx) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall forthwith become a Principal Subsidiary and (yy) on or after the date on which the first audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition;

provided that, in relation to paragraphs (a), (b) and (c) above of this definition:

(i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(ii) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, total profit or total

assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by the Guarantor;

(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, total profit or total assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantor; and

(iv) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor.

11. Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the relevant Deed of Guarantee and the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if requested to do so by Noteholders holding not less than 10 per cent. in aggregate nominal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any Redemption Amount in respect of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) to modify or cancel the Guarantee otherwise than in accordance with Condition 11(b), in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds or at any adjourned meeting not less than one-quarter in aggregate nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution (x) in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate nominal amount of the Notes for the time being outstanding, or (y) passed by Electronic Consent (as defined in the Trust Deed), shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of

Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. A resolution passed in writing or by Electronic Consent will be binding on all Noteholders whether or not they participated in such written resolution or Electronic Consent.

So long as the Notes are in the form of a Global Note held on behalf of, or a Global Certificate registered in the name of any nominee for, one or more of Euroclear, Clearstream, the CMU Service or an Alternative Clearing System, a resolution may be passed by way of Electronic Consent.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification of Agreements and Deeds**: The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the relevant Deed of Guarantee or the Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the relevant Deed of Guarantee or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders, Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable thereafter. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances set out in Condition 5(b)(iii)(C) without the consent of the Noteholders, Receiptholders or Couponholders.

(c) **Substitution**: The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, Receiptholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed, the Notes and the relevant Deed of Guarantee (as the case may be). In the case of such a substitution the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons, the relevant Deed of Guarantee and/or the Trust Deed **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee**: In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders, and the Trustee shall not be entitled to require on behalf of any Noteholder, Receiptholder or Couponholder, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12. Enforcement

At any time after the Notes become due and payable, the Trustee may (but shall not be obliged to), at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the relevant Deed of Guarantee, the Notes, the Receipts and the Coupons, but it need not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in aggregate nominal amount of the Notes then outstanding, and (b) it shall first have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder and/or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

The Trustee may refrain from taking any steps or actions or instituting any proceedings in any jurisdiction if the taking of such steps or actions or the institution of such proceedings in that jurisdiction would, based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such steps or actions or instituting any such proceedings if it would otherwise render it liable to any person in that jurisdiction or if, based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

13. Trustee and Agents

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including, without limitation, provisions relieving it from taking such steps and/or actions and/or instituting such proceedings to enforce payment unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to be paid its costs and expenses in priority to the claims of the Noteholders. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and/or any entity related (directly or indirectly) to the Issuer or the Guarantor without accounting for any profit.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder, Receiptholder or Couponholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the relevant Deed of Guarantee or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Noteholders by way of an Extraordinary Resolution, and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including but not limited to legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received The Trustee shall be entitled to rely on any direction, request or resolution of the Noteholders given by holders of the requisite

principal amount of the Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. The Trustee and the Agents shall not be under any obligation to ascertain whether any Event of Default, Potential Event of Default or Relevant Event, as the case may be, has occurred or may occur or to monitor compliance with the provisions of the Trust Deed, the relevant Deed of Guarantee, the Agency Agreement or these Conditions.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from taking any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking or refrain from taking any such action, making any such decision or giving any such direction or certification, to seek directions or clarification of any directions from the Noteholders by way of Extraordinary Resolution, and the Trustee shall be entitled to rely on any such direction or clarification (whether given by Extraordinary Resolution or otherwise as contemplated or permitted by the Trust Deed and/or the Notes) and shall not be responsible or liable for any loss or liability incurred by the Issuer, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from taking such action, making such decision or giving such direction or certification where the Trustee is seeking such direction or clarification of any directions from the Noteholders or in the event that no direction or clarification is given to the Trustee by the Noteholders.

The Trustee and the Agents may accept and rely without liability to Noteholders, Receiptholders, Couponholders or any other person on any report, confirmation, opinion or certificate or any advice of any legal advisers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to them and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee or any Agent may conclusively (without liability) accept and shall be entitled to rely on any such report, confirmation, opinion or certificate or advice and, in such event, such report, confirmation, opinion or certificate or advice shall be binding on the Issuer, the Guarantor, the Noteholders, Receiptholders and the Couponholders.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

14. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is mutilated or defaced or is alleged to have been lost, stolen or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer, the Issuing and Paying Agent and/or the Registrar in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or the relevant Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. Further Issues

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Date, the issue price, the first payment of interest on them and the timing for submission of the NDRC Post-Issue Filing and other NDRC Filings (if applicable) and for complying with the Registration Condition and for the completion of the Cross-Border Security Registration and the giving of the consequential notices thereof) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any such other securities issued pursuant to this Condition 15.

16. Notices

Notices required to be given to the holders of Registered Notes pursuant to these Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and, so long as the Notes are listed on a stock exchange and the rules of that exchange so require, published at the Issuer's expense in a leading newspaper having general circulation in Asia (which is expected to be the Wall Street Journal Asia) and/or in such manner which complies with the rules and regulations of that stock exchange or such relevant authority. Notices required to be given to the holders of Bearer Notes pursuant to these Conditions shall be valid if published in a daily newspaper of general circulation in Asia (which is expected to be the Wall Street Journal Asia). If any such publication is not practicable, notices required to be given pursuant to these Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. For the avoidance of doubt, no Agent shall be required to publish any notice other than via the relevant clearing system.

Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear or Clearstream or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions, and such notice shall be deemed to have been given to the Noteholders on the date of delivery to Euroclear and/or Clearstream and/or any other relevant clearing system; or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Issue Position Report (as defined in the CMU Rules) issued by the Hong Kong Monetary Authority on the business day preceding the date of despatch of such notice, and any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice is delivered to the persons shown in the relevant CMU Issue Position Report.

17. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Receipt or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder, Receiptholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent

of the amount in the currency of payment under the relevant Note, Receipt or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Receipt or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 17, it shall be sufficient for the Noteholder, Receiptholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder, Receiptholder or Couponholder and shall continue to be in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Receipt or Coupon or any other judgment or order.

18. Contracts (Rights of Third Parties) Act 1999

Without prejudice to the rights of the Noteholders as set out in these Conditions, no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except to the extent expressly provided for in these Conditions and in the Trust Deed.

19. Governing Law and Jurisdiction

(a) **Governing Law**: The Trust Deed, the Notes, the Receipts, the Coupons and the Talons, the Agency Agreement, the relevant Deed of Guarantee and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with English law.

(b) **Jurisdiction**: The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, Receipts, Coupons or Talons, the Agency Agreement, the relevant Deed of Guarantee and the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons, the Agency Agreement, the relevant Deed of Guarantee or the Trust Deed ("**Proceedings**") may be brought in the courts of Hong Kong. Pursuant to the Trust Deed, each of the Issuer, the Guarantor and the Trustee has irrevocably submitted to the exclusive jurisdiction of the courts of Hong Kong and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Agent for Service of Process**: The Issuer has irrevocably appointed the Guarantor to receive service of process in any Proceedings in Hong Kong.

(d) **Waiver of Immunity**: Each of the Issuer and the Guarantor has under the Trust Deed waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Terms used in this section that are not otherwise defined shall have the meanings given to them in "Terms of Conditions of the Notes".

INITIAL ISSUE OF THE NOTES

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream (the "**Common Depositary**") or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note with the Common Depositary or with a sub-custodian for the HKMA as operator of the CMU or registration of Registered Notes in the name of (i) any nominee of the Common Depositary for Euroclear and Clearstream or (ii) the HKMA and delivery of the relevant Global Certificate to the Common Depositary or the sub-custodian for the HKMA as operator of the CMU (as the case may be), Euroclear or Clearstream or the CMU (as the case may be) will credit each subscriber with a nominal amount of the Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or, in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of the Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the beneficial holder of a particular nominal amount of the Notes represented by such Global Note or Global Certificate must look solely to the CMU for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

EXCHANGE

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Summary of the Programme — Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a Temporary Global Note issued pursuant to TEFRA D will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. The payments in respect of a Note issued under TEFRA D pursuant to Conditions 6(d) (*Redemption for Relevant Events*) and 6(f) (*Redemption at the Option of Noteholders*) of the Terms and Conditions of the Notes may not be collected without certification as to non-U.S. beneficial ownership.

In respect of a Note issued under TEFRA D, for the purpose of dealing in Euroclear or Clearstream or the CMU, any further issue of the Notes by the Issuer pursuant to Condition 15 (*Further Issues*) of the Terms and Conditions of the Notes may not be consolidated and form a single series with the outstanding securities of any series (including the Notes) until the exchange of interests in a Temporary Global Note for interests in a Permanent Global Note upon the relevant certification.

Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided in the paragraph titled "*Partial Exchange of Permanent Global Notes*" below, in part for Definitive Notes:

(i) if the Permanent Global Note is held on behalf of Euroclear, Clearstream, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent (or, in the case of the Notes lodged with the CMU, the CMU Lodging and Paying Agent) of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a nominal amount of the Notes such that it holds an aggregate nominal amount equal to one or more Specified Denominations.

Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfer of the holding of the Notes represented by any Global Certificate pursuant to Condition (b) (*Transfer of Registered Notes*) of the Terms and Conditions of the Notes may only be made in part if the Notes represented by such Global Certificate are held on behalf of Euroclear, Clearstream, the CMU Service or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In the event that a Global Certificate is exchanged for a definitive Certificate, such definitive Certificate shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a definitive Certificate in respect of such holding and would need to purchase a nominal amount of the Notes such that it holds an aggregated nominal amount equal to one or more Specified Denominations.

Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal, interests and Instalment Amounts in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Terms and Conditions of the Notes (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent).

In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes, Global Certificates and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon).

Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to the Terms and Conditions of the Notes

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of the Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(f)(vi) of the Terms and Conditions of the Notes will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "**business day**" set out in Condition 7(h) (*Non-Business Days*) of the Terms and Conditions of the Notes.

All payments in respect of the Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose. For the purposes of this paragraph, "**Clearing System Business Day**" means a day on which the CMU is operating and open for business.

Prescription

Claims in respect of principal and interest in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*) of the Terms and Conditions of the Notes).

Meetings

The holder of a Permanent Global Note or of Notes represented by a Global Certificate shall be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note or of Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of such Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholders holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Terms and Conditions of the Notes to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of the Notes lodged with the CMU, the CMU Lodging and Paying Agent) for endorsement in the relevant schedule of such Permanent Global Note or, in the case of a Global Certificate, by reduction in the aggregate nominal amount of the Certificates in the Register, whereupon the nominal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Notes represented by a Permanent Global Note or by a Global Certificate may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of early redemption of the Issuer provided for in the Terms and Conditions of the Notes of any Notes while such Notes are represented by a Permanent Global Note or by a Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the serial numbers of the Notes drawn in the case of a partial exercise of an option and accordingly no drawing of the Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, the CMU or Alternative Clearing System (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Terms and Conditions of the Notes of any Notes, while such Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held by or on behalf of a clearing system, may be exercised by (i) the holder giving notice to the Issuing and Paying Agent (or, in the case of the Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits in respect of which the option is exercised and presenting the Global

Note or Global Certificate for endorsement or exercise (if required) or (ii) a holder of a book-entry interest in the Notes represented by the Global Note or Global Certificate delivering to the Issuing and Paying Agent (or in the case of the Notes lodged with the CMU, the CMU Lodging and Paying Agent) the relevant exercise notice, duly completed by or on behalf of such holder (on appropriate proof of its identity and interest), in each case within the time limits specified in the Terms and Conditions of the Notes and otherwise in accordance with the rules and procedures of the relevant clearing system. In the case of (ii) above, deposit of the Global Note or Global Certificate with the Issuing and Paying Agent (or, in the case of the Notes lodged with the CMU, the CMU Lodging and Paying Agent) together with such exercise notice shall not be required.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interest if such accountholders were the holders of the Notes represented by such Global Note or the relevant Global Certificate, as the case may be.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream or Alternative Clearing System (except as provided in (ii) below), notices to the holders of the Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of the Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Issue Position Report (as defined in the CMU Rules) issued by the Hong Kong Monetary Authority on the business day preceding the date of despatch of such notice in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to the persons shown in the relevant CMU Issue Position Report. For the avoidance of doubt, no Agent shall be required to publish any notice other than via the relevant clearing system.

Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

DESCRIPTION OF THE ISSUER

FORMATION

The Issuer is a BVI business company incorporated with limited liability under the BVI Business Companies Act, Revised Edition 2020, of the British Virgin Islands (BVI Company Number: 1855859). It was incorporated on 2 January 2015 and is an indirectly wholly-owned subsidiary of the Guarantor.

BUSINESS ACTIVITY

The Issuer was established pursuant to the objects and powers set out in its memorandum of association. As at the date of this Offering Circular, the Issuer has no material assets and the Issuer has carried on no business other than:

- entering into arrangements for the issue of debt securities;
- such other arrangements to invest in, or loan or advance the net proceeds of such bonds to, the Guarantor or other subsidiaries of the Guarantor; the incurrence of certain other borrowings as the financing platform to the Guarantor and its other subsidiaries and affiliates; and
- any other activities reasonably incidental thereto.

As at the date of this Offering Circular, the Issuer has no subsidiaries.

FINANCIAL STATEMENTS

Under British Virgin Islands law, the Issuer is not required to publish condensed or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions. Subject to limited exceptions, BVI companies are required to provide certain financial information to their registered agent on an annual basis in the form of an annual return.

DIRECTORS AND OFFICERS

The Board of Directors of the Issuer comprises Ms. Wu Junya and Ms. Liu Ying. The directors of the Issuer do not hold any shares or options to acquire shares of the Issuer. The Issuer does not have any employees.

SHARES

The Issuer is authorised under its memorandum of association to issue a maximum of 50,000 ordinary shares of a single class with U.S.$1.00 par value per share and one share has been issued to and is being held by Huatai Financial Holdings. No part of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such equity securities is being or proposed to be sought.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is a leading technology-driven securities group in the industry, with a highly collaborative business model, a cutting-edge digital intelligence platform, and an extensive and solid customer base. Its principal businesses comprise wealth management business, institutional services business, investment management business and international business. The Group has established a client-oriented organisational structure and mechanism, provides comprehensive securities and financial services to individual, corporate and institutional clients domestic and overseas through a smart, international and integrated operation mode, and aims to become a leading investment bank with strong domestic advantages and global influence.

Over its operating history of over 30 years, the Group has achieved steady development by successfully capitalising on the transformation and development opportunities of the PRC securities industry. The Group has completed a series of successful M&A projects and IPOs of the Guarantor's A Shares on the Shanghai Stock Exchange, H Shares on the Hong Kong Stock Exchange and GDRs on the London Stock Exchange, and navigated various market and business cycles and regulatory reforms.

The Group's principal businesses comprise wealth management business, institutional services business, investment management business and international business:

- *Wealth management business*, which provides customers with diversified wealth management services, including securities, futures and options brokerage, financial products sales, fund investment advisory business, and capital-based intermediary business through mobile client APP, professional PC platforms, securities and futures subsidiaries and branch offices, Huatai International and its affiliated overseas subsidiaries, via integrated online-offline and cross-border operation mechanisms;

- *Institutional services business*, with investment banking serving as the driving force and institutional sales serving as a link, the Group integrates investment banking, institutional investor services and investment trading business resources to provide various types of corporate and institutional clients with all-round comprehensive financial services, which mainly include investment banking business, prime brokerage business, research and institutional sales business and investment and trading business;

- *Investment management business*, the Group accepts fund entrustments from clients, develops and provides various financial products for its clients and manages their assets through its professional investment and research platform as well as its substantial client base, effectively satisfying their investment and financing needs. Its investment management business mainly consists of securities firm asset management, private equity fund management and asset management for fund companies, etc.; and

- *International business*, in overseas markets and with Huatai International as its holding platform for international business, the Group operates international business through the wholly-owned subsidiaries of Huatai International including Huatai Financial Holdings, Huatai Securities (USA), Singapore Subsidiary and Japanese Subsidiary. Based on the Hong Kong market, it steadily deploys in major markets in the US, Europe and Asia.

For the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, the Group's total revenue, gains and other income was RMB52,260.4 million, RMB46,338.3 million and RMB47,219.6 million, and RMB20,979.1 million and RMB31,306.2 million, respectively, and its operating profit for the respective years/periods was RMB11,619.9 million, RMB12,998.4 million and RMB15,047.7 million, and RMB6,832.7 million and RMB11,671.0 million, respectively.

RECENT DEVELOPMENTS

The Third Quarterly Report of 2026

On 30 October 2026, the Group announced its third quarterly report for the nine months ended 30 September 2026, including certain consolidated financial information of the Group for the nine months ended 30 September 2025 (the "**Third Quarterly Report**"). The summary consolidated financial information as at 31 December 2025 and 30 September 2026 and for the nine months ended 30 September 2025 and 2026 set forth in the Third Quarterly Report have been prepared from the preliminary data of the Group and have not been audited or reviewed by the Group's auditors or any independent auditors. Consequently, such unaudited and unreviewed consolidated financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. Potential investors must exercise caution when using such information to evaluate the Group's financial condition, results of operations and results (financial or otherwise). Such unaudited and unreviewed consolidated quarterly financial information as at and for the nine months ended 30 September 2026 should not be taken as an indication of the expected financial condition, results of operations and results (financial or otherwise) of the Group for the full financial year ending 31 December 2026.

As disclosed in the Third Quarterly Report, the Group's operating revenue and total profit increased for the nine months ended 30 September 2026 compared with the corresponding period in 2025. However, both operating revenue and total profit decreased for the three months ended 30 September 2026 compared with the corresponding period in 2025 due to the broader macroeconomic environment and market volatility. The Group's total assets and total liabilities as at 30 September 2026 increased compared with those as at 31 December 2025.

HISTORY AND KEY CORPORATE MILESTONES

The following sets forth some of the Group's key corporate milestones:

1991	•	The predecessor of the Guarantor, Jiangsu Securities Company, obtained its business licence and officially started business operations.
1993	•	The Guarantor undertook the public offering of the first stock "TAIJI INDUSTRY" in Jiangsu Province.
1999	•	The Guarantor was renamed Huatai Securities Limited Liability Company.
2005	•	The Guarantor acquired Asia Securities Co., Ltd.
2006	•	The Guarantor acquired 70.0 per cent, equity interest in Huatai United.
	•	Huatai Financial Holdings was formed.
2007	•	The Guarantor was renamed Huatai Securities Co., Ltd. as a result of its conversion into a joint stock limited liability company.
2008	•	The Guarantor's CRM system was launched and put into operation.
2010	•	The Guarantor was listed on the Shanghai Stock Exchange under stock code 601688.
2015	•	The Guarantor was listed on the Hong Kong Stock Exchange under stock code 6886.

2016 . . . . . • The Guarantor acquired AssetMark for consideration of U.S.$768 million to establish its US presence.

2017 . . . . . • The Guarantor's professional investor integrated service platform MATIC was launched.

• Huatai Asset Management launched its first publicly offered fund.

2018 . . . . . • The Guarantor launched a pilot plan to deepen its mixed-ownership reform and introduced a number of strategic investors, including Alibaba and Suning.

• Huatai Securities (USA) was incorporated in the USA by Huatai International as its wholly-owned subsidiary with the office established in New York City.

• The Guarantor has completed the Fixed Increase of A Shares to raise funds exceeding RMB14 billion.

2019 . . . . . • The Group was listed on the London Stock Exchange as the first enterprise that issued GDRs in the Westbound trading under Shanghai-London Stock Connect.

• AssetMark was listed and commenced trading on the New York Stock Exchange.

• Huatai Securities (USA) obtained the qualification to conduct broker-dealer business in the United States.

• The Guarantor launched "ZhangLe Fortune Path" (漲樂財富通) version 7.0.

• The Guarantor launched its institution customer service platform, "Xing Zhi" (行知) APR.

2020 . . . . . • The Guarantor released "Securities Lending Path" (融券通) as the first open-ended online securities lending and trading platform in the entire market.

• The Guarantor was approved to formally implement the pilot project of consolidated supervision.

• The Guarantor launched "ZhangLe Investment" (漲樂星投), a fund investment advisory service.

2021 . . . . . • The cumulative download volume of "ZhangLe Fortune Path" (漲樂財富通) exceeded 65 million.

• The Guarantor launched its global wealth management platform "ZhangLe Global 3.0".

• The Guarantor completed the registration of the grant of A share restricted stocks.

• The Guarantor launched Securities Lending Path 3.0 (融券通3.0) (Sliffi3.0).

- The Guarantor upgraded the fund investment advisory business brand "ZhangLe Shengxintou" (漲樂省心投).

- The Guarantor injected additional capital of HK$1.4 billion to Huatai International Financial Holdings Company Limited, its wholly-owned subsidiary.

2022 . . . . . • Huatai Foundation was established.

- Huatai International established a wholly-owned subsidiary, namely Huatai Securities (Singapore) Pte. Limited, in Singapore, marking the Group's expansion into the region.

- The cumulative download volume of "ZhangLe Fortune Path" (漲樂財富通) surpassed 70 million.

- The Guarantor upgraded and launched "ZhangLe Fortune Path" (漲樂財富通) version 8.0, "ZhangLe Global" (漲樂全球通) version 4.0, Securities Lending Path 4.0 (融券通4.0) and "Xing Zhi 3.0" (行知3.0).

2023 . . . . . • The cumulative download volume of "ZhangLe Fortune Path" (漲樂財富通) since its launch surpassed 74.0124 million.

- The Guarantor participated in domestic carbon emissions trading for the first time.

2024 . . . . . • The Group's self-developed global trading platform was officially launched, connecting international financial hubs like Hong Kong, New York, London, and Singapore.

- The Guarantor released version 5.0 of "Xing Zhi" (行知).

- The Group completed the transaction of selling all of its equity interest in AssetMark and 20 per cent. equity interest in Jiangsu Equity Exchange Co., Ltd.

- Huatai Securities (USA) obtained approval from the Nasdaq Stock Market in the United States to add limited underwriting membership.

- Huatai International obtained the underwriting qualification for the TOKYO PRO-BOND Market issued by the Tokyo Stock Exchange of Japan.

2025 . . . . . • Huatai Securities (USA) was qualified as a broker and dealer for non-US sovereign bonds, including treasury bonds of Europe, the United Kingdom, Canada, Latin America, Japan and Southeast Asia, and obtained the IPO lead underwriter membership of the New York Stock Exchange.

- Singapore Subsidiary obtained the main board sponsor qualification granted by the Singapore Exchange, thereby acquiring the qualification to undertake and manage main board IPO projects.

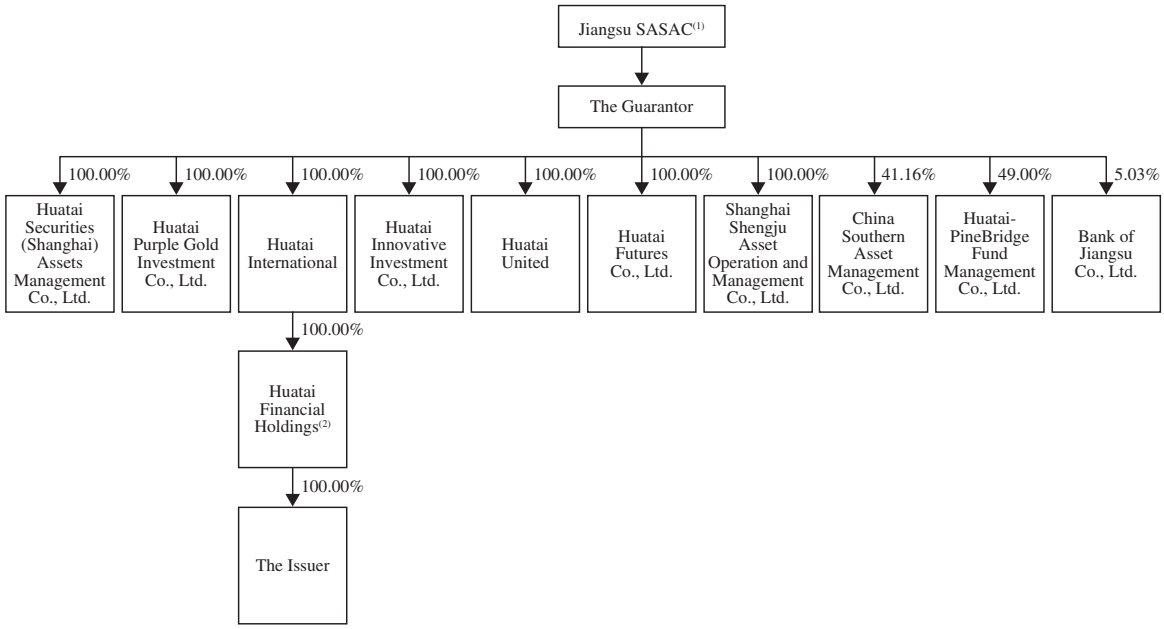
- Huatai International formally registered and established its Japanese subsidiary.

- A subsidiary of Huatai International obtained a Foreign Portfolio Investor registration certificate issued by the Securities and Exchange Board of India, thereby formally qualifying the Group to invest in the Indian capital market.

2026 . . . . . - The Group completed the transfer of its 32 per cent. equity interest in Jiangsu Equity Exchange in February 2026 and no longer holds any equity in the entity.

ORGANISATIONAL STRUCTURE

The following chart illustrates the simplified organisational structure of the Group and its major subsidiaries and associates as at 30 June 2026:



(1) The Jiangsu SASAC is the *de facto* controller of the Guarantor.

(2) Huatai Financial Holdings is indirectly controlled by the Guarantor through its wholly-owned subsidiary, Huatai International.

COMPETITIVE STRENGTHS

The Group is expected to benefit from the following favourable developments in the PRC securities industry:

- the increasing adoption of advanced technology in the financial services industry;

- the rapid accumulation of personal wealth and increasing needs for wealth management solutions;

- rising demand for financial services from emerging new economy sectors; and

- rising participation of institutional investors in the capital markets and increasing demand for specialised institutional client services.

In addition, the Group believes that it enjoys the following competitive strengths:

The Group receives strong support from the government and strategic shareholders

As some of the Group's businesses and operations are of strategic importance, particularly in Jiangsu, the Jiangsu People's Government supports the sustainable development of the Group, and the Group expects to continue to receive government support through close collaboration with the Jiangsu SASAC as one of its key shareholders and the *de facto* controller of the Group. Part of the Guarantor's directors are appointed or recommended by the Jiangsu SASAC and its affiliates. The Group is one of the financial institutions under the direct management of Department of Finance of Jiangsu Province (江蘇省財政廳), which is responsible for the management of provincial-level state-owned financial capital investment and state-owned assets. The Jiangsu SASAC makes decisions and manages the major affairs of the Group through its influence in the Board of Directors, in accordance with the requirements of the SASAC. The Jiangsu People's Government has supported the Group in keeping a foothold in the domestic capital market and developing in the international capital markets, actively expanding its comprehensive operation based on its advantage in the securities business and gradually becoming a large modern investment bank with leading comprehensive strengths characterised by its prominent core competitiveness in the Asia Pacific region. The Guarantor is one of the leading domestic securities firms with comprehensive strengths and brand influence and it is witnessing an accelerated development phase of internationalisation. The Jiangsu People's Government has also implemented necessary measures and provided resources in support of the innovation and development of the Group, further enhancing the Group's competitive edge in financial technology. In line with corporate governance principles and common interests, the Jiangsu People's Government has helped the Group to cope with financial difficulties by increasing share capital, providing liquidity support, guarantee and other credit enhancement.

The Group has also previously received financial support from the government in the form of equity injections. As at 30 June 2026, Jiangsu SASAC remained as the *de facto* controller of the Guarantor.

The Group is also supported by strong strategic investors. With the introduction of these strategic investors in 2018, the Group deepened the reform to diversify ownership, diversifying the Group's shareholder base and improving corporate governance, implementing a modern management system and establishing a market-oriented human resources management mechanism and introducing an employee stock ownership plan for core employees.

The Group is a technology-driven pioneer in China's transforming securities industry

With its continuous high investment in technological research and development, technology accumulation and iteration over the years, and comprehensively promoting the Group's digital transformation focusing on the overall target of "client's success, business innovation, operation optimisation and employee empowering", the Group was one of the first domestic securities firms in China to embrace technology and build its own IT teams for research and development. "Making technology the most core competitiveness" is the strategic direction that the Group has always adhered to. The Group invested heavily in IT to develop proprietary technology capabilities. Its investment in IT continues to be higher than that of its peers, which in turn has resulted in the Group's industry-leading professional IT team. The Group's investment has enhanced digitalisation in the front, middle and back-end. The Group maintains an industry leading level of investment in research and development both in terms of expenditure and proportion of staff involved in research and development. With its clients' needs in mind, the Group continues to increase its investment in emerging technologies, introducing and upgrading a range of digital products and platforms, and creating new smart application so as to improve customer service experiences and refresh their expectations. It strives to apply advanced financial technology to assist its business development, strengthen middle office and back-office support and increase the efficiency of its operations. Meanwhile, with equity investment serving as a link, the Group

focused on outstanding technological innovation companies to accelerate the construction of the Fintech ecosystem and actively established presence in cutting-edge sectors, such as big data, artificial intelligence, blockchain, cloud computing, robotic process automation security and 5G.

In addition, focusing on the technology-based strategic orientation of "building technology as the core competency of the Company", the Group thoroughly practices the important mission of "creating value by profession". Following the two main lines of internationalization and intelligence, it propels global expansion, deepens intelligent application, advances platform iteration and upgrades data engines. With the improvement of technological capabilities, the Group empowers the value creation of its businesses and promotes the continuous improvement of its market share and industry influence.

The Group adopts a mobile strategy to continuously enhance customer experience, drive customer growth and customer activity and deliver first class wealth management services. The Group has applied cutting edge technology, such as artificial intelligence and speed communication, to serve the varied needs of the increasingly sophisticated institutional investors. It has developed digital products such as intelligent trading, quantitative research, investment management and advanced market data analytics, further enhancing the Group's service capabilities. With the integration of technology in operations and infrastructure, the Group also introduced an enterprise risk management platform that enables comprehensive monitoring and analysis of operational and risk management across different risk types and all business lines.

In the field of institutional services, research, investment banking, online road shows and other services on "Xing Zhi" (行知), the Group's self-developed digital platform serving institutional customers, have become aware by and received attention from an increasing number of institutional customers, facilitating the efficient interaction between institutional customers and business resources. During the year of 2024, "Xing Zhi" (行知) released version 5.0, focusing on the core demands of four types of key customer groups, and continuing to create intelligent, self-service and personalised platform experience. CAMS credit analysis management platform and INCOS cloud platform combined all links of institutional services, continuously improving service efficiency and extending customer ecology. In 2025, "ZhangLe Fortune Path" (漲樂財富通) launched a number of value-added service tools for market transactions, strengthened the construction of financial capabilities middle platform, and realized intelligent script creation and large-model-assisted content review capabilities; "ZhangLe Global" (漲樂全球通) further enriched global market trading capabilities, and realized automatic mark-to-market liquidation, U.S. dollar corporate bonds, US stock night trading, Hong Kong stock multi-currency counter and other functional support. "Xingzhi (行知)", the one-stop institutional client service platform, focused on core client groups, upgraded products and services from the user perspective, optimised user experience with AI capabilities, and completed the development of intelligent applications including AI disclosure assistant, AI investment research Q&A, and AI roadshow tools. In addition, the Group built the brand-new "AI ZhangLe (AI 漲樂)" APP with AI-native technologies and concepts. Relying on powerful AI financial large model, it drove three core work modules: "Morning Briefing (早點聽)", "Special Alerts (特別提醒)" and "Task Assignment (任務交辦)", and actively explored the integration of new artificial intelligence technologies with wealth management business. The technical competency and talent team the Group developed through independent research and development over the years have laid a solid foundation for the building of platform-based and systematic competitive advantages. During the first half of 2026, the Group resolutely advanced the "ALL IN AI" strategy, positioning AI as the core engine of value creation, restructuring key business capabilities and value-generation methods and fostering a new human-in-the-loop model. By optimising organisational mechanisms, strengthening investment in technological innovation and promoting the deep integration of technology and business, the Group fully transformed its technological advantages into business value creation advantages.

The Group's technology driven business model has contributed to its leading market position and uniquely equipped itself to capture opportunities and respond to challenges from the evolving industry and market environment. The Group's independent research and development capabilities and skills

technological base, which the Group has accumulated over the years, have formed the strong foundations of the Group's platform-based and systematic competitive strengths as a technology-empowered securities firm. The Group has set up a "digital innovation laboratory" to stimulate and cultivate an atmosphere of innovation among all employees through sound innovation incentive concentration and sufficient capital investment, so as to release the potential in the dual innovation engines of products and technologies. Focusing on diversified and complex institutional investors' needs, the Group uses core technologies such as artificial intelligence and ultra-fast communications to independently develop industry-leading digital products for intelligent transactions, quantitative investment research, investment management and market data analysis to further improve the Group's professional services.

The Group's open digital wealth management platform provides efficient and professional services to a mass market

The Group has established one of the most dynamic wealth management platforms in the Chinese securities industry. Drawing reference from the advanced financial management infrastructure and experience both within the PRC and internationally, the Group has simultaneously advanced both online and offline resources to enhance its customer development and service efficiency. By applying big data and other advanced technologies, the Group has enhanced its service capabilities, achieved superior cost efficiency and secured its leading market position.

The Group was one of the first in the PRC securities industry to introduce a mobile platform in 2010, and continued to upgrade and innovate its mobile offerings to drive customer engagement. The Group launched "ZhangLe Fortune Path" (漲樂財富通), a mobile service platform, for its clients, "AORTA" (聊TA), a cloud platform, and iOne, a full closed-loop digital investment banking service platform, for investment advisers. The two platforms strengthened their functions, deepened their coordination, and efficiently and accurately empowered first-line investment advisers through iterations and upgrades. In March 2020, the Group became one of the first batch of securities companies to obtain the qualification to conduct pilot fund investment advisory business and officially introduced "ZhangLe Investment" (漲樂星投), the fund investment advisory service based on "people + platform" investment advisory system. During the year of 2025, the Group continuously iterated and upgraded the basic service functions and value-added service performance of its wealth management platform, actively explored AI intelligence and innovation empowerment upgrades, and was the first in the industry to launch the AI-native application "AI ZhangLe" APP focusing on trading scenarios. During the first half of 2026, the Group accelerated the application of AI across wealth management service scenarios, launched the revamped version of "AI ZhangLe (AI 漲樂)" APP focused on AI-enabled capabilities and enhanced trading experiences, and continued to provide diversified portfolio strategies and product service solutions in financial product sales and fund investment advisory services. It also implemented and iterated the Task Assistant, which serves as the central hub for full-chain investment execution, coordinates and manages various specialised AI agents such as the limit-up hunter and event catcher, and supports voice commands to generate complex strategies such as grid trading and batch profit-taking, lowering the barrier to entry for smart trading while enhancing trade management capabilities and improving trade execution efficiency. The Group also continuously upgraded and expanded the Huatai Office Digital Employee Assistant by integrating intelligent agents including meeting scheduling, document processing, translation services, HR services, business travel management, official document systems and OA workflows, reshaping the office model and improving the intelligent and digital experience of employees in daily work.

With the vast amount of data collected across its technology platforms, the Group is able to perform accurate customer analytics to enhance its service capabilities and support its wealth management advisors. The Group has developed a digital operation and management system to identify customers' needs, recommend investment solutions and dynamically allocate marketing assignment automatically and efficiently. The Group is committed to talent recruitment for its wealth management team and investment in wealth management service infrastructure.

The Group has leading business rankings with a first-class investment banking franchise capturing new economy opportunities and the registration system reform

Facing new patterns of the economic and social development, the Group fully seized the opportunities in economic transformation and upgrading and the capital market reform led by the registration-based IPO system and continued to speed up in industrial layout and optimise the team structure. New economy companies are transforming traditional industries through technology advancement and innovative business models. They are becoming a leading force for the overall economy with rising financial advisory and financing needs. At the same time, with full promotion of registration system under the new Securities Law of the PRC, and constant deepening of market-oriented capital market reform, it also provides opportunities for more outstanding companies to go public, obtain financing and conduct industrial M&A. Leveraging its first-class investment banking franchise, the Group plays a critical role to support the structuring and execution of the industry-defining transactions.

The Group deeply implemented the "customer-oriented" business concept and actively developed the "ecosystem" with investment banking customers as the centre. Leveraging on the big platform covering the whole business chain, the Group continuously enhanced the linkage and cooperation between the investment banking business and various business lines to build an ecosystem for institutional customer services with the integration of "buyers + sellers + research institutes".

For the year ended 31 December 2025, according to the statistics from Wind Information Co., Ltd. (萬得信息技術股份有限公司) ("**Wind Information**"), the Group's equity lead-underwriting amount (including the IPOs, additional offerings, allotment of shares, preferred shares, convertible bonds and exchangeable bonds) was RMB66.712 billion, ranking first in the industry. For the year ended 31 December 2025, the Group actively served national strategies, focused on leading quality clients and promoted the issuance of green bonds and technological innovation bonds, underwriting a total of 82 green bonds with RMB22.370 billion and 290 technological innovation bonds with RMB81.072 billion, respectively. During the year ended 31 December 2025, according to the statistics of public information disclosed by listed companies, the Group ranked the first in the industry in terms of first disclosure number of auditing restructuring projects for which it acted as the independent financial advisor. For the year ended 31 December 2025, and according to the statistics from Wind Information, the Group's lead-underwriting amount of full variety bonds was RMB1,411.520 billion. For the six months ended 30 June 2026, according to the statistics from Wind Information, the Group performed 21 deals of equity lead-underwriting, with a lead-underwriting amount of RMB53.262 billion, representing a significant year-on-year increase. The Group also acted as lead underwriter for 1,971 bond issues across all categories, with a total underwriting amount of RMB718.865 billion, representing a steady year-on-year increase and maintaining its leading position in the industry. During the same period, the Group underwrote 28 green bond issues worth RMB9.59 billion and 110 science and technology innovation bond issues worth RMB28.385 billion. According to statistics based on publicly disclosed information by listed companies, during the first half of 2026, the Group acted as an independent financial adviser on seven restructuring projects that were approved by the stock exchange, ranking first in the industry, with a total project value of RMB93.385 billion, ranking second in the industry.

The Group has prospectively engaged in the field of technological innovation and made full use of its advantages in the capital market, with a view to actively serve outstanding enterprises in various fields including TMT (Technology, Media and Telecommunication), comprehensive health and intelligent manufacturing. In addition to serving a large number of existing quality customers, the Group continued to develop and establish relationships with customers in emerging industries, and empowered corporate customers with the integrated and full-cycle top investment banking service system. With a significant increase in customer size and market influence, the Group has synchronously achieved rapid growth of its investment banking business. Its investment banking business has achieved rapid growth as its clients have grown in significance and scale and as the Group continues to engage with new and fast-growing clients. From 2012 to 2025, the Group has served more than 300 technology and innovation enterprises with a total market value of approximately RMB13 trillion.

The Group has established a time-tested competitive edge in M&A advisory and equity underwriting. It has also successfully executed complicated transactions and assisted clients in navigating regulatory, cross-border or cross-market challenges. As the evolution of new economy sectors and transformation of traditional industries continue, the Group expects to capitalise on increasing activities in the M&A and financing markets. In addition, with full implementation of the registration system, the accelerated development of strategic emerging industries and continuous transformation of traditional industries, the increasingly active M&A and financing activities will bring valuable opportunities to the Group. Based on internal and external statistics, in 2025, Huatai Financial Holdings sponsored 22 IPO projects in the Hong Kong stock market, ranking third in the market in terms of sponsorship volume. The continuous reform and opening of capital market and increasingly vibrant M&A and financing activities are expected to bring valuable opportunities to the Group.

The Group has a comprehensive asset management platform with significant scale

As a result of its large customer base, innovative product offering and comprehensive service capabilities, the Group has established one of the largest asset management platforms in the industry in the PRC. The total amount of assets under the Group's asset management business ranked the forefront in the industry with continuous improvement in the capability and scale of active management. As at 30 June 2026, according to the regulatory report statistical scope, the asset management scale of Huatai Asset Management reached RMB741.218 billion, maintaining its leading position in the industry. During the first half of 2026, the Group had a total of 459 collective asset management plans under management with a total management scale of RMB153.407 billion, a total of 1,045 single asset management plans under management with a total management scale of RMB163.474 billion, and a total of 304 specialised asset management plans under management with a total management scale of RMB227.864 billion. The Group actively creates net-value wealth management solutions for investors with different liquidity needs and, as at 30 June 2026, managed 45 mutual fund products in total with a total management scale of RMB196.473 billion.

The Group's full-licence asset management platform consists of Huatai Asset Management, Huatai Purple Gold Investment and two fund management associates, namely China Southern Asset Management Co., Ltd. ("**China Southern Asset Management**") and Huatai-PineBridge. The Group manages products across major asset classes, including currencies, equities, fixed income, ABS, private equity and other alternative asset classes. Huatai Asset Management focuses on the characteristics of brokers, systematically created "basic products + specialised products", strengthened the two-way driving of the Group and established the output model of asset-end products to broaden the size of products and meet different needs of the Group, retail customers and high-net-worth customers in the market for product forms and risk return. Meanwhile, through customised services featuring multiple assets and multiple strategies, the Group has provided a basket of customised comprehensive financial services for institutional customers, which met customers' needs for product forms, liquidity and returns through competitive fixed-income products as well as featured products such as FoF (Fund of Funds) and MoM (Manager of Managers). The Group is a leader of ABS product designs in the industry, and has set a benchmark for the industry through constant innovation in underlying assets, transaction structure and other aspects. In 2022, the Huatai Purple Gold Jiangsu Communications Holding Expressway Closed-end Infrastructure Securities Investment Fund, for which the Group acted as the fund manager and asset-backed securities manager, was officially listed for trading on the Shanghai Stock Exchange, making it the first public REITs program on expressways in Jiangsu Province. During the first half of 2026, Huatai Asset Management, as the manager of corporate ABS plans, issued 87 projects, ranking first in the industry; the total issuance size amounted to RMB79.360 billion, ranking third in the industry. Huatai Asset Management deepened the operational management of existing public REITs business projects, and advanced the fundraising and establishment of Three Gorges New Energy REIT project. The full-chain service capability of public REITs business was continuously enhanced.

The Group utilises Fintech to strengthen its asset management capabilities. It was the first in the industry to introduce a FoF/MoM platform and built a credit rating system based on artificial intelligence technology.

The Group's global footprint has created new growth opportunities

The Group always adheres to constantly expanding its international business layout along with the expansion of international customer base. As a financial institution listed in the PRC, Hong Kong and London, the Group continued to leverage its strengths in the domestic market, consistently followed its international development strategy of providing services to help domestic clients to "go global" and overseas clients to "come into China" and enhanced the effective coordination of team, platform and client resources, striving to develop the Group's financial service capabilities across different markets and continuously deepen cross-border integration. The Group has selectively established an international presence to support the outbound growth by Chinese clients and inbound investments by international investors. The Group has built a full-service international platform in Hong Kong through Huatai Financial Holdings, a wholly-owned subsidiary of Huatai International, covering investment banking, wealth management, research, institutional sales and trading as well as asset management. Leveraging on the Group's domestic resources, Huatai International took full advantage of the cross-border business platform established and rapidly expanded its cross-border business through effective domestic and overseas linkage.

During the first half of 2026, as the Group's holding platform for international business, Huatai International deeply integrated the Group's full-industry-chain resources, gave full play to its intermediary function of the capital market, and fostered a cross-border service ecosystem characterized by synergistic coordination and highly efficient operation based on client needs. Relying on the Group's integrated domestic and overseas risk management framework and system, it achieved coordinated advancement of business expansion and risk prevention and control. It continuously refined professional service capabilities, built core competitive advantages through technology empowerment, systematically promoted the construction of a global business architecture and support system, and continuously enhanced the penetration and brand influence in the international market. In 2024, a subsidiary under Huatai International was granted securities trading code from the Vietnam Securities Market Regulatory Authority, and Huatai Financial Holdings registered as a lead underwriter in the Tokyo PRO-BOND market. In 2025, Huatai International formally registered and established its Japanese subsidiary. Moreover, in July 2025, a subsidiary of Huatai International obtained a Foreign Portfolio Investor registration certificate issued by the Securities and Exchange Board of India, thereby formally qualifying the Group to invest in the Indian capital market. During the first half of 2026, the Japanese Subsidiary incorporated by Huatai International continued to advance the construction of internal management policies and operation systems, and actively explored pathways and models for overseas business and cross-border services. As at 30 June 2026, Huatai International maintained stable and orderly business operations, with significant growth in overall operating performance and all financial indicators ranking among the top tier of Chinese-funded securities firms in Hong Kong.

The Group has actively fulfilled social responsibility and integrated into the global ESG system

The Group has actively fulfilled social responsibility and practised environmental, social and corporate governance ("**ESG**") as an integral part of its sustainable development strategy. In August 2021, Morgan Stanley Capital International (the "**MSCI**"), a world's leading investment research firm, upgraded the Guarantor's ESG rating to "A", the highest rating for China securities companies by then, and the Guarantor is also the first China securities company with such "A" in the industry, which was a recognition of the Group's achievement in its systematic ESG structure and the management of sustainable and high-quality development as well as its capability in terms of green finance service. In 2023, the Group's MSCI ESG rating rose from A to AA and furthermore in 2024, the MSCI ESG rating of the Group rose from AA to AAA, realizing upgrades for two consecutive years and achieving the highest rating in the global investment banking industry. During the first half of 2026, the Group was once again awarded an AAA rating, marking the third consecutive year it has ranked at the highest level among global investment banks.

The Group actively practices the concept of sustainable development, adheres to the core values of "efficiency, integrity, stability, and innovation (高效、誠信、穩健、創新)", and insists on embedding the ESG concept into the entire chain of strategic planning, operation management, and business management. It has continuously strengthened its comprehensive and multi-layered ESG governance structure, ensuring that the ESG concept is implemented in all aspects of corporate governance, achieving the organic unity of environmental responsibility, social responsibility, and corporate governance, and comprehensively improving its sustainable development capabilities and long-term value creation level. Guided by ESG principles, the Group has established a progressive and interconnected ESG management framework across three levels: oversight, management, and implementation. An ESG Committee, directly led and managed by the Board and management, is established to continuously optimize the Group's ESG management structure and build an efficient, collaborative, and vertically integrated ESG management mechanism, comprehensively enhancing the systematic nature and effectiveness of its ESG management. The Group continuously improves its ESG management system and issues and implements relevant ESG management policies. As at 31 December 2025, the Group had totally issued nine statements and announcements relating to ESG.

The Group also contributed to green and sustainable development through green finance and public-welfare initiatives. During the first half of 2026, the Group underwrote 28 green bonds with a total scale of RMB9.590 billion, assisted Ningbo Ocean Shipping Co., Ltd. in the public offering of "Belt and Road" green corporate bonds (Blue Bonds), and facilitated the successful establishment of the first higher education green CMBS in China, namely the "Huatai-Taicang Culture and Education Investment Xipu Higher Education Green Asset-Backed Special Plan (Carbon Neutrality)". Huatai International also assisted Dajin Heavy Industry Co., Ltd., a world-leading supplier of core offshore wind power equipment, in successfully listing on the main board of the Hong Kong Stock Exchange as the first wind power tower foundation company listed in Hong Kong and the largest Hong Kong IPO by a new energy enterprise since 2026. In addition, Huatai Foundation and He Yi Green Foundation (北京合一綠色公益基金會) jointly launched the eighth round of applications for the "Streamlet Action — 'One Yangtze River' Subsidy Scheme on Environmental Protection Activities for College Students"; as of June 2026, the programme had funded 406 projects carried out by 239 teams from 162 universities.

The Group has exercised effective risk management enabled by technology and talent

The Group attached great importance to overall risk management. Adhering to the risk management culture of "moving forward with steady progress", and with controlling risks, improving quality and efficiency and promoting development as the targets of risk management, the Group insisted on the core risk management idea with "high engagement, full coverage and deep penetration", followed the principles of full coverage, forward-looking, all-round, effectiveness and matching, continuously upgraded the integrated risk management system both domestically and internationally, constantly consolidated the risk management capabilities that are in line with the business development, enhanced the core competitiveness of risk management, and provided a solid guarantee for the high-quality development of business.

The Group has established a centralised, time-efficient, quantitative and penetrating enterprise risk management platform which has comprehensive coverage of all business lines and types of risks, engaging the entire staff body of the Group in order to achieve the integrated coverage and penetration management of the onshore and offshore risks related to the Group as a whole. The platform allows the Group to monitor, quantify, analyse and cope with different types of risks, which in turn enables the Group to adapt to business transformation and market changes. The Group has fully integrated technology into its proprietary enterprise risk management platform, covering all businesses, subsidiaries and branches of the Group, to provide risk detection, risk monitoring and response capabilities. Financial and operational data across subsidiaries are centralised to facilitate the quantification of risks. The Group has also launched an intelligent information security platform that tracks and studies cyber security in real time and effectively defends against network attacks. Through the platform, risk management is

empowered to ensure that the Group's business continues to develop steadily under the premise that risks are measurable, controllable and tolerable.

Behind the advanced systems and technologies, the Group has a well-established governance structure and a highly effective team to oversee and implement its risk management and internal control. The Group's highly effective governance framework includes the Board of Directors, the Compliance and Risk Management Committee and the Audit Committee under the Board the Directors, the senior management, the Risk Management Committee under the senior management, the Chief Risk Officer, all departments, branches, subsidiaries, risk management departments and the audit department. As at 31 December 2023, the Guarantor's risk coverage ratio, capital leverage ratio, liquidity coverage ratio and net stable funding ratio were 247.80 per cent., 13.98 per cent., 152.51 per cent. and 130.84 per cent., respectively; as at 31 December 2024, the Guarantor's risk coverage ratio, capital leverage ratio, liquidity coverage ratio and net stable funding ratio were 362.37 per cent., 18.05 per cent., 221.41 per cent. and 150.36 per cent., respectively; as at 31 December 2025, the Guarantor's risk coverage ratio, capital leverage ratio, liquidity coverage ratio and net stable funding ratio were 298.67 per cent., 13.27 per cent., 190.37 per cent. and 142.88 per cent., respectively; and as at 30 June 2026, the Guarantor's risk coverage ratio, capital leverage ratio, liquidity coverage ratio and net stable funding ratio were 262.55 per cent., 11.27 per cent., 167.08 per cent. and 135.71 per cent., respectively, which all complied with applicable regulatory requirements.

The Group established a development platform that continuously empowers the growth of first-class professional talents

Sticking to the cultural connotation of "openness, inclusiveness, innovation, struggle and responsibility", the Group consistently encourages and empowers its staff to propel towards new and high growth and places great emphasis on enhancing the value of talents and fostering their development. It actively built a platform-based talent development model that emphasises professional and international expertise, aiming to cultivate talents in tandem with the organisation and leverage its talent advantage as a core competitive edge. This strategy aimed to enhance the overall contribution of talents. The Group strategically planned for the medium-to-long-term human resource needs, with a particular focus on recruiting and nurturing exceptional college graduates in areas such as wealth management, institutional business, Fintech, and international business segments. This approach aimed to enhance the talent structure and strengthen the talent pipeline within the Group. The Group actively advanced the training of exceptional young staff, grooming them for future management positions. Always considering practice as the main battlefield for the growth and accomplishment of outstanding young staff, the Group facilitated communication, on-the-job training, work rotation, and other practical exercises to identify and nurture talented individuals. By assessing comprehensive capabilities and performance contributions, the Group expanded occupational development opportunities, ensuring the best fit between talents and positions and fostering creativity within the talent team. Furthermore, the Group implemented a restricted share incentive scheme and explored diverse long-term incentive frameworks. Gradual improvements were made to the long-term incentive and restrictive mechanism, fostering shared benefits and risks between employees and the Guarantor, thereby promoting mutual development. The Group continuously improved incentive systems, organised commendation on honors and awards, strengthened the role of examples, and stimulated and gathered the struggling enthusiasm of talents. These efforts aimed to enhance employee enthusiasm, cohesion, and core competitiveness while ensuring the long-term sustainability and stability of the Guarantor's growth.

Diversified financing channels provide sufficient liquidity for the Group

The Group's diversified financing channels support its steady business growth. In February 2010, the Guarantor's A shares were listed on the Shanghai Stock Exchange and subsequently became a constituent stock of the CSI 100 Index and SSE 50 Index. In June 2015, the Guarantor's H shares were listed on the Hong Kong Stock Exchange, raising HK$38.748 billion following the exercise of the over-allotment

option which made it the large initial public offering in the Asian-Pacific region in 2015. In addition, the Guarantor completed a private placement of its A shares which raised a further RMB14.1 billion. In June 2019, the Guarantor issued 82,515,000 GDRs listed on the London Stock Exchange, raising proceeds of U.S.$1,692 million, which has been a remarkable financing transaction in the European capital markets.

As at 30 June 2026, the total credit line obtained by the Guarantor from commercial banks amounted to approximately RMB920.0 billion, which equips the Group with strong short-term and medium-term financing capabilities.

The Group's financing channels continue to expand. The Group established a financing platform that combines short, medium and long-term financing channels including bonds, structured notes, income rights financing, ABS, gold lending, interbank lending and repurchase. As financing tools became more abundant and the scale of financing improved, for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2026, the Group employed financing instruments including but not limited to short-term corporate bonds, subordinated bonds, non-public and public issuance of corporate bonds, structured notes, gold leasing and ABS. As at 30 June 2026, the Group's borrowings and debt financing with fixed interest rate were RMB329,261 million. In particular, the balance of short-term borrowings was RMB30,782 million, the balance of long-term borrowings was RMB162 million, the balance of placements from other financial institutions was RMB37,463 million, the balance of income certificates with fixed interest rate was RMB37,762 million, the balance of corporate bonds was RMB168,264 million, the balance of subordinated bonds was RMB20,248 million and the balance of overseas bonds was RMB34,580 million.

The Group's pool of financing counterparties has expanded from the original "Big 5" state-owned banks and national joint-stock banks to other institutional clients including city commercial banks, rural commercial banks, policy banks, fund companies and insurance companies. Following the emergence of beneficiary certificates, the Group's financing counterparties has also expanded from institutional clients to retail clients, building a solid foundation for the stable source of funding for the Group.

The Group has an experienced management team with a highly proficient professional workforce

The success of the Group is attributable to the sound leadership of its directors and senior management. The majority of the Guarantor's directors, including its chairman, and members of its senior management, including its chief financial officer, general legal counsel and chief compliance officer, secretary of the board and chief risk officer have diverse backgrounds in the industries of financial and technology and have in-depth understanding in the PRC capital markets and securities industries with years of professional working experience. The middle management team also has profound professional experience in the PRC financial and securities industries and has demonstrated excellent execution capabilities and loyalty. The Group is deeply rooted in the corporate culture gene of "technology empowerment, innovation and initiative", and continuously enriches and deepens the cultural connotation of "openness, inclusiveness, innovation, struggle and responsibility", accumulating lasting power and vitality for the in-depth promotion of the "two-pronged" strategy. The Group has established and improved a mechanism for the selection and appointment of talents based on ability and contribution, established a market-oriented employment mechanism and compensation incentive mechanism and actively advanced the share incentive plan towards core and cadre employees.

The Group believes that the strategic vision of its senior management team has distinguished it from its competitors and has allowed it to capture business opportunities arising from product innovation and globalisation of the PRC securities industry. Under the leadership of its senior management team, the Group has completed a series of merger and acquisition transactions to realise its whole business chain strategy, which was proposed by the senior management team to drive the Group's continuous innovation in its business, product and services and achieve transformation and progress in its various business areas. The Group believes that its ability to retain its key employees is attributable to its well-recognised brand name, business prospects, successful recruitment and customised professional training programmes.

BUSINESS STRATEGIES

The Group is firmly convinced that technology is a key variant in breaking traditions and triggering the reform of business models. The technology-empowered "two-pronged" development strategy of wealth management and institutional services, which was officially determined in 2019, has become a core driving force for reshaping the Group's business systems and operation models and the business model, innovation led by digital transformation started to create value.

The Group intends to continue to deepen the technology-empowered "two-pronged" strategy, refine the full-service chain system with the platform-based and ecological development philosophy and build unique brand and competitiveness. The Group has a client-based organisational mechanism, provides a full range of securities and financial services to both individual and institutional clients through an organic online-offline synergy, and is committed to becoming a leading investment bank with strong domestic advantages and global influence.

The Group intends to pursue the following business strategies in order to strengthen its market position:

Enhancing client centricity to generate long-term value

The Group believes in long-term and deep relationships with clients. The Group intends to strengthen its client-centric philosophy, integrated investment banking platform and the whole business chain system. By continuing to enhance client relationship and increase the depth and breadth of its platforms to serve the clients' evolving needs, the Group intends to realise the full potential of its comprehensive business model and generate greater long-term value. In light of the direction of industry focus, regional layout and customer deepening development, the Group will continually enhance its domestic and overseas, in-exchange and OTC cross-market synergy, increase support for science and technology innovation enterprises and comprehensively enhance product service capability and quick response ability of comprehensive services.

Continuing to pursue product and service innovation

The Group constantly facilitates business innovation activities, promotes the innovation of new businesses, new products, services and management modes, and constantly improves its innovation ability. The development of innovative business is a supplement to the existing product lines and business scope, which can effectively release business space, expand client resources and revenue sources, enhance profitability, as well as improve customer structure and business model, meet customers' full and diversified business needs, and further enhance brand influence.

The Group plans to implement a number of different measures to maintain its leading position in the wealth management business. The Group will actively promote the innovation and expand the functions of its e-Platform and other Internet-based financial products and services. The Group intends to optimise the geographical coverage of its branch network while strengthening the branch network's functions as a full-service business platform. The Group plans to build an institutional business platform by aggregating its resources of sales, trading, research and investment find financing services. The Group also has plans to build a tiered wealth management system and to expand its portfolio of financial products for sale. By continuously deploying resources in macro, strategic, industry and overseas market research, the Group will enhance its reputation and market influence.

During its innovative business operation, the Group adheres to the principle of "satisfying market needs, pursuing legally viable approach, enhancing risk control and ensuring efficiency", in the light of the risk characteristics of innovation business, further improving the risk control measures for organisational mechanisms, revising the Measures for Assessment and Management of New Business Risk of the Group, improving the evaluation content and evaluation information, optimising the evaluation process,

preventing the risks of insufficient awareness of the risks in innovation business, unreasonable business design and imperfect control mechanism, improving the evaluation efficiency of innovation business risk on the basis of ensuring the integrity of the overall assessment and the completeness of the evaluation process, and ensuring that all innovation businesses could be carried out constantly and steadily on the premise that the risks are measurable, controllable and bearable.

Strategically expanding and integrating international business

The Group intends to expand the capital base and further develop its international business. In addition, the Group will gradually increase its business presence in the United States and enter into the UK and European markets as well as the markets of Southeast Asia such as Singapore, and explore international business opportunities in potential areas such as investment banking, asset management and wealth management.

Huatai International became the Group's holding platform for international business, wholly holding Huatai Financial Holdings, and was fully integrated into the full business chain system of the Group. Further in 2020, Huatai International completed the structural reorganisation of its U.S. subsidiaries and instead of indirectly holding the U.S. businesses through Huatai Financial Holdings, it now directly holds Huatai International Investment Holdings Limited and the U.S. subsidiaries. The Group effectively promotes cross-border linkage of resources to provide a full range of cross-border integrated financial services for domestic and foreign customers.

Attracting, retaining and developing first class talent

The Group will continue to attract and retain the best talent with financial, technology, and other background by providing competitive remuneration packages and incentive structure. The Group will continue to provide a well-designed training programme to keep its staff updated with the latest trends and knowledge, and enhance their career development paths. The Group has implementation a professional manager system, and the Group has established and improved a mechanism for the selection and appointment of talents based on ability and contribution, established a market-oriented employment mechanism and compensation incentive mechanism and actively advanced the share incentive plan towards core and cadre employees. The Group intends to continue to improve its long-term incentive mechanisms and to promote the morale and vitality amongst its employees.

The Group believes the key to its success is in having a team of top talent with commitment, international vision and strong executive capability. It intends to maintain its competitive edge by refining its market-oriented hiring mechanism targeted at hiring high-end talents with innovative and global vision, strengthening its employee training programme and enhancing its performance-based remuneration structure.

Strengthening technology leadership to drive future growth

The Group will continue to invest in technology and strengthen its research and development capabilities and to leverage technology to improve client services quality and operational efficiency. The Group is working on further integrating technology with its business operations and increasing the connectivity of its front, middle and back offices. The Group believes that continuous improvement of its IT infrastructure, risk management framework and talent pool is vital for developing a sustainable business and maintaining its market leadership. Since 2023, in response to the intelligent transformation trend in the financial industry, the Group has fully embraced and deployed cutting-edge AI technologies, launched the "ALL IN AI" strategy, and focused on promoting the development from comprehensive digital transformation to comprehensive intelligent transformation. It will continue to deepen the integration of technology and business, restructure business processes, organisational models and capability frameworks, and foster new competitiveness in intelligent development.

It intends to continue strengthening its IT systems to support business growth and management, and to enhance its research and development capability. The Group will further integrate and enhance its IT infrastructure and platforms for various business lines, optimise its CRM system and apply artificial intelligence, cloud computing and big data analytics to improve customer service, resource allocation, operating efficiency and targeted marketing. Centring around the strategy of digitalisation and intelligence, the Group will continue to empower employees and customers with a focus on the needs of individual and institutional customers. The Group will also continue to strengthen foundational infrastructure such as the Group-wide data infrastructure and key industry maps, and to deepen intelligent applications across customer service, operations, compliance, office administration, investment research, trading, pricing and risk management.

Besides, the Group will continue to promote the corporate culture of innovation. Internally, it intends to stimulate the innovation capabilities of its different business lines and encourage employees to use AI thinking and technology to improve quality and efficiency and enhance professional value creation capabilities under a human-machine collaborative work mode. Externally, the Group will continue to work with technology companies and universities to build a Fintech ecosystem and enhance its own Fintech capabilities.

The Group will also further improve its key digital platforms such as "ZhangLe Fortune Path", "ZhangLe Global", "Xing Zhi", "Securities Lending Path", "AI ZhangLe", the FICC Elephant Trading Platform and CAMS Credit Analysis Platform to provide the ultimate financial service experience for domestic and foreign individual and institutional customers. In particular, the Group will continue to develop "AI ZhangLe" and specialised AI agents, expand research Skills and multi-dimensional Model Context Protocol ("**MCP**") collections on "Xing Zhi", deepen intelligent investment research, compliance review and brokerage operation systems and promote the use of intelligent agents and lightweight intelligent applications across routine tasks and core business scenarios.

PRINCIPAL BUSINESS SEGMENTS

The Group provides comprehensive financial services to individual, institutional and corporate clients to meet their financial needs. The principal business segments of the Group comprise wealth management business, institutional services business, investment management business and international business. The following table sets forth a breakdown of the Group's segment revenue and other income (including inter-segment revenue) for the years indicated:

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	(RMB in millions)	per cent.	(RMB in millions)	per cent.	(RMB in millions)	per cent.	(RMB in millions)	per cent.	(RMB in millions)	per cent.
	(audited)		(audited)		(audited)		(unaudited)		(unaudited)	
Wealth management business	23,324.80	43.10	19,086.38	40.48	23,970.21	49.81	10,409.82	48.69	15,633.45	48.91
Institutional services business	10,549.35	19.49	8,169.56	17.33	10,101.93	20.99	4,625.81	21.63	7,177.67	22.45
Investment management business	3,358.82	6.21	2,659.85	5.64	3,829.65	7.96	1,917.65	8.97	2,162.90	6.77
International business	12,941.31	23.91	14,968.77	31.74	8,729.61	18.14	3,546.99	16.59	6,567.44	20.54
Others[(1)]	3,944.63	7.29	2,269.49	4.81	1,494.12	3.10	881.14	4.12	424.62	1.33
Total	**54,118.91**	**100.00**	**47,154.05**	**100.00**	**48,125.52**	**100.00**	**21,381.41**	**100.00**	**31,966.08**	**100.00**

(1) Others include other operations of the head office, which mainly includes interest income, share of profit of associates and joint ventures, interest expenses of working capital and cost and expenses of middle offices and back offices.

Wealth Management Business

Overview

The Group provides customers with diversified wealth management services, including securities, futures and options brokerage, financial products sales, fund investment advisory business, and capital-based intermediary business through mobile client APP, professional PC platforms, securities and futures subsidiaries and branch offices, Huatai International and its affiliated overseas subsidiaries, in online and offline modes and through domestic and overseas linkage. For securities, futures and options brokerage, the Group mainly executes trades on behalf of its clients in stocks, funds, bonds, futures and options, etc. to provide trading services. For the financial products sales business, the Group mainly provides customers with a variety of financial products sales services and asset allocation services, and the related financial products are managed by the Group and other financial institutions. The Group's fund investment advisory business mainly entails, upon acceptance of clients' engagement, selecting specific category, amount and timing of trading of investment funds on behalf of its clients within the scope of clients' authorisation in accordance with terms of agreement and submitting trading applications including, among others, subscription, redemption and conversion. In respect of capital-based intermediary business, the Group provides diversified financing services including margin financing and securities lending as well as stock pledged repurchase. Key performance drivers to wealth management business include fee and commission income, interest income, etc.

In recent years, as the central level of market interest rates continued to decline and households' demand for diversified financial asset allocation kept rising, the scope for in-depth development within the wealth management industry continued to expand. Trading activity in the capital market remained relatively brisk, coupled with increased volatility across various asset classes, further drove the deepening of the wealth management industry's shift towards buyer-centric services. Building professional investment, client management and comprehensive service capabilities that were genuinely centred on client interests became a vital foundation for institutions of all types to respond to investors' diverse and personalised wealth management needs. Meanwhile, the accelerated integration of AI technology into various wealth management business scenarios profoundly transformed the industry's service models, operational methods and customer management paradigms. Wealth management institutions of all types actively explored and implemented these scenarios, strengthened refined operations based on client segmentation, intelligent trading and asset allocation, and full-cycle personalised client accompaniment. By leveraging human-machine collaboration, they strengthened inclusive expansion of services whilst enhancing quality and efficiency, and continuously advanced iterative innovation in wealth management services.

Historically, the Group's wealth management business accounted for a majority of its total revenue. For the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, segment revenue and other income from the Group's wealth management business amounted to RMB23,324.80 million, RMB19,086.38 million and RMB23,970.21 million, and RMB10,409.82 million and RMB15,633.45 million, respectively, representing 43.10 per cent., 40.48 per cent. and 49.81 per cent., and 48.69 per cent. and 48.91 per cent. of its total revenue, other income and gains for segments, respectively.

Set out below is a list of the recent awards received by the Group in relation to its wealth management business:

Year	Awards	Organisers/Media
2026	"Best Wealth Management Institution Award" (最佳財富管理機構獎); "Best Wealth Management Brand Award" (最佳財富管理品牌獎); "Best Digital Wealth Management Award" (最佳數字財富管理獎); "Best ETF Ecosystem Award" (最佳ETF生態獎); "Outstanding Talent in Wealth Management Award" (財富管理傑出人才獎); etc.	The selection of the "3rd Wealth Management Huazun Award" (第三屆財富管理華尊獎) held by Cailian Press (財聯社)
2025	"2025 Outstanding Broker Award of Hong Kong Stock Connect" (2025年港股通卓越券商獎); "2025 Outstanding ETF Broker Award of Hong Kong Stock Connect" (2025年港股通ETF卓越券商獎); etc.	Hong Kong Stock Exchange
	"Junding Award for All-round Wealth Management Broker", "Junding Award for APP Pioneer", "Junding Award for All-round Digital Practice", "Junding Award for Wealth Management Brand", etc.	Securities Times — "2025 Junding Award in China's Securities Industry"
	"Award for Best Wealth Management Institution" (最佳財富管理機構類); "Award for Best ETF Ecosystem" (最佳ETF生態類); "Award for Best Fund Investment Advisory" (最佳基金投顧類); etc.	The selection of the "Wealth Management Huazun Award" (財富管理華尊獎) held by Cailian Press (財聯社)
	"ETF Liquidity Service Provider" (ETF流動性服務商); etc.	The selection of the "Yinghua Typical Cases for Index Ecosystem in 2025" (2025年指數生態圈英華典型案例) held by China Fund News (中國基金報)
	"Best Comprehensive Wealth Management Institution" (最佳綜合財富管理機構); "Most Distinctive ETF Ecological Service Institution" (最具特色ETF生態服務機構); etc.	The selection of the "Golden Kylin Award" (金麒麟獎) held by Sina Finance (新浪財經)
	"Golden Bull Award for Fund Investment Advisory Institutions" (基金投顧機構金牛獎); "Golden Bull Award for Fund Investment Advisory Smart Technology" (基金投顧智能科技金牛獎); etc.	The selection of the "Third Session of Golden Bull Award for Fund Investment Advisors" (第三屆基金投顧金牛獎) held by China Securities Journal (中國證券報)
	"2024 Outstanding Broker Award of Hong Kong Stock Connect" (2024年港股通卓越券商獎); "2024 Outstanding ETF Broker Award of Hong Kong Stock Connect" (2024年港股通ETF卓越券商獎); "2024 Outstanding ETF" (2024年港股通ETF卓越券商獎); etc.	Hong Kong Stock Exchange
2024	"2024 Junding Award for All-round Wealth Management Broker in China's Securities Industry"; "2024 Junding Award for All-round Digital Transformation in China's Securities Industry"; etc.	Securities Times — "2024 Junding Award in China's Securities Industry"
	"2024 Junding Award for Wealth Management Service Brand in China's Securities Industry"; "2024 Junding Award for Digital Pioneer Application in China's Securities Industry"; etc.	
	"Excellent ETF Liquidity Service Provider"; "Excellent ETF Seller"; etc.	China Fund News — "Yinghua Award"

Year	Awards	Organisers/Media
	"Golden Bull Award for Fund Investment Advisory Institutions"; etc.	China Securities Journal — Second Session of Golden Bull Award for Fund Investment Advisory Institutions
	"Award for Best Institution in Wealth Management";	"Award for Best Wealth Management Practice"; "Award for Best Investment Advisory Team"; etc.
		Cailian Press — "Billion Award"
	"2024 Most Comprehensive Wealth Management Broker"; "2024 Most Innovative Broker for Fund Investment Advisory Services"; etc.	National Business Daily — "Jinding Award"
	"2024 Outstanding Broker Demonstration Institution for Wealth Management"; "2024 Outstanding Investment Adviser Demonstration Institution"; "2024 Outstanding Broker Demonstration Institution for Clients"; etc.	China Fund News — "2024 Yinghua Award for Brokers in China"
	"2024 Outstanding Broker Application Demonstration Institution"; etc.	
2023	"No. 1 Monthly Activity Users in the industry for the first half of 2023" (for ZhangLe Fortune Path)	Analysys
	"Golden Bull Award for Fund Investment Advisory Institutions"	China Securities Journal — "First Session of Golden Bull Award for Fund Investment Advisory"
	"Top 10 Brand APP in the Securities Industry in China" (for ZhangLe Fortune Path)	Securities Times — "First Session of Junding Award for the Digital Transformation of the Securities Industry in China"
	"Investment Advisory APP in the Securities Industry in China" (for ZhangLe Fortune Path)	
	"2023 Outstanding Broker Award of Hong Kong Stock Connect"; "2023 Outstanding ETF Broker Award of Hong Kong Stock Connect"; "2023 Mainland Broker Award for Long-term Contribution to Security List"; etc.	The Stock Exchange of Hong Kong Limited
	"2023 Top 10 Options Broker"	Shanghai Stock Exchange
	"2023 Outstanding Options Broker"	Shenzhen Stock Exchange

Online Platform

In adherence to the values centring on customers' demand, the Group continues to strengthen digital operation and management and take advantage of its strengths in platform to develop functions including multi-dimensional, intelligent potential customer development, customer acquisition and conversion, and asset allocation. The Group has invested significant resources in the research and development of advanced technologies in recent years, such as big data and artificial intelligence, and transformed its online platform from an information and trading-based channel to a new intelligent wealth management platform. The Group continues to promote technology empowerment and platform-driven concept, enhance the products and services innovation on the ZhangLe Fortune Path platform, ensuring its leading market position and maintaining its competitive advantages. From the formation of wealth management financial service scenes, the development of smart tools and the technological innovation of differentiated market transactions, the Group intends to actively establish a technology platform around the evolving market trends of wealth management customers, focusing on expanding both customer and

asset scales, and comprehensively improving customer service levels. During the year of 2024, for "ZhangLe Fortune Path", the Group continued to deepen the application of AI technology, continuously enriched the core customer service scenarios, made efforts to improve the special services such as ETF projects, asset allocation and "Investment-leading Officers" (领投官), and upgraded and iterated the branded "i Kan" (i看) financial content platform, further improving the platform-based content service system and customer operation model, and effectively enhancing customers' professional trading and financial service experience. During the year of 2025, the Group launched the "AI ZhangLe" APP, the first AI-native financial trading terminal in the industry. The APP focuses on trading scenarios, striving to create a new AI-driven trading service model, bringing investors a more professional and efficient experience, and leading the intelligent transformation of trading services, which has fundamentally reshaped the interaction between investors and financial services. Its significance lies not only in the innovation of service models, but also in driving the full connectivity of back-office data governance, investment research, trading, and risk management systems. During the first half of 2026, the Group launched the revamped version of AI ZhangLe app. With a focus on AI-enabled capabilities and enhanced trading experiences, the Group upgraded the core trading service intelligent agent, improved collaborative service capabilities, and continuously optimised trading tools and advanced strategies, so as to further enhance the differentiated competitive advantages of intelligent trading services.

The Group is able to perform big data analytics and categorise its customers into different groups based on their needs and behaviours. Extensive data analytics and effective customer profiling enable the Group to deliver more targeted services and information that appeal to its customers through standardised procedures on its online platform to expand its service coverage and improve customer experience.

Wealth Management Platform

The Group offers customised wealth management services to affluent customers primarily through the wealth management platform, supported by a large and experienced team of wealth management advisers and an extensive branch network.

The wealth management advisers are primarily responsible for providing comprehensive financial services. They are equipped with the Group's proprietary digital operation and management systems which integrate the Group's customer service capabilities, full suite of third-party and proprietary financial products and portfolio management strategies. These systems are intended to visualise and capture customer demand and facilitate customer relationship. Based on customers' risk profiles, preferences and goals, the Group's wealth management advisers recommend suitable asset allocation strategies and financial products across asset classes. The Group has practised the orientation of mobilisation, digitisation and intelligence, actively created a one-stop, professional, and benchmarking wealth management platform, and provided multi-dimensional contents and a detailed analysis on market insight, macro-economy, sectors and individual securities to the customers.

Branch Network

In addition, the Group has one of the largest branch networks among PRC securities firms, with 251 securities branch offices permitted to be engaged in Futures IB Business as at 30 June 2026.

The Group's branches are mainly located in the economically developed regions with high concentrations of affluent individual and institutional clients, such as the Yangtze River Delta, the Pearl River Delta and the Bohai Rim.

These branches are full-service platforms that are responsible for providing customised wealth management services to affluent individual and institutional clients, aggregating product resources to satisfy diverse client needs and cross-selling with other business lines by leveraging local resources.

Products and Services

The Group's wealth management business primarily covers the following activities:

- *Securities, futures and options brokerage*. The Group executes trades on behalf of its customers in stocks, funds, bonds, futures and options, etc. to provide trading services.

- *Financial products sales*. The Group mainly provides customers with a variety of financial products sales services and asset allocation services, and the related financial products are managed by the Group and other financial institutions.

- *Fund investment advisory business*. The Group's fund investment advisory business mainly entails upon acceptance of clients' engagement, selecting specific category, amount and timing of trading of investment funds on behalf of its clients within the scope of clients' authorisation in accordance with terms of agreement and submitting trading applications including, among others, subscription, redemption and conversion.

- *Capital-based intermediary services*. The Group provides diversified financing services including margin financing and securities lending as well as stock pledged repurchase.

Securities, Futures and Options Brokerage Business

The Group engages in the trading of various types of securities on behalf of its customers, including:

- *Stocks*: stocks of listed companies on the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange (through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect);

- *Funds*: listed funds, including open-ended funds, close-ended funds and ETFs;

- *Bonds*: bonds that are listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, including treasury bonds, corporate bonds and convertible bonds; and

- *Stock options*: SSE 50 ETF options.

The Group has established a sound investment advisory service system featuring both standardised paradigm and personalised advantages, continuously improved professional training, platform empowerment and incentive guidance mechanism, and actively built a professional and high-quality investment advisory team to continuously enhance the effective coverage of clients and the depth of asset allocation. According to internal statistics, as at 30 June 2026, the number of the Group's staff registered for carrying out securities investment consultancy (investment advisory) with the Securities Association of China (中國證券業協會) was 3,961.

The Group provides futures brokerage services through its subsidiary, Huatai Futures, which is a member of the Shanghai Futures Exchange, the Zhengzhou Commodity Exchange, the Dalian Commodity Exchange and the China Financial Futures Exchange. In May 2019, the Group was named by the China Financial Futures Exchange as one of the first batch of treasury bond futures dealers in the PRC. As at 30 June 2026, there were nine futures branches and 38 futures offices in total covering four municipalities directly under the Central Government and 17 provinces in China, with 168 tradable futures under its agency. The Group had 251 securities branch offices permitted to be engaged in Futures IB Business.

Financial Products Sales

The Group engages in the sales of diverse financial products by third-party financial institutions, such as mutual fund management companies, private investment fund management companies and trust companies. In March 2020, the Group obtained the qualification to conduct pilot fund investment advisory business and actively promoted business development by launching the "ZhangLe Investment" (漲樂星投) fund investment advisory service brand, to accelerate the transformation of investment advisory services oriented to buyers instead of seller itself, thus effectively improving customer asset allocation service capabilities. As at 30 June 2026, the number of financial products on offer (except for the cash management product "Tian Tian Fa" (天天發)) was 17,304 and their sales scale (except for the cash management product Tian Tian Fa) was RMB351.264 billion.

The fund investment advisory business grew steadily, with a business scale of RMB30.592 billion as at 31 December 2025. According to the statistics from the Asset Management Association of China (中國證券投資基金業協會), in the second half of 2025, the Group's equity public funds maintained a scale of RMB143.2 billion, the funds in the non-monetary market maintained a scale of RMB209.9 billion, and the equity index funds maintained a scale of RMB137.3 billion, all ranking second in the securities industry.

During the year of 2025, with the focus on the differentiated and multi-level demands of classified and stratified customers for asset allocation and with the buyer side investment advisory business as the core, the Group continued to enrich and improve the supply system of financial products. It established an allocation supply matrix for buyer side investment advising based on various dimensions, continued to enhance the product selection and risk prevention and control capabilities, and provided multi-dimensional solutions from the selection of single products to the allocation of strategies and tailor-made allocation. It further improved the buyer side investment advisory allocation system, intensified the research and application of diversified assets allocation, and optimised the "Worry-free Families" (省心家族) allocation service, continuously increased the richness of "Worry-free Investment" (省心投) strategies, and personalised allocation solutions for customers through "Worry-free" (省心享). It continuously optimised the advisory service system of buyer-side investment advising, fostered the "Investment-leading Officers" (領投官) service model, provided professional support with the asset allocation service platform as the base, and proactively created the investment service system with "Principal (主理人)" and "Investment-leading Officers (領投官)" as dual cores. It enhanced the capability construction of digital platforms, continued to build the core middle platform system for buyer-side investment advising, established an open factor research and strategy algorithm platform, and iteratively upgraded the account diagnosis and asset allocation tools; it actively explored the application scenarios of AI large model-enabled product allocation, and enhanced the business support of investment research to investment advisors through the full connection with investment advisor service workflows, so as to enhance the overall business efficiency and capability of empowerment.

Fund Investment Advisory Business

In terms of fund investment advisory business, the Group strengthens and improves the strategic investment and research system, operation promotion system, service system and related its platforms, continuously optimises customer service scenarios, customer service plans and companion services, strengthens business training and publicity, and continuously improves customer coverage through continuous customers operations. It continues to improve its strategic investment and research infrastructure, building a fund investment and research system integrating asset research, allocation research and fund research, optimised transaction management and risk control management to effectively improve customer asset allocation service capabilities. The Group's fund investment advisory business covers three major customer demand scenarios, namely managing spare money, outperforming inflation, and pursuing income. In addition, the Group focuses on strengthening the construction of a digitised empowerment platform by actively building a digitised platform structure, with an aim to effectively enhance its overall business efficiency and capability.

Capital-based Intermediary Services

The Group's capital-based intermediary services include margin financing and securities lending, as well as securities-backed lending.

- **Margin financing and securities lending**

  The Group offers collateralised financing through its margin financing services to brokerage customers who wish to finance their securities purchases and also lends securities held in its own accounts to brokerage customers through its securities lending services.

  The Group earns net interest income from margin financing and securities lending and also earns fee and commission income from margin trades. According to the regulatory statement data, as at 31 December 2023, 2024 and 2025, the Guarantor's balance of margin financing and securities lending business amounted to RMB122.515 billion, RMB130.107 billion and RMB184.089 billion, respectively. As at 30 June 2026, the balance of the Company's domestic margin financing and securities lending business was RMB225.640 billion, and the overall maintenance margin ratio was 299.80 per cent.

  The Group determines the credit limit of its customers based on various factors, such as the total value of their assets maintained with the Group and their creditworthiness. The Group has also responded quickly to market and regulatory requirements changes, improved the marketing service system, strengthened risk prevention and control, improved the effectiveness of risk management control, promoted high-quality development of the capital-based intermediary business, and continued to expand brand influence. The Group has established a risk management warning mechanism through which it monitors the value of its customers' collateral and maintenance margin ratios on a real time basis. If the maintenance margin ratio is below the alert level for the first time, the Group will send alerts to customers.

- **Securities-backed lending**

  In a securities-backed lending, customers pledge their securities to the Group as collateral and the Group provides loans to its customers at an interest.

  The Guarantor requires its securities-backed lending customers to provide sufficient collateral and monitors its customers' collateral coverage ratio on a real-time basis.

  The Group emphasises the risk management of securities-backed lending business, focusing on the customer concentration risk. The Group also closely monitors the daily liquidity and quality of underlying securities as collateral and the repayment source of the borrowers.

  According to the regulatory statement data, as at 30 June 2026, the pending repurchase balance of domestic stock pledged repurchase business was RMB16.647 billion in total, with an average performance guarantee ratio of 272.41 per cent.

Institutional Services Business

With investment banking serving as the traction and institutional sales serving as a link, the Group integrates investment banking, institutional investor services and investment trading business resources to provide various types of corporate and institutional clients with all-round comprehensive financial services, which mainly include investment banking business, prime brokerage business, research and institutional sales business and investment and trading business. For the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026, segment revenue and other income

from the Group's institutional services business amounted to RMB10,549.35 million, RMB8,169.56 million and RMB10,101.93 million, and RMB4,625.81 million and RMB7,177.67 million, respectively, representing 19.49 per cent., 17.33 per cent. and 20.99 per cent., and 21.63 per cent. and 22.45 per cent. of its total revenue, other income and gains for segments, respectively.

Set out below is a list of the recent awards received by the Group in relation to its institutional services business:

Year	Awards	Organisers/Media
2026	"2025 Elite Interest Rate Bond Market Maker" (2025年利率債做市菁英); "2025 Elite Local Government Bond Market Maker" (2025年地方債做市菁英); "2025 Top 100 Bond Market Trading Institutions" (2025年債券市場交易百強機構); etc.	Shanghai Stock Exchange
	"2025 Pioneer Institution for Interest Rate Bond Market-Making" (2025年利率債做市先鋒機構); "2025 Top 100 Institutions for Bond Trading" (2025年債券交易百強機構); etc.	Shenzhen Stock Exchange
	"Active Institution for Standard Interest Rate Swaps" (標準利率互換活躍機構); "Active Institution for Standard Bonds" (標債活躍機構); etc.	China Foreign Exchange Trade System
	"2025 Outstanding Clearing Member" (2025年度優秀清算會員); "2025 Outstanding Institution for Proprietary Clearing of Standard Bond Forwards" (2025年度標準債券遠期自營清算優秀機構); "2025 Outstanding Underwriting Supervisor" (2025年度優秀承銷主管); etc.	Shanghai Clearing House
	"Best Domestic Investment Bank" (本土最佳投行); "Best M&A Investment Bank" (最佳併購投行); "Best ESG Investment Bank" (最佳ESG投行); "Best Investment Bank in the Consumer Sector" (大消費產業最佳投行); "Best Investment Bank in the Healthcare Sector" (大健康產業最佳投行); "Best Investment Bank in the Technology and Smart Manufacturing Sector" (科技與智能製造產業最佳投行); etc.	The selection of "2026 New Fortune Magazine Best Investment Banks" (2026新財富雜誌最佳投行) held by New Fortune (新財富)
	"Best Investment Bank" (最佳投行); "Best A-share Equity Underwriter" (最佳A股股權承銷商); "Best A-share IPO Underwriter" (最佳A股IPO承銷商); "Best A-share Refinancing Underwriter" (最佳A股再融資承銷商); "Best STAR Market Equity Underwriter" (最佳科創板股權承銷商); "Best ChiNext Equity Underwriter" (最佳創業板股權承銷商); "Best M&A and Restructuring Financial Advisor in China" (最佳中國併購重組財務顧問); etc.	The selection of "2025 Best Investment Bank" (2025最佳投行) held by Wind Information
2025	"Rating A in Comprehensive Evaluation on Stock Market Makers on the STAR Market in 2025 (科創板股票做市商 2025 年度綜合評價 A 評級)", "Rating AA in Comprehensive Evaluation on Main Market Makers for Shanghai-Listed Funds in 2025 (滬市上市基金主做市商2025年度綜合評價AA評級)" "Outstanding Bond Market Maker" (債券市場做市商); "Top 100 Institution on Bond Market" (債券市場百強機構); etc.	Shanghai Stock Exchange

Year	Awards	Organisers/Media
	"Top 100 Institution in Bond Trading" (債券交易百強機構); "Pioneer Institution for Bond Securitising" (債券創新先鋒機構); etc.	Shenzhen Stock Exchange
	"Market Outstanding Co-contribution Institution" (市場卓越共建機構); "Market Innovative Business Institution" (市場創新業務機構); etc.	China Foreign Exchange Trade System
	"Best Local Investment Bank" (本土最佳投行); "Best Investment Bank of Competitiveness in Overseas Markets" (海外市場競爭力投行); "Best M&A Investment Bank" (最佳併購投行); "Best ESG Investment Bank" (最佳ESG投行); "Best Investment Bank in Consumer Industry" (大消費最具競爭力); "Best Investment Bank in Healthcare & Medical Industry" (大健康產業最佳投行); "Best Investment Bank in Science & Intelligent Manufacturing" (科創及智能製造領域最佳投行); etc.	The selection of "2025 New Fortune Magazine Best Investment Banks" (2025新財富最佳投行) held by New Fortune (新財富)
	"Best Derivative Manufacturer Securities House" (最佳衍生品創設券商); etc.	The selection of the "SRP China 2025 Awards" (2025年度SRP中國獎項) held by Structured Retail Products, a provider of structured products market consulting
	"Best Investment Bank" (最佳投行); "Best A-share Equity Underwriter" (最佳A股承銷商); "Best A-share IPO Underwriter" (最佳A股IPO承銷商); "Best A-share Refinancing Underwriter" (最佳A股再融資承銷商); "Best A-share Corporate Bond Underwriter" (最佳A股企業債承銷商); etc.	The selection of "2024 Best Investment Bank" (2024最佳投行) held by Wind Information
2024	"Rating A in Comprehensive Evaluation on Stock Market Makers on the STAR Market in 2024"; "Rating A in Comprehensive Evaluation on Main Market Makers for Shanghai-Listed Funds in 2024"; "2023 Outstanding Stock Market Maker on the STAR Market"; "2023 Outstanding Market Maker for Funds"; "2023 Outstanding Market Maker for Public REITs"; "2023 Outstanding Market Maker for Bonds and ETFs"; etc.	Shanghai Stock Exchange
	"2023 Outstanding Supporting Unit for Comprehensive Services and Consultancy for SOEs" (for Huatai United Securities)	
	"Best Domestic Investment Bank"; "Best Investment Bank in Practicing ESG"; "Best Investment Bank in Equity Underwriting"; "Best Investment Bank in Bond Underwriting"; "Best IPO Investment Bank"; "Best Refinancing Investment Bank"; "Best Investment Bank in Merger and Acquisition"; "Best Investment Bank in Corporate Bonds"; "Best Investment Bank in Asset Backed Securitisation"; "Best Investment Bank in Serving Overseas Markets"; etc. (for Huatai United Securities)	New Fortune — "Seventeenth Session of Best Investment Bank"
	"2024 Junding Award for All-round Investment Banking in China's Securities Industry"; "2024 Junding Award for M&As and Reorganisation Financial Advisory in China's Securities Industry"; etc. (for Huatai United Securities)	Securities Times — "2024 Junding Award in China's Securities Industry"

Year	Awards	Organisers/Media
	"Rating AA in Evaluation on Liquidity Services for Shenzhen-Listed Funds in 2024"; "Excellent Fund Liquidity Service Provider in 2023"; "Excellent Participant in the Innovation of Bond Trading Business of 2023"; "Excellent Bond Market Making Institution"; "Excellent Institution for Cross-Market Bond Trading"; etc.	Shenzhen Stock Exchange
	"Outstanding Underwriter for Fixed Income Innovative Products of 2023" (for Huatai United Securities)	
	"Best Performance — Securities House"; "Head of the Year"; "Best Derivative Manufacturer — Securities House"	Structured Retail Products — "SRP China Awards 2023"
	"Institution with Market Influence of the Year"; "Market Innovative Business Institution"; "Derivatives Innovation Award"; "Automated Trading Award"; "Star of Bond Carry Trade Strategy"; etc.	China Foreign Exchange Trade System
	"2024 Best Merger among Brokers and Investment Banks"; "2024 Innovation Leadership Project Award"; "National Business Daily — Jinding Award"; etc.	(Huatai United Securities)
2023	"Best Domestic Investment Bank"	New Fortune — "Sixteenth Session of Best Investment Bank"
	"Best Investment Bank in Practicing ESG"	
	"Best Investment Bank in Equity Underwriting"	
	"Best Investment Bank in Bond Underwriting"	
	"Best Refinancing Investment Bank"	
	"Best IPO Investment Bank"	
	"Best Investment Bank in Mergers and Acquisitions"	
	"Best Investment Bank in Serving Overseas Markets"	

Investment Banking

Investment banking business primarily consists of domestic and overseas equity financing, bond financing, financial advisory, OTC business, etc. For equity financing business, the Group provides issuance and underwriting domestic and overseas IPO, equity refinancing and depository receipts for its clients. For bond financing business, the Group provides issuance and underwriting services including various types of domestic and overseas bond financing and asset securitisation for its clients. For financial advisory business, the Group provides professional services including industrial merger and acquisition, share acquisition, financing advisory, corporate restructure and public offering of REITs for its clients. For OTC business, the Group provides clients with NEEQ listing and follow-on financing services, and relevant OTC businesses. Key performance drivers to investment banking business include underwriting and sponsorship fees, financial advisory fees, etc. for stocks, bonds and merger and acquisition business. Institutional services business.

The Group's investment banking business is a leading force in its full-service business platform. Leveraging its sector and product expertise and proven financial advisory capability, the Group is able to offer customised investment banking services to corporate clients throughout their entire life cycle. As the PRC economy continues to transform, the Group is best positioned to capturing the most valuable

business opportunities based on its long-term focus on strategic and emerging sectors. The Group is committed to active participation in industry consolidation and selectively engaging clients with high growth potential. In the evaluation on the quality of securities firms' practices in investment banking, bond business and financial advisory businesses in 2024 released by the Securities Association of China (中國證券業協會), Huatai United Securities was rated A in terms of each category.

Financial Advisory Business

The Group's M&A advisory team was established in 2004, the first in the PRC securities industry. The Group believes that "Huatai United" is the most recognised investment banking brand in the PRC M&A market, with deep industry insight that leads the M&A market trends in China. The Group prioritises in advancing benchmark large-scale and innovative projects, focuses on capabilities on the identification of high-value transaction opportunity and deal-making, and vigorously develops customer continuous services, thus maintaining the leading position of the M&A and restructuring business. During the year ended 31 December 2025, according to the statistics of public information disclosed by listed companies, the Group served as the independent financial adviser for eight approved auditing restructuring projects and eight registered projects by the CSRC, both ranking first in the industry; the number of first disclosure of transactions regarding change in control for which the Group acted as the financial adviser was 16, and the number of completed transactions was 12, both ranking first in the industry. According to statistics based on publicly disclosed information by listed companies, during the first half of 2026, the Group acted as an independent financial adviser on seven restructuring projects that were approved by the stock exchange, ranking first in the industry; the total value of these projects was RMB93.385 billion, ranking second in the industry.

The following table sets out some landmark M&A and restructuring transactions in which the Group acted as a financial adviser for the years indicated:

Year	Client	Transaction Value	Transaction Highlights
		(RMB in billions)	
2024	Guolian Minsheng Securities	29.5	First securities firm M&A restructuring transaction to receive registration approval since the new "Nine National Guidelines"
2024	3Peak	1.1	First M&A restructuring transaction using targeted convertible bonds as a payment tool
2023	Tongling Nonferrous Metals	6.7	First restructuring transaction since 2021 using targeted convertible bonds as a payment method and supporting financing
2023	Zhengzhou Yutong Group	11.5	Tender offer to shareholders of Yutong Heavy Industries, with the number of shares involved amounting to 148 million shares
2022	Xcmg Construction	38.7	The largest merger and acquisition transaction to date in the equipment manufacturing industry
2022	Runze Technology	14.3	The first restructuring and listing project on the Growth Enterprise Market of Shenzhen Stock Exchange
2022	Guangdong Hec Technology	3.7	The first A-share cross-border transaction through major asset restructuring H-share full circulation project
2021	Founder Group	73.3	The benchmarking transaction of Restructuring of Large Enterprise Groups and School-Enterprise Reforms
2020	Zhefu Holding Group	14.5	The largest M&A transaction in hazardous waste industry in the A-share market
2020	Tiansha Aluminum	17.0	The largest M&A transaction approved by the CSRC in the year of 2020
2020	Huaxing	1.0	The first STAR Market M&A approved by the Shanghai Stock Exchange

Year	Client	Transaction Value	Transaction Highlights
		(RMB in billions)	
2019	Yuanchuang Shineway	39.1	The largest disclosed transaction value of asset restructuring project in 2019
2019	Wingtec	26.7	The largest semiconductor M&A transaction in the A-share market
2018	Offcn Education	18.5	The first education company to be listed by reverse merger, and become the largest education company in A-share market
2018	QuMei	5.1	Acting as financial adviser supported by Huatai Purple Gold Investment Co., Ltd. and successfully closing tender offering for all shares in Ekornes ASA (Norway's largest furniture maker)
2018	Baidu	12.0	Facilitated Baidu's artificial intelligence and Fintech strategy and completed a spin-off and private capital raising from global investors
2018	360	50.4	Successful overseas privatisation and the largest A share listing of an internet company
2017	SF Express	43.3	Restructuring and A share listing of SF Express, largest domestic reverse takeover deal of the year
2017	Zotye Auto	11.6	Restructuring and capital raising to invest in the research and development of new energy Vehicles
2017	Minmetals Capital	18.5	Group restructuring and listing of Minmetals Capital to build a comprehensive financial and industrial investment platform
2017	Health 100	2.7	Staged acquisition of Ciming by Health 100 to reshape the competitive landscape in the private physical examination industry

The Group's M&A-focused financial advisory business is the core competence of its investment banking business. The Group's M&A practice adopts market-oriented approach and assists its clients to achieve strategic expansion and industry consolidation. The Group believes that its outstanding performance in M&A advisory business enables it to provide value-add beyond ordinary investment banking services, which allows it to gain client loyalty and create synergies with other business lines.

Equity Financing Business

The Group's equity financing services include IPOs and follow-on offerings (such as private placement and rights issue), for corporate clients in China. In recent years, the Group's equity underwriting business has covered more key regions and high-quality customers, prospectively engaged in the science and technology innovation field and other key industries, fully grasped the opportunity of the STAR Market and the pilot programme of the registration system of ChiNext Market, maintaining sound development, professional competence and reputation.

According to the statistics from Wind Information, for the year ended 31 December 2025, the Group's equity lead-underwriting amount (including IPOs, additional offerings, allotment of shares, preferred shares, convertible bonds and exchangeable bonds) was RMB66.712 billion, ranking first in the industry. Based on internal and external statistics, for the year ended 31 December 2025, Huatai Financial Holdings sponsored 22 Hong Kong IPO projects, ranking third in the market in terms of sponsorship volume. According to the statistics from Wind Information, for the six months ended 30 June 2026, the Group performed 21 deals of equity lead-underwriting (including IPOs, additional offerings, allotment of shares, preferred shares, convertible bonds and exchangeable bonds), with a lead-underwriting amount of RMB53.262 billion, representing a significant year-on-year increase. During the first half of 2026, the Group continued to support technological innovation, assisted Aitec, a leading enterprise in the localisation of the automotive electronics industry, in successfully listing on the main board of the Shanghai Stock Exchange, and completed the private placement by China Energy Engineering Corporation, one of the top-five refinancing projects in the whole market, further consolidating its market-leading position in the refinancing segment.

The Group serves a wide range of clients, especially industry leaders, in its equity underwriting business, including large state-owned enterprises and well-known privately owned enterprises.

The following table sets out certain major equity underwriting offerings for the years indicated:

Period	Issuer	Offering Size (RMB in millions, unless otherwise specified)	The Group's Roles	Transaction Highlights
2024	Pony AI	2,190	Joint Underwriter	The largest autonomous driving IPO on the US stock market in 2024
2024	Shanghai Longcheer Technology	1,560	Sponsor	Top five IPO projects in 2024
2024	S.F. Holdings	HKD5,830	Joint Sponsor	Top five IPO projects on the Hong Kong stock market in 2024
2023	Jinko Solar	10,000	Joint Lead Underwriter	Largest convertible bond project on the STAR Market
2023	Trina Solar	8,866	Sponsor	Second largest convertible bond project on the STAR Market
2023	United Nova Technology	11,070	Joint Lead Underwriter	Second largest A-share IPO in 2023
2023	Hesai Group	1,386	Joint Underwriter	First Chinese LiDAR company to be listed on the US stock market
2022	SMOClinPlus	700	Sponsor	The first Chinese clinical trial SMO on the A share market
2022	EverPace	1,200	Sponsor	The first medical device IPO (application lodged following fifth set of listing standards for the STAR Market)
2022	Zhongyuan Bank	5,003	Placing Agent and Joint Global Coordinator	The largest placement in Hong Kong in Global Coordinator 2022
2022	Hualan Biological Bacterin	2,276	Sponsor and Lead Underwriter	The first biopharmaceutical company to spin off to GEM
2022	Suzhou Everbright Photonics	2,739	Sponsor and Lead Underwriter	The first A-share IPO laser chip company
2022	RemGen	2,612	Sponsor and Joint Lead Underwriter	A+H share IPO Biopharmaceutical companies
2022	Tongwei	12,000	Sponsor and Lead Underwriter	The largest scale convertible bonds issued by private enterprises in the first half of 2022
2021	Zwsoft	2,331	Sponsor and Lead Underwriter	The first A share IPO of an industrial Underwriter software CAD company
2021	Eastroc Beverage	1,851	Sponsor and Lead Underwriter	The largest IPO of an energy drinks company
2021	China Three Gorges Renewables	22,713	Joint Lead Underwriter	The largest IPO in China's power industry
2021	Zoomlion Heavy Industry Science And Technology	A share: 5,199 H share: 1,136	A share: Sponsor and Lead Underwriter H Share: Exclusive Placing Agent and Financial Advisor	The first A+H share IPO of a construction machinery company

Period	Issuer	Offering Size (RMB in millions, unless otherwise specified)	The Group's Roles	Transaction Highlights
2020	Farasis	2,724	Sponsor and Lead Underwriter	The first IPO in Power Battery industry of the STAR Market
2020	Shuanghui	7,000	Sponsor and Lead Underwriter	The largest private placement in the A share market of a consumer goods company
2019	HYC Technology	97	Sponsor and Lead Underwriter	The first IPO of SSE STAR Market
2018	Avary Holding	3,714	Sponsor and Lead Underwriter	The first spin-off and A share IPO of a Taiwan public company
2018	Mindray	5,934	Sponsor and Joint Lead Underwriter	The largest A-share IPO in the history of the GEM
2018	WuXi AppTec	2,300	Sponsor and Lead Underwriter	The first US de-listing and A share IPO of a healthcare company
2018	Jiangsu Financial Leasing	4,000	Sponsor and Lead Underwriter	The first A share IPO of a financial leasing company
2018	Yujiahui	858	Sponsor and Lead Underwriter	The first A share IPO of an e-commerce company
2017	reader Technology	166	Sponsor and Lead Underwriter	The first A share IPO of an e-reading platform
2017	Industrial Bank	26,000	Sponsor and Lead Underwriter	The second largest private placement in the A share market
2017	Bank of Jiangsu	20,000	Joint Sponsor and Joint	The largest preferred share offering in China of the year

Bonds Financing Business

The Group has a full-licence bonds financing business which covers enterprise bonds under the NDRC, corporate bonds under the CSRC, debt financing instruments of non-financial enterprises under NAFMII, financial institution bonds under PBOC and asset-backed securities. The Group is a syndicate member of treasury bonds issued by the MOF and financial institution bonds issued by China Development Bank and the Import-Export Bank of China. According to statistics from Wind Information, for the years ended 31 December 2023, 2024 and 2025, the Group's lead-underwriting amount of bonds was RMB1,255.9 billion, RMB1,296.0 billion and RMB1,411.5 billion, respectively. During the year ended 31 December 2025, the Group underwrote a total of 82 green bonds with RMB22.370 billion and 290 technological innovation bonds with RMB81.072 billion. For the six months ended 30 June 2026, the Group acted as lead underwriter for 1,971 bond issues across all categories, with a total underwriting amount of RMB718.865 billion, representing a steady year-on-year increase and maintaining its leading position in the industry. During the same period, the Group underwrote a cumulative total of 28 green bond issues worth RMB9.590 billion and 110 science and technology innovation bond issues worth RMB28.385 billion. Meanwhile, the Group developed a number of high-quality and innovative projects, assisting Ningbo Ocean Shipping in issuing the nation's first "Belt and Road" blue corporate bond and supporting Nanjing Biomedical Valley in issuing the first domestic technology innovation corporate bond based on the commercialisation of university research outcomes.

The following table sets out certain major debt underwriting offerings for the periods indicated:

Period	Issuer	Offering Size	The Group's Roles	Transaction Highlights
		(RMB in millions)		
2024	XCMG Construction Machinery Co., Ltd.	2,000	Lead Underwriter and Bookrunner	Assisted in building a world-class port enterprise, contributing to the goals of China as a 'Maritime Power' and 'Transportation Power'
2023	Hangzhou Xiacheng District State-owned Investment Holding Group Co., Ltd.	500	Lead Underwriter and Bookrunner	China's first district and county urban investment transformation sci-tech innovation bond
2023	Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd.	2,000	Lead Underwriter and Bookrunner	Strongly supported the manufacturing industry
2022	Chengdu Industrial Investment Group Co., Ltd.	1,000	Lead Underwriter and Bookrunner	The first scientific and technological innovation corporate bond in Sichuan Province
2022	Chongqing Maohe Infrastructure Construction Co., Ltd.	975	Lead Underwriter	China's first PPP asset-backed commercial paper
2021	China Energy Investment	5,000	Joint Lead Underwriter	The first carbon neutral green bonds on the SSE
2021	Chengdu High-tech Investment Group	500	Lead Underwriter	The first technology innovation corporate bonds
2020	Nanjing Jiangbei new district public assets Investment Development Co., Ltd	490	Underwriter/Bookrunner	The first domestic non-financial enterprise climate bond
2018	Beijing Infrastructure Investment	33,000	Joint Lead Underwriter	The first public issuance of corporate bonds by a rail transit corporation in China
2018	Suning Appliance Group	13,979	Joint Lead Underwriter	One of the best ABS deals of New Fortune Awards in 2018
2017	China Construction Bank	337,345	Joint Lead Underwriter	A number of financial institution bonds and ABS issuances
2017	China Merchants Bank	126,217	Joint Lead Underwriter	A number of ABS issuances, awarded one of the best ABS deals of New
2017	China Communications Construction Company	16,000	Joint Lead Underwriter	Fortune Awards in 2018 The largest exchangeable bond issuance to date in China

OTC Business

The Group provides small and medium enterprise clients with NEEQ listing and follow-on financing services and relevant OTC businesses. The Group's NEEQ business fully displays the integrated advantage of a large investment bank, actively overseeing projects and providing customers with private and public issuance of stocks, the inclusion in the NEEQ Select and other services. For the six months ended 30 June 2026, the Group leveraged the institutional linkage mechanism between the NEEQ and the Beijing Stock Exchange, fully utilised the integrated synergies of its full scale investment banking operations to continue providing comprehensive, multi-tiered capital market services to science and technology innovation growth enterprises. For the six months ended 30 June 2026, the Group completed six NEEQ listing projects, carefully identified and nurtured a pipeline of enterprises meeting the BSE listing criteria, and further strengthened its expertise in providing end-to-end investment banking services to small and medium-sized enterprises.

Prime Brokerage

The Group's prime brokerage business primarily includes the provision of asset custody and fund services for various types of asset management institutions, such as private and mutual funds, including settlement, liquidation, reporting and valuation. In addition, it also provides transactions, margin trading, sales of financial products, derivatives research and other value-added services for clients of prime brokerage. Key performance drivers to prime brokerage business include fees for the fund custody and service business.

The Group also continues to advance the building of an integrated service platform for internal and external customers and promote the digital transformation and the improvement of the operation efficiency.

The Group fully utilised the advantages of digital empowerment and full business chain service system, and created an integrated service platform with core competitiveness, providing professional institutional investors with one-stop comprehensive prime brokerage transactions and services across on- and off-market and domestic and overseas markets. As at 30 June 2026, the fund custody business had a cumulative total of 16,481 products launched, with a custody business scale of RMB743.775 billion; the fund services business had a cumulative total of 23,614 products launched (including 1,808 products from Huatai Asset Management), with a service business scale of RMB1,426.187 billion (including a business scale of RMB544.745 billion from Huatai Asset Management). According to statistics from the Asset Management Association of China, as at 30 June 2026, the Group ranked fourth in the industry in terms of the number of filed and ongoing products under its private fund custody business.

Research and Institutional Sales

Research and institutional sales business mainly consists of research business and institutional sales business. For research business, the Group provides various professional research and advisory services for clients from home and abroad. For institutional sales business, the Group promotes and sells diversified securities products and services to various institutional clients. Key performance drivers to research and institutional sales business include incomes from services concerning various research and other institutions.

In terms of research business, the Group firmly promotes the transformation of business models and actively practices the full business chain to consistently improve business synergy and efficiency. During the first half of 2026, the Group proactively adapted to changes in the market environment, used AI to drive transformation and reshaping of its research business model, strengthened cross-sector research collaboration, comparative studies of domestic and international industries and in-depth value discovery research, and expanded the scope of overseas research reports and leading company coverage. It routinely conducted diverse research service activities both domestically and overseas, publishing 5,306 research reports (including English-language reports), holding 33,478 institutional roadshows and 399 thematic conference calls, organising thematic investment strategy summits and conducting overseas research visits. During the first half of 2026, the institutional sales business focused on mainstream domestic and overseas institutional customer groups, expanded client coverage and the client ecosystem across multiple dimensions, enriched its product portfolio, maintained leading service rankings for strategic clients including top public mutual fund managers and insurance institutions, and recorded trading volume for public mutual fund sub-accounts of RMB1,601.491 billion, representing a significant year-on-year increase.

Investment and Trading

Investment and trading business mainly includes equity trading, FICC trading and OTC derivative transactions. The Group conducts equity, FICC and other financial instruments transactions, and reduces investment risks and increases investment returns through various trading strategies and techniques. At the same time, in order to meet customers' needs for investment and financing as well as risk management, the Group also engages in market making business and OTC derivatives business. In terms of equity trading, the Group invests and trades stocks, ETFs and derivatives, and engages in market making services for stocks in the STAR Market, financial derivatives and financial products. In terms of FICC trading, the Group invests and trades all kinds of FICC and derivatives in the interbank and exchange bond markets, and engages in market making services for interbank and exchange markets as well as carbon emissions trading. In terms of OTC derivative transactions, the Group develops and trades OTC financial products for customers, mainly including equity return swaps, OTC options and structured notes. Key performance drivers to investment and trading business include investment incomes from equity, FICC products and derivatives, etc.

Equity Trading Business

The Group engages in the investment and trading of stocks, ETFs and derivatives and also market-making services for exchange-traded and OTC financial instruments.

The Group's investment and research platform helps facilitate investment decisions based on a big data-enabled market monitoring system to seek stable risk-adjusted returns to capture diversified investment opportunities in selected sectors and stocks. The Group utilises cutting-edge data analytics and advanced algorithms to increase efficiency in discovering more investment opportunities and detecting risks. In addition, the Group has actively engaged in hedging and quantitative trading and developed multiple strategies, including event-driven arbitrage, alpha hedging, statistical arbitrage and stock strategy trading.

According to the Shanghai Stock Exchange, the Group is well-recognised as a market leader in providing market making services for ETF options.

The Group has made ongoing efforts to resolutely promote business transformation to a trading business model, stuck to the de-directionalisation, focused on building the macro hedging business system, optimised and improved the big data transaction business system and vigorously expanded and innovated business models to consistently improve the efficiency of the investment and research integrated platform and fully upgrade the investment and transaction capabilities. In terms of the macro hedging business, the Group continues to enhance the establishment of the macro strategy research team, strengthen the application of investment strategies, improve the research system on industrial fundamentals, perfect the micro market supervision system, dynamically monitor market characteristics and actively explore the law of market operation to effectively identify market opportunities and risks and support the trading business. For the big data transaction business, the Group continues to enhance the R&D on incident-based strategies and consolidate the Alpha transaction strategy and arbitrage strategies to establish a business system with multi scenarios, great varieties, multi cycles and strategies. Meanwhile, leveraging big data, artificial intelligence and other technical means, the Group actively develops an integrated big data transaction business platform to promote the improvement of the transaction scale and the profitability.

As at 30 June 2026, the STAR Market share market-making business had cumulatively filed for 126 market-making shares, while the listed fund market-making business had cumulatively covered 841 ETF market-making underlying assets and 66 publicly offered REITs underlying assets, both of which ranked among the top in the market.

FICC Trading Business

The Group has given full display to the comprehensive and diversified operation advantages of the FICC business system, actively set up a cross-variety and cross-market product line, consistently improved the digital operation and empowered and optimised the trading system with technology to promote the rapid business development. In terms of fixed-income proprietary investment business, it has comprehensively used trading strategies, diversified asset allocations and leverage-based operations, steadily carried out investment operation and actively seised opportunities in pricing deviations and valuation repair, achieving outstanding performance in proprietary investment. The Group continues to strengthen the systematic business construction and development, upgrade and improve the functions of the HEADS elephant platform (HEADS 大象平台) and the CAMS (credit analysis management system), and enhance the platform-based investment and transaction capabilities and risk management capabilities systematically. As for bulk commodity business and foreign exchange business, the Group continuously promotes strategic trading research, accelerates the development of agency for foreign exchange trading systems and product creation, in order to build core investment trading and pricing capabilities, and consistently improve profitability.

During the first half of 2026, facing a volatile market environment, the Group's FICC trading business proactively adjusted its strategic positioning, actively explored new avenues for revenue growth, made every effort to leverage technology to enhance its trading and pricing capabilities, and continued to consolidate its synergies across markets and asset classes. For the proprietary investment business, the Group continued to optimise its trading capabilities, effectively improved the pace of exposure adjustments to better align with market trends, and proactively identified structural market opportunities. The scope of strategies across multiple asset classes was further expanded, yielding significant results in active management. For agency trading business, the development of the interest rate product suite yielded significant results, while the scale of commodity-related products and other offerings continued to grow. By focusing on client needs, the Group continuously enriched and refined its product suite, actively broadened trading channels, and strived to create comprehensive financial solutions that were multi-asset, integrated, platform-based and one-stop, both domestically and internationally. For the market-making business, the Group actively expanded the range of products and client base, continuously diversified its business structure and upgraded its intelligent service system. Market-making transaction volumes maintained growth, with its market-making rankings for core business product categories among the industry's top tier. Among them, the Group maintained the top position in the market for three policy financial bonds, namely, financial bonds issued by China Development Bank, the Export-Import Bank of China and the Agricultural Development Bank of China. Meanwhile, the Group completed the first Northbound Bond Connect cross-border RMB bond transaction with a North American counterparty. Trading volumes in the carbon finance business grew significantly; all transactions for the solar thermal CCER project serving real-economy enterprises were completed on the day of listing, further consolidating the foundation for diversified development. The FICC Elephant Trading Platform continued to be upgraded with a focus on domestic and international integration, actively advanced the construction of core trading links for cross-border business; leveraging the intelligent platform, the Group continuously enhanced the level of intelligence across all aspects, including investment research and strategy, trading and risk management, and operations and management, accelerating the optimisation of business models and the reshaping of core capabilities.

OTC Derivatives Trading Business

The Group has strived to build a customer-centric over-the-counter derivatives business system, sped up in advancing the digital transformation and reshaped business development models and management models with technology to consistently improve business innovation and transaction pricing capabilities, deeply connect institutional service systems and customer needs. It creates and promotes cross-market, diversified and differentiated financial derivatives to provide customers with a full range of derivatives trading services. During the first half of 2026, guided by the fundamental objective of "serving the real

economy" and the core orientation of "meeting clients' risk management needs", the Group continuously enhanced the digital and platform-based capabilities of its business operations, and provided cross-market and comprehensive OTC derivatives trading services to clients grounded in professional capacity building. Relying on the advantages of integrated management, the Group strengthened cross-departmental business coordination and synergy, and promoted continuous upgrading of business capabilities and client service capabilities. Driven by core trading capabilities, the Group deeply integrated core elements such as trade matching, intelligent pricing, market-making liquidity management, innovative product design, and professional compliance and risk control, built an integrated and platform-based comprehensive service system and continuously upgraded the intelligence level of the existing platforms. It iteratively optimised the intelligent analysis and recognition, and automated control functions of business platforms across the front, middle and back-office business flows, accumulated business development experience, and consolidated the core competitiveness of business. The Group continued to advance cross-border linkage development, actively explored business opportunities for structured products in overseas markets, effectively expanded the breadth and depth of institutional client coverage, and continuously explored new transaction growth drivers in overseas markets.

Investment Management Business

The Group accepts fund entrustments from clients, develops and provides various financial products for its clients and manages their assets through its professional investment and research platform as well as its substantial client base, effectively satisfying their investment and financing needs. The Group's investment management business mainly consists of securities firm asset management, private equity fund management and asset management for fund companies, etc. For securities firm asset management, the Group participates in the operation of securities firm asset management business through its wholly-owned subsidiary Huatai Asset Management; such business includes collective asset management business, single asset management business, specialised asset management business and public offering fund management business (which is operated on a differentiated basis from its public offering fund management business for fund companies under the Group). For private equity fund management business, the Group operates private equity funds business, which includes investment and management of private equity funds, through its wholly-owned subsidiary Huatai Purple Gold Investment. For asset management business for fund companies, the Group holds non-controlling interests in two public offering fund management companies, namely China Southern Asset Management and Huatai-PineBridge, through which it participates in the operation of asset management business for fund companies. Key performance drivers for asset management business include management fee income, investment income, etc.

For the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026, segment revenue and other income from the Group's investment management business amounted to RMB3,358.82 million, RMB2,659.85 million and RMB3,829.65 million, and RMB1,917.65 million and RMB2,162.90 million, respectively, representing 6.21 per cent., 5.64 per cent. and 7.96 per cent., and 8.97 per cent. and 6.77 per cent. of its total revenue, other income and gains for segments, respectively.

Set out below is a list of the recent awards received by the Group in relation to its investment management business:

Year	Awards	Organisers/Media
2026	"Top 35 Best Private Equity Institutions in China" (中國最佳私募股權投資機構TOP35); "Top 30 Best Chinese-funded Private Equity Institutions in China" (中國最佳中資私募股權投資機構TOP30); "Top 10 Best Securities Firm Private Fund Subsidiaries in China" (中國最佳券商私募基金子公司TOP10); "Top 30 Best Investment Institutions in the Biomedicine Sector within China's Healthcare and Wellness Services Industry" (中國醫療及健康服務產業最佳生物醫藥領域投資機構TOP30); etc.	The selection of "ChinaVenture 2025 Chinese Equity Investment Rankings" (投中2025年度中國股權投資榜單) held by ChinaVenture (投資中國)

Year	Awards	Organisers/Media
	"Best Money Market Fund Manager" (最佳貨幣市場型基金管理人); "Best Enhanced Index Equity Fund Manager" (最佳增強指數股票型基金管理人); "Outstanding ESG Investment Fund Manager" (傑出ESG投資基金管理人); "Most Influential Fund Manager" (最具影響力基金管理人); "Best Passive Index Equity Fund Manager" (最佳被動指數股票型基金管理人); etc.	The selection of "2025 Financial Institutions" (2025年度金融機構) held by Tonghuashun iFinD (同花順iFinD)
2025	"Junding Award for All-round Asset Management Institution (全能資管機構君鼎奬)"	Securities Times — "2025 Junding Award in China's Securities Industry"
	"Outstanding Participant of Infrastructure Public Offering REITs for 2024" (2024年度優秀基礎設施公募REITs參與人), etc.	Shanghai Stock Exchange
	"2025 Golden Bull Broker and Collective Asset Manager (2025 年度金牛券商集合資產管理人)"	China Securities Journal — "Golden Bull Award for Securities Industry"
	"Chinese Private Equity Investment Institutions TOP30" (中國私募股權投資機構TOP30), "Best Chinese Private Equity Investment Institution in Returns" (中國最佳回報私募股權投資機構), "Best Chinese Subsidiaries of Brokers for Private Equity" (中國私募服務子公司), "Best Chinese State-owned Investment Institution" (中國最佳國資投資機構), etc.	The selection of "Chinese Venture 2024 Chinese Equity Investment Rankings" (融中2024年度中國股權投資榜單) held by Chinese Venture (融中中國)
	"Typical Cases of ETF Managers" (ETF管理人典型案例), "Typical Cases of Index Product (Non ETF) Managers" (指數產品(非ETF)管理人典型案例), Huatai-PineBridge was awarded "Typical Cases of ETF Managers" (ETF管理人典型案例), etc.	The selection of the "Yinghua Typical Cases for Index Ecosystem in 2025" (2025年指數生態圈菁典案例) held by China Fund News (中國基金報)
	"Asset Management Institution for Fintech" (金融科技資管機構), etc.	The selection of the "Yinghua Typical Cases for Asset Management Industry of China in 2025" (2025年中國資管行業菁典案例) held by China Fund News (中國基金報)
2024	"Outstanding Manager for Asset Securitization Business for 2023" (for Huatai Asset Management)	Shanghai Stock Exchange
	"2023 Top Ten ETF Managers", etc. (for China Southern Asset Management)	
	"2024 Junding Award for Leading Futures Company in China" (for Huatai Futures)	Securities Times — "2024 Junding Award in China's Futures Industry"
	"2024 Junding Award for Outstanding IT Service Futures Company in China" (for Huatai Futures)	
	"Best Chinese Private Equity Investment Institutions TOP20", "Best Chinese-funded Private Equity Investment Institutions TOP20 in China", "Best Chinese Subsidiaries of Brokers for Private Funds TOP10", "Best Institutions for Investment in Medical Devices Fields TOP20 in China's Medical and Health Service Industry", "Best Institutions for Investment in Medical Services Fields TOP10 in China's Medical and Health Service Industry", "Best Institutions for Investment in Biomedical Fields TOP30 in China's Medical and Health Service Industry", etc. (for Huatai Purple Gold Investment)	China Venture Investment — "China Venture 2023 Annual Rankings"

Year	Awards	Organisers/Media
2023	"Golden Bull Award for Fund Investment Advisory Services"	China Securities Journal
	"Star Fund Company for Passive Investment in Three Years"	Securities Times
	"Top 10 Star Fund Companies"	

Asset Management Business of Securities Companies

The Group provides securities firm asset management services and develops asset management products based on its clients' asset size and needs, and consistently ranks among the industry leaders. According to the regulatory report statistical scope, as at 30 June 2026, the asset management scale of Huatai Asset Management reached RMB741.218 billion. According to statistics of Wind Information, during the first half of 2026, Huatai Asset Management, as the manager of corporate ABS plans, issued 87 projects, ranking first in the industry; the total issuance size amounted to RMB79.360 billion, ranking third in the industry. During the same period, Huatai Asset Management deepened the operational management of existing public REITs business projects, and advanced the fundraising and establishment of Three Gorges New Energy REIT project. The full-chain service capability of public REITs business was continuously enhanced.

The Group's securities firm asset management services primarily include collective asset management business, single asset management business, specialised asset management business and public fund management business. The following table sets forth a breakdown by product type of the AUM of the Group's asset management schemes as at 31 December for the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026:

	For the years ended 31 December			For the six months ended 30 June	
	2023	2024	2025	2025	2026
Collective asset management scheme	53.4	63.3	135.5	108.5	153.4
Single asset management scheme	130.8	156.2	164.2	150.4	163.5
Specialised asset management scheme	195.4	198.1	227.1	202.3	227.9
Mutual fund management business	95.9	138.7	181.6	165.9	196.5
Total	**475.5**	**556.3**	**708.5**	**626.6**	**741.2**

Note: The above data are from the regulatory statements (unaudited).

- ***Collective asset management schemes***: The Group manages clients' assets for a group of clients through designated accounts pursuant to applicable laws and in accordance with the relevant collective asset management contracts. The Group effectively implements transformation under new regulations and completes the transformation of currency-enhanced public fund. As at 30 June 2026, a total of 459 collective asset management plans were under management and the total management scale was RMB153.407 billion. For collective asset management schemes, the Group generally charges annual management fees as a percentage of the AUM, and it also charges performance fees on certain schemes.

- ***Single asset management schemes***: The Group manages clients' assets for a single client through a designated account pursuant to the terms of the relevant bilateral contract. Guided by specific investment guidelines, the Group provides customised asset management services for its clients. As at 30 June 2026, a total of 1,045 single asset management plans were under management and the total management scale was RMB163.474 billion.

- ***Specialised asset management schemes***: The Group manages certain assets of clients for a specialised purpose. Specialised asset management is a competitive advantage of the Group. Many products lead the innovations in the industry, making the Group one of the top performers in this field as at 30 June 2026. The Group is an industry leader in structuring specialised asset management schemes, and has pioneered a number of innovative types of underlying assets, such as affordable housing rental income, bank bill receivables, insurance policy pledged loan receivables, and margin loan receivables. As at 30 June 2026, a total of 304 specialised asset management plans were under management and the total management scale was RMB227.864 billion.

- ***Mutual fund management business***: As at 30 June 2026, the Group held non-controlling interests in two public offering fund management companies, namely China Southern Asset Management and Huatai-PineBridge, through which the Group participates in the operation of asset management business for fund companies. The Group obtained its mutual fund licence in 2016, and, as at 30 June 2026, the Group managed 45 public funds in total, with a total AUM of RMB196.473 billion.

The following table sets out the details of the Group's key products of specialised asset management business:

Year	Schemes	Transaction Highlights
2026	Huatai Three Gorges Clean Energy Closed-End Infrastructure Securities Investment Fund	The first energy public REIT approved and offered in Northeast China
2024	Zero Carbon Smart Phase 1 Green Asset-Backed Special Plan (Carbon Neutral)	The first quasi-REITs product successfully issued by a Hong Kong-funded enterprise in Mainland China
2024	Jiuyong Expressway Holding Real Estate Asset-Backed Special Plan	The first holding REITs in the Chinese domestic market with an expansion mechanism
2024	2024 Global Leasing Phase 1 Asset-Backed Special Plan (Sustainability-Linked)	The first sustainability-linked ABS in the domestic medical industry
2024	JD Technology — Shangyi No. 1 Phase 1 SME Financing Support Asset-Backed Special Plan	The first movable property financing ABS in China
2024	Geely — Yiyi Interconnect Phase 1 Green Asset-Backed Special Plan	The first battery swapping infrastructure ABS project nationwide
2023	China Communications Construction Qingxi Bridge Holding Real Estate Asset-Backed Special Plan:	The first holding REITs in the Chinese domestic market
2023	NIO Leasing — New Energy Financing Leasing Phase 1 Green Asset-Backed Special Plan	The first out-of-table ABS project for automotive financing leasing of Chinese concept stocks nationwide
2023	Huatai — Jinan Xiantou Phase 1 Supply Chain Finance Asset-Backed Special Plan	The first asset-backed special plan for "new and old kinetic energy conversion" nationwide
2022	China Merchants Pingan Asset Support Special Plan	The first non-performing asset securitisation
2022	Sinosure Group Taihu Bay Science and Technology Innovation Belt Binhu Intellectual Property No. 1 Asset-backed Special plan	Support high-tech enterprises with innovative financing product and set a new low for the coupon rate of domestic intellectual property asset securitisation products
2021	Longyuan Power Renewable Energy Electricity Price Additional Subsidy Phase 2 Green ABS (carbon neutrality)	The first exchange market "carbon neutral" ABS
2021	Dongfang Yuxiao No. 12 Green ABS (carbon neutrality)	The first "carbon-neutral" ABS on the Shanghai Stock Exchange, currently the largest single-product carbon-neutral ABS in the exchange market
2021	National Energy Group New Energy Company Renewable Energy Electricity Price Additional Subsidy Green ABS (carbon neutrality)	No less than 70 per cent. of the proceeds will be used for green projects with carbon emission reduction benefits
2021	2021 China Power Investment Finance and Leasing 2nd Phase Green ABS	New attempts in the financial industry to directly hit the pain points

Year	Schemes	Transaction Highlights
2021	CECEP Huishan Water Sewage Treatment Fee Income Right to Yangtze River Protection Green ABS	China Energy Conservation Water Development Co., Ltd. initial public market direct financing
2021	Huatai Asset Management — Jianfa Luzhouli ABS	The first intellectual property ABS in Jiangsu Province
2021	Huatai-Jiangbei Yangzi 1st Phase Intellectual Property ABS	The first Nanjing's intellectual property ABS
2021	Huatai Asset Management — Shangqi Smart Parking Asset-Backed Special Plan	The first commercial smart parking lot ABS
2021	Huatai-Guojun-Shenzhen Special Economic Zone Construction and Development Group Science and Technology Park Phase 1 Asset Support Special Plan	2021 CMBS Programme Senior Notes Minimum Coupon Rate
2020	Huatai — Zhongche EV state-owned financial subsidiaries green ABS	First domestic EV subsidiaries ABS
2020	Haitong Huatai — Huayue Beijing ABS	First domestic housing with controlling price ABS
2020	Huatai Jiayue — Yanlord Sanya Crowne Plaza ABS	First domestic single layer SPV CMBS without trust
2020	Huatai — Zheshang Asset — 1 ABS	First AMC special non-performing asset ABS
2019	Haitong Huatai — Jinguang Shanghai White Magnolia Plaza ABS	Domestic CMBS with the largest volume
2019	Huatai — Sichuan Longna Expressway ABS	First Expressway ABS in the mid-western

Private Equity Fund Management

The Group's private equity fund management business actively adapts to regulatory changes. The Group continuously optimises the business structure system, focuses on industry positioning, strengthens the in-depth layout of key areas, seises the opportunities arisen in the capital market such as the reform of the STAR Market and the ChiNext Market registration system, gives full play to the advantages of the Group as a large platform, actively promotes the raising of equity investment funds and fund of funds, so as to continuously enhance professional investment management capabilities. As at 30 June 2026, Huatai Purple Gold Investment and its second-tier subsidiaries, as fund managers, had 35 valid private equity investment funds filed with the Asset Management Association of China (中國證券投資基金業協會), with a total subscribed capital of RMB71.974 billion and a total paid-in capital of RMB50.388 billion. During the first half of 2026, the above private equity investment funds invested in a total of 34 projects, with a total investment amount of RMB1.208 billion.

Asset Management Business of Fund Companies

With adherence to equal emphasis on compliance management and business development, fund companies under the Group actively adapt to regulatory trends and market changes, continue to enhance product research and business innovation, continuously optimise the layout of product lines, consistently enrich sales and marketing methods and focus on improving the construction of intelligent systems. The size of assets under the Group's management has expanded significantly and its market recognition and reputation have further improved. As for asset management business of China Southern Asset Management, as at 30 June 2026, the total assets managed by China Southern Asset Management amounted to RMB3,104.455 billion, among which the asset size of mutual funds business amounted to

RMB1,540.636 billion. As at 30 June 2026, the total assets managed by Huatai-PineBridge amounted to RMB620.939 billion, among which the asset size of public funds business amounted to RMB591.182 billion.

Asset Management Business of Futures Companies

Complying with the industry supervision trend, Huatai Futures, a holding subsidiary of the Group, focuses on giving full play to the effectiveness of compliance and risk control management, actively builds a diversified business system, promotes the transformation to active management business and continuously improves the digital operation system, so as to continuously improve its professional services, intelligent management and business innovation capability, and secure significant growth in business scale. As at 30 June 2026, Huatai Futures had 43 ongoing asset management plans, with a total asset management scale of RMB2,584.1065 million and futures-side equity scale of RMB1,690.8085 million.

Alternative Investment Business

The Group carries out alternative investment business through its wholly-owned subsidiary, Huatai Innovative Investment. Huatai Innovative Investment fully improves business synergy and efficiency, focuses on the development of Fintech equity investment and the follow-on investment business of the STAR Market, and steadily explores the follow-on investment business of the ChiNext Market and the strategic placement business of the Beijing Stock Exchange according to regulatory requirements and business layout. As at 30 June 2026, there were 33 ongoing investment projects with a total investment scale of RMB1,410.9126 million.

International Business

In overseas markets and with Huatai International as its holding platform for international business, the Group operates international business through the wholly-owned subsidiaries of Huatai International including Huatai Financial Holdings, Huatai Securities (USA), Singapore Subsidiary and Japanese Subsidiary. Based on the Hong Kong market, it steadily deploys in major markets in the US, Europe and Asia. Key performance drivers to international business include wealth management income, investment banking income, investment income, asset management income, etc.

The operations of the Group in Hong Kong are mainly conducted by Huatai Financial Holdings, a wholly-owned subsidiary of Huatai International, which comprehensively connects with full business chain system of the Group and provides one-stop cross-border integrated financial services for domestic and foreign customers.

Huatai Securities (USA) owns the US broker-dealer licence and the US proprietary trading licence. It obtained the business qualification for securities trading with institutional investors in Canada and market access to major stock exchanges in Europe. It became an introducing broker for US futures products, and was qualified as a broker and dealer for US Treasuries and a limited underwriting member of the Nasdaq Stock Market in the United States. It was also qualified as a broker and dealer for non-US sovereign bonds and obtained the IPO lead underwriter membership of the New York Stock Exchange.

Singapore Subsidiary owns the licenses on capital market services and the waiver of licensing requirements on wealth management advisory issued by Monetary Authority of Singapore and the license as a main board sponsor granted by the Singapore Exchange, and conducts securities trading and investment banking businesses.

As at 30 June 2026, Huatai International maintained smooth and orderly business operations, with significant growth in overall operating performance and all financial indicators ranking among the top

tier of Chinese-funded securities firms in Hong Kong. For the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, segment revenue and other income from the Group's international business amounted to RMB12,941.31 million, RMB14,968.77 million, RMB8,729.61 million, RMB3,546.99 million and RMB6,567.44 million, respectively, representing 23.91 per cent., 31.74 per cent., 18.14 per cent., 16.59 per cent. and 20.54 per cent. of its total revenue, other income and gains for segments, respectively.

Set out below is a list of the recent awards received by the Group in relation to its international business:

Year	Awards	Organisers/Media
2026	"Top Market Maker — RMB Counter" (人民幣櫃台最活躍莊家); "Top New Market Maker — Exchange Traded Products" (交易所買賣產品最活躍新晉莊家); etc.	Hong Kong Stock Exchange
	"2025 Financial Market Digital Transformation Pioneer Award" (2025年度金融市場數字化轉型先鋒獎); etc.	London Stock Exchange Group
	"2nd Best Local Broker in China" (中國最佳本土券商第2名); "4th Best Local Broker in Hong Kong, China" (中國香港最佳本土券商第4名); "2nd Best Local Broker for A-Share Trading and Execution in China" (中國(A股)交易與執行最佳本土券商第2名); "4th Best Local Broker for H-Share Trading and Execution in Hong Kong, China" (中國香港(H股)交易與執行最佳本土券商第4名); "1st Best Corporate Relations in China" (中國最佳企業關係第1名); "1st Best Corporate Relations in Hong Kong, China" (中國香港最佳企業關係第1名); "3rd Best Local Broker for Research in China" (中國研究最佳本土券商第3名); "4th Best Local Broker for Research in Hong Kong, China" (中國香港研究最佳本土券商第4名); "1st Best Local Broker for Sales in China" (中國銷售最佳本土券商第1名); etc.	Extel
	"Excellence Award for Securities Firm of the Year" (年度證券公司卓越大獎); "Excellence Award for Technology-Driven Securities Firm of the Year" (年度科技證券公司卓越大獎); "Excellence Award for Financial Derivatives Institution of the Year" (年度金融衍生產品機構卓越大獎); "Excellence Award for Risk Management" (風險管理卓越大獎); "Excellence Award for Premium Client Service" (優端客戶級別服務卓越大獎); "Excellence Award for Integrated Marketing Strategy (Corporate Brand Promotion)" (整合營銷策略(公司品牌推廣)卓越大獎); "Excellence Award for New Capital Investor Inbound Program" (新資本投資者入境計劃卓越大獎); "Award for IPO Project Engagement" (首次公開招股項目接觸大獎); etc.	Bloomberg Businessweek (《彭博商業週刊》)
	"Best Local Broker in Hong Kong" (香港最佳本地券商); "Best Local Investment Bank in Hong Kong" (香港最佳本地投資銀行); "Best Local Securities Services in Hong Kong — High Commendation" (香港最佳本地證券服務—高度嘉許); etc.	FinanceAsia (《亞洲金融》)
	"Best External Asset Manager" (最佳外部資產管理人); "Emerging Growth Award" (新銳成長大獎); etc.	Structured Products Industry Review (《結構性產品行業機構》)

Year	Awards	Organisers/Media
	"Outstanding Wealth Management Institution — Brokerage Category (International Market)" (優勝財富管理機構—券商類(國際市場)); "Outstanding Wealth Management Institution — Ultra-High-Net-Worth Clients (International Market)" (優勝財富管理機構—超高淨值客戶(國際市場)); etc.	Asian Private Banker (《亞洲私人銀行家》)
2025	"Outstanding Family Office Service Award" (家族辦公室服務卓越大獎), "Outstanding Wealth Management Platform Award" (財富管理平台傑出大獎), "Outstanding New Capital Investment Entrant Scheme Award" (新資本投資者入境計劃傑出大獎), "Outstanding Initial Public Offering Project Award" (首次公開招股項目卓越大獎), "Outstanding Cross-border Securities Service Award" (跨境證券服務卓越大獎), "Excellence Award for Risk Management" (風險管理卓越大獎), " Annual Outstanding Financial Derivatives Institution Award" (年度金融衍生產品機構卓越大獎), "Annual Outstanding Securities Agency Company Award" (年度證券代理公司卓越大獎), etc.	Bloomberg Businessweek (《彭博商業週刊》)
	"Best Wealth Manager — HNW" (最佳財富管理機構－高淨值客戶), "Best Wealth Manager — Digital Innovation" (最佳財富管理機構－數字化創新), etc.	Asian Private Banker (《亞洲私人銀行家》)
	"Best Corporate and Institutional Advisor" (最佳企業與機構顧問), "Best Private Bond Advisor" (最佳私募債顧問), "Best Sustainable Bond" (最佳可持續發展債券), "Best Green Bond" (最佳綠色債券), "Most Innovative Transaction" (最具創新性交易), "Best Hybrid Bond" (最佳混合債券), etc	The Asset (《財資》)
	"Best Stock Institution in Asia" (亞洲股票類最佳機構), etc.	Structured Retail Products (《結構零售產品》) (SRP)
	"Top Market Maker — RMB Counter" (人民幣櫃台最活躍莊家), etc.	Hong Kong Stock Exchange
2024	"Best Corporate and Institutional Advisor (Broker) in Hong Kong Area", "Best Private Bond Advisor Award", "Best IPO (J&T)" (最佳IPO(極兔)), "Best Sustainable Bond (Local Government)", "Best Green Bond (Financial Institution)", "Best Mobile Brokerage Application", "Annual Multi-asset Management Company", etc. (for Huatai International)	The Asset
	"Best Wealth Manager — the Greater Bay Area", "Best Wealth Manager — Ultra-high Net Worth Customers", "Best Wealth Manager — Digital Innovation", etc. (for Huatai International)	Asia Private Banker
	"Best Securities House in Hong Kong", "Best for Equities in Hong Kong", etc. (for Huatai International)	Euromoney

Year	Awards	Organisers/Media
	"Outstanding Initial Public Offering Project Award", "Corporate Financing Excellence Award in the Greater Bay Area", "Excellence Award for Digital Innovation", "Excellence Award for Risk Management", "Excellence Award for High-net-worth Products/Service", "Annual Outstanding Technology Securities Company Award", "Annual Outstanding Financial Derivatives Institution Award" (for Huatai International)	Bloomberg Businessweek
	"Best H-Share IPO Sponsor", "Best H-Share IPO Global Coordinator", "Best H-Share IPO Bookrunner", "Best H-Share Refinancing Underwriter", "Best Chinese USD Bond Underwriter"	Wind — "Fifth Session of Best Investment Bank"
2023	"Annual Outstanding Technology Securities Company Award"	Bloomberg Businessweek — "Financial Institution Awards"
	"Annual Outstanding Financial Derivatives Institution Award"	
	"Outstanding Superior Customer-level Products and Services Award"	
	"Excellence Award for Risk Management"	
	"Excellence Award for Digital Innovation"	
	"Outstanding Initial Public Offering Project Award"	
	"Corporate Financing Excellence Award (the Greater Bay Area of the PRC)"	
	"Best Securities Company in Hong Kong"	Asiamoney — "List of Awards for 2023"
	"Most Innovative Investment Bank in the Greater Bay Area"	
	Asset Mark ranked second in the U.S. TAMP industry with a market share of 11.9 per cent. as at 31 March 2023	Cerulli Associates and other public information

Business in Hong Kong

The operations of the Group in Hong Kong are mainly conducted by Huatai Financial Holdings, a wholly-owned subsidiary of Huatai International, which has built an all-dimensional and comprehensive cross-border financial service platform including fixed-income business platform, equity business platform, wealth management platform, fund and asset management platform and flagship investment banking business:

- Through the fix-income business platform, the Group carries out investment and trading of a variety of FICC and derivative instruments and provide FICC solutions for all product categories, such as sales, trading and market making services to various institutional clients. Moreover, under the fluctuation of the overseas debt capital markets, the Group is able to effectively manage related financial risks.

- Through the equity business platform, the Group conducts trading, design and sales of cross-border equity derivatives, provides capital-based intermediary services in respect of various equity capital for its clients, and provides universal integrated financial services covering both domestic and overseas markets and various industries for institutional clients around the globe.

- Through the wealth management platform, the Group provides brokerage, margin financing and wealth management services in respect of different categories of assets around the globe for its clients, satisfying their multi-level and comprehensive financial needs.

- Through the fund and asset management platform, the Group provides customised solutions in fields such as leveraged buyout, strategic M&A, pre-listing financing and business expansion for the Group's clients through the Greater Bay Area Fund; the China Concept Stock Return Fund focuses on mid to late-stage investment, cross-border M&A and split and privatisation investment opportunities in industries with growth potential, covering healthcare, semiconductor and hard & core technology, TMT, high-quality consumption and others.

- For flagship investment banking business, aiming to establish a full-service and cross-border investment banking platform system, the Group provides both Chinese and international customers with equity and debt underwriting and sponsoring services, as well as financial advisory services. In September 2019, Huatai Financial Holdings obtained its membership of the London Stock Exchange and completed the registration as a UK Cross-border Conversion Agency for Shanghai-London Stock Connect GDRs on the Shanghai Stock Exchange, thus capable of providing clients with the whole-process services of the issuance and trade of GDRs. In December 2020, Huatai Financial Holdings become the first financial institution in Asia that obtained the qualification as market maker of the London Stock Exchange. In December 2021, Huatai Financial Holdings was formally admitted as the member of Turquoise under the London Stock Exchange Group. In 2022, Huatai Financial Holdings officially obtained the qualification as a participant of the Special Purpose Acquisition Companies (SPAC) Exchange of the Hong Kong Stock Exchange, making it one of the first Chinese securities companies in Hong Kong to obtain such qualification; and it obtained the registration as a cross-border conversion agency for stock connect global depository receipts granted by the Shenzhen Stock Exchange, making it one of the first agencies registered with the Shenzhen Stock Exchange to carry out cross-border conversion business following the revision of the rules of Shanghai-London Stock Connect and the dual expansion of the applicability in 2022. In 2023, Huatai Financial Holdings became a listing and trading member on the Luxembourg Stock Exchange and a "warrant" issuer on the HKEX.

Huatai Financial Holdings is a SFC licensed entity that has been focusing on Hong Kong market since 2006. Leveraging the Group's domestic client network, Huatai Financial Holdings has built a full-licence business platform providing cross-border financial services. Huatai Financial Holdings operates in the following eight business segments:

- *Investment Banking* — By fully collaborating and integrating with the onshore investment banking franchise Huatai United, investment banking business in Hong Kong services both Chinese and international corporations through initial public offerings, equity & debt underwriting, financial advisory on cross-border M&A.

- *Cross-Border and Structured Finance* — Huatai Financial Holdings provides customised financing solutions to map clients' funding needs during leverage acquisition, strategic M&As, pre-IPO financing, business expansion, capital restructure, and other commercial and investment activities.

- *Equity Derivatives* — Huatai Financial Holdings provides clients tailor bespoke cross-border equity derivatives products and solutions with purpose and an emphasis on global asset allocation and minimising market risk.

- *FICC* — Rooted in fulfilling the needs of cross border demand coupled with the trend of Renminbi internationalisation, FICC business offers sales, trading and market marking services to Chinese and international institutions, corporates, asset managers and hedge funds. The products of this business including interest rates and credit in cash, derivatives and structured products.

- *Equity Research and Sales* — Utilising equity derivatives to serve all types of customers such as financial institutions, hedge funds, corporate customers, high net worth individuals and retail customers, and to fully meet the various needs of customers in risk management, wealth management and global asset allocation.

- *Private Wealth Management* — Huatai Financial Holdings provides individual clients with brokerage and financing services in global financial market by Huatai FinTech driven trading platform. Using the Group's resource advantages and management capabilities and relying on Huatai International's integrated business platform, private wealth management team provides one-stop service for clients' overseas asset allocation and builds a bridge between clients' requirements and overseas investment as well as financing.

- *Fintech and Retail Business* — Makes "ZhangLe Global" to be No. 1 investment and wealth management platform for global retail clients, and setup an example for Fintech innovation. The upgraded 2.0 version, 3.0 version and 4.0 version of "ZhangLe Global" was launched on 16 July 2020, 24 December 2020 and 22 February 2022, respectively.

- *Asset Management* — Utilising cross-border investment channels, the business provides investors with portfolios and fund management services including QDII, RQFII, Bond Connect, Southbound Stock Connect and primary market products such as private equity and private placement bonds to meet investors' various needs of global asset allocation and generating steady returns with risks under control.

Huatai Financial Holdings won a number of awards such as the "Best Corporate and Institutional adviser — Domestic (Securities)" and "Best Private Debt Adviser" from The Asset, a professional financial information platform. Meanwhile, Huatai Financial ranked first (Mainland China) and seventh (Overseas) for "Best Research Team" in Institutional Investor the All-China Research Team 2020. In December 2021, Huatai Financial Holdings officially became a member of Turquoise under the LSE Group, making it a securities company with the largest asset scale in Asia with dual memberships of the LSE and Turquoise and further consolidating its capabilities on international development and participating in mainstream international capital markets. In the first half of 2023, Huatai Financial Holdings became a listing and trading member on the Luxembourg Stock Exchange and a "warrant" issuer on the HKEX. In the year of 2024, Huatai Financial Holdings obtained the underwriting qualification for the TOKYO PRO-BOND Market issued by the Tokyo Stock Exchange of Japan. During the first half of 2026, Huatai Financial Holdings strengthened cross-market execution and service capabilities and provided full life-cycle cross-border comprehensive financial services for corporate clients. According to internal and external statistics, Huatai Financial Holdings sponsored 12 Hong Kong IPO projects during the first half of 2026, ranking third in the market in terms of sponsorship volume, and participated in four of the top ten Hong Kong IPO projects. During the first half of 2026, Huatai Financial Holdings was also approved as one of the first batch of securities firm liquidity providers for the USD/RMB futures on the Hong Kong Futures Exchange Limited.

Huatai Securities (USA)

In September 2018, Huatai Securities (USA) was registered in Delaware, USA as a foreign wholly-owned subsidiary of Huatai International, aiming to promote the development of international business. In June 2019, Huatai Securities (USA) obtained the broker-dealer licence approved by the U.S. Financial Industry Regulatory Authority to carry out broker-dealer businesses such as securities underwriting, securities brokerage for institutional investors and M&A financial advisory in the United States. In August 2020, Huatai Securities (USA) obtained the qualification for proprietary trading, further expanding its business qualifications and driving the development of international business. In 2021, it obtained the business qualification for securities trading with institutional investors in Canada. In 2022, it gained market access to major European securities exchanges. In 2023, it became an introducing broker

for U.S. futures products. In 2024, it obtained the U.S. Treasury securities broker-dealer qualification and the underwriting membership of the NASDAQ Stock Market. In 2025, it obtained the non-U.S. sovereign debt broker-dealer qualification covering sovereign bonds of Europe, the United Kingdom, Canada, Latin America, Japan and Southeast Asia and the IPO lead underwriter membership of the New York Stock Exchange. During the first half of 2026, Huatai Securities (USA) continued to promote cross-border interactive business between enterprises and institutional investors, served clients in cross-border M&A transactions, expanded the list of banks for USD certificates of deposit issuance and counterparties. Its FICC business product portfolio has been effectively expanded, and the cross-border linkage and collaboration mechanism has been continuously optimised. It is committed to providing integrated services to global investors.

The Singapore Subsidiary

Singapore Subsidiary obtained the Capital Markets Services licence and Exempt Financial Adviser status granted by the Monetary Authority of Singapore in 2023, and conducts securities trading and corporate finance business in Singapore in compliance with laws and regulations. In 2025, it received approval from the Monetary Authority of Singapore to lift investor restrictions on corporate finance advisory business, obtained the qualification of Accredited Issuing Manager for the Mainboard of the Singapore Exchange, and was granted the Foreign Portfolio Investor qualification for the Indian market. During the first half of 2026, Singapore Subsidiary steadily advanced the development of various businesses, and its regional carrying capacity and influence continued to improve. For the investment banking business, it effectively undertook cross-market projects and actively facilitated financing by Chinese enterprises in Singapore through cross-border listing channels such as "Mainland + Singapore" and "Hong Kong + Singapore". For the institutional trading business, it continuously improved client access for equity derivatives, commodities and FICC-related business, consolidated its business foundation, and enhanced market service capabilities. For the wealth management business, it deeply explored client needs, actively explored cooperation opportunities, continuously improved brand awareness and market influence, and further expanded client resources.

MARKET POSITION AND COMPETITION

The PRC securities industry is highly regulated and PRC securities firms are subject to extensive regulatory requirements on various perspectives, including business licences, scope of products and services, business development, compliance and risk management. Competition in the PRC securities industry has been and is likely to remain intense.

For the securities brokerage business, the Group competes primarily with other PRC securities firms in terms of pricing, client engagement and value-added services offered. For the investment banking business, the Group competes primarily with other PRC and Sino-foreign joint venture securities firms as well as PRC commercial banks in terms of brand recognition, underwriting and distribution capacity, service quality, execution capability, financial strength and pricing. For the asset management business, the Group competes primarily with fund management companies, commercial banks, insurance companies, trust companies and other securities firms in China in terms of investment performance, the range of products, and quality of client service.

Some of its competitors may enjoy certain competitive advantages over the Group. In addition, with the deregulation in China's securities industry, more competitors are seeking to enter or expand in the market. The Group believes that the financial service industry in China is becoming increasingly competitive, which will accelerate the transitional innovation and differentiated development of PRC securities firms.

EMPLOYEES

The Group believes that its professional workforce is the foundation of its long-term growth. As at 30 June 2026, the Group had 15,513 employees.

The Group's sustainable growth and expansion also depend on its employees' performance and loyalty. The Group has adopted a market-driven remuneration structure that links employees' remuneration with their performance. Its performance evaluation system provides the basis for human resource decisions such as remuneration adjustments, promotion and talent cultivation. In addition, the Group provides its employees with supplementary compensation benefits, such as commercial health insurance and family care allowances. The Group has also established enterprise pension plan to maintain employees' standards of living after retirement.

As at the date of this Offering Circular, the Group did not have any strikes, protests or other material labour conflicts that may materially impair its business and image. The Group has established a labour union, and it believes that it has maintained a good relationship with its employees and value their importance at all times.

INFORMATION TECHNOLOGY

As an industry leader in technology among the PRC securities firms, the Group has invested heavily in research and development of advanced technology tools and updated its technology infrastructure in recent years to better meet the challenges in this new era. For example, the Group has developed a series of innovative and influential IT products, such as the wealth management mobile app ZhangLe Fortune Path, the professional investor service platform MATIC, and the market data product Insight. The Group resolutely advanced the "ALL IN AI" strategy, positioning AI as the core engine of value creation and comprehensively restructuring key business capabilities and value-generation methods to foster a new human-in-the-loop model. During the first half of 2026, the Group advanced to a new phase in its intelligent transformation, centred on four key objectives of "Empowering Clients, Innovating Businesses, Optimising Operations and Enabling Employees". It launched the revamped version of "AI ZhangLe" (AI 漲樂), implemented and iterated the Task Assistant and specialised AI agents, released research Skills and MCP collections through "Xing Zhi" (行知), expanded intelligent investment research systems across key sectors, established intelligent compliance review and brokerage operation systems, and used intelligent tools to support investment advisory and research services. More than 3,800 employees participated in low-code development of intelligent agents, cumulatively creating over 19,000 lightweight intelligent applications to enhance the quality and efficiency of routine tasks.

The Group monitors its various trading activities, such as brokerage, margin financing and securities lending and trading and investment activities, on a real-time basis, and monitor post-settlement transactions, customer accounts and risk control indicators to manage its risks. Its advanced IT infrastructure is vital for it to properly manage all categories of risks based on an enterprise-wide approach. It adopts technologies to implement its risk management policies across all business lines and management procedures while enhancing risk management efficiency. The Group has established primary and secondary data centres in Nanjing, functioning independently. In addition, the Group has another disaster recovery site in Shenzhen which will take over in case of extreme events.

The Group's technology success depends on its research and development capabilities. As at 31 December 2025, the Group had 3,220 research and development personnel. The Group established a digital innovation lab in April 2017, leading the innovation of various IT and digital products. The digital innovation lab is tasked with evaluating cutting-edge fintech innovations, such as artificial intelligence, big data, and blockchain, and addressing technical challenges, such as ultra-low-latency market data infrastructure and biological identification. As an innovative product of the lab, ultra-low-latency market data infrastructure reduces the responding time of market data handling from sub second level to low microsecond level, even nanosecond level. The infrastructure is actively used in algorithm trading, market making, proprietary trading, and primary brokerage businesses. This lab also works on building a firm-wide innovative culture through collaboration of different departments within the Group.

INSURANCE

The Group maintains insurance coverage for IT systems, motor vehicles, and owned buildings. Consistent with customary industry practice in China, the Group does not maintain any business interruption insurance.

The Group believes that it has maintained such insurance coverage as it considers necessary and sufficient for its operations and customary for the industry in which the Group operates and all of the Group's insurance policies are underwritten with reputable insurance providers and reviewed annually. However, the Group's policies are subject to standard deductibles, exclusions and limitations. Therefore, insurance might not necessarily cover all losses incurred by the Group and it cannot provide any assurance that it will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, its insurance policies.

LEGAL AND REGULATORY

Licensing Requirements

The Group conducts its business mainly in the PRC, Hong Kong, the United States and Singapore. As a result, the Group is principally subject to the relevant regulations of the PRC, Hong Kong, the United States and Singapore. For the years ended 31 December 2023, 2024 and 2025, for the six months ended 30 June 2026, and up to the date of this Offering Circular, the Group had complied with the relevant regulatory requirements and guidelines in the jurisdictions where the Group operated in all material respects, and obtained the permits and licences material to its operations in accordance with the laws and regulations in the jurisdictions where the Group operates.

Legal Proceedings

The Group is a party to a number of legal proceedings arising in the ordinary course of its business. For the years ended 31 December 2023, 2024 and 2025, for the six months ended 30 June 2026, and up to the date of this Offering Circular, to the best knowledge of the Group and its management, there were no legal proceedings pending or threatened against the Group that could, individually or in the aggregate, have a material adverse effect on its business, financial condition or results of operations.

DIRECTORS AND SENIOR MANAGEMENT

The Board currently consists of 13 directors, amongst whom three are executive directors, five are non-executive directors and five are independent non-executive directors. The Board is responsible, and has the general authority for, the management and operation of the Guarantor. The directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The independent non-executive directors shall not hold office for more than six consecutive years.

The following table sets out the current members of the Board of Directors and their respective position and age.

Name	Age	Position
Mr. Wang Huiqing (王會清)	55	Chairman of the Board of Directors and Executive Director
Mr. Zhou Yi (周易)	56	Executive Director, Chief executive officer and Chairman of the Executive Committee
Ms. Wang Ying (王瑩)	46	Executive Director and Employee representative Director
Mr. Ding Feng (丁鋒)	57	Non-executive Director
Ms. Yu Lanying (于蘭英)	54	Non-executive Director
Mr. Ke Xiang (柯翔)	51	Non-executive Director
Mr. Jin Yongfu (晉永甫)	57	Non-executive Director
Mr. Chen Jianwei (陳建偉)	49	Non-executive Director
Mr. Wang Quansheng (王全勝)	57	Independent Non-executive Director
Mr. Peng Bing (彭冰)	53	Independent Non-executive Director
Mr. Wang Bing (王兵)	47	Independent Non-executive Director
Mr. Lo Kin Wing Terry (老建榮)	66	Independent Non-executive Director
Mr. Ye Jinqiang (葉金強)	58	Independent Non-executive Director

Mr. Wang Huiqing (王會清) is the Chairman of the Board of Directors and an Executive Director of the Guarantor. He holds a doctoral degree of law and finance, and is a certified public accountant and company lawyer. He previously served as the general manager of Jiangsu International Trust Corporation Ltd. (江蘇省國際信託有限責任公司), the chairman of Lian Life Insurance Co., Ltd. (利安人壽保險股份有限公司), a deputy general manager and a member of the Party Committee of Jiangsu Guoxin Investment Group Limited (江蘇省國信集團有限公司), and the secretary of the Party Committee and the chairman of Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司). He has been the secretary of the Party Committee of the Guarantor since November 2025 and has been the chairman of the Board of Directors of the Guarantor since January 2026, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Zhou Yi (周易) is an Executive Director, Chief executive officer and Chairman of the Executive Committee of the Guarantor. He holds a bachelor's degree of computer communications. Mr. Zhou once served as the chairman of the board of directors of Jiangsu Bei'er Communication System Co., Ltd. (江蘇貝爾通信系統有限公司) and Nanjing Xinwang Telecom Tech Co., Ltd. (南京欣網視訊科技股份有限公司). He joined the Guarantor in August 2006, and previously served as the deputy secretary of the Party Committee, the President and a member of the Party Committee of the Guarantor, etc. He has been a Director of the Guarantor since December 2007, and has been the chief executive officer and chairman of the Executive Committee of the Guarantor since October 2019, with a term of office in current session of the Board and the senior management from January 2026 to January 2029.

Ms. Wang Ying (王瑩) is an Executive Director and Employee representative Director of the Guarantor. She holds a master's degree in public administration. She joined the Guarantor in January 2016, and served as the head of the Communist Party union working department of the Guarantor from April 2016 to May 2025, and an employee representative Supervisor of the Guarantor from December 2019 to May 2025. She has served as the chairman of labour union of the Guarantor since December 2021, and the deputy secretary of the Party Committee of the Guarantor since April 2025. She has been a Director of the Guarantor since June 2025 with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Ding Feng (丁鋒) is a Non-executive Director of the Guarantor. He holds a master's degree of business administration and is a senior accountant. He previously worked at China Songhai Industrial Corporation (中國嵩海實業總公司) and China North Industries Corporation Xiamen Branch (中國北方工業廈門公司). He served in finance and management roles at Jiangsu International Trust and Investment Company (江蘇省國際信託投資公司), Jiangsu Guoxin Asset Management Group Limited (江蘇省國信資產管理集團有限公司), Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司) and Jiangsu Guoxin Group Finance Co., Ltd. (江蘇省國信集團財務有限公司). He was the general manager of finance department of Jiangsu Guoxin Investment Group Limited (江蘇省國信集團有限公司) from March 2018 to December 2024 and the deputy secretary of the Party Committee and director of Jiangsu International Trust Corporation Limited from December 2024 to March 2025. He has been the deputy secretary of the Party Committee, a director and the general manager of Jiangsu International Trust Corporation Limited since March 2025. He has been a Director of the Guarantor since October 2018, with a term of office in current session of the Board from January 2026 to January 2029.

Ms. Yu Lanying (于蘭英) is a Non-executive Director of the Guarantor. She holds a master's degree in industrial economics, and is a principal senior accountant and certified public accountant. She previously worked at Nanjing Runtai Industrial Trading Company (南京潤泰實業貿易公司), Jiangsu United Trust and Investment Company (江蘇聯合信託投資公司), Jiangsu Communications Industry Group Co., Ltd. (江蘇交通產業集團有限公司) and Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司). She successively served as deputy manager, manager of the finance and accounting division, deputy chief financial officer, chief financial officer, member of the Party Committee and deputy general manager of Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司) from June 2008 to March 2018, and held audit, risk control and financial management roles at Jiangsu Communications Holding Co., Ltd. from March 2018 to August 2023. She has served as the chief accountant and member of the Party Committee of Jiangsu Communications Holding Co., Ltd. since August 2023. She served as the Supervisor of the Guarantor from October 2018 to October 2025, and has served as a Director of the Guarantor since January 2026, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Ke Xiang (柯翔) is a Non-executive Director of the Guarantor. He holds a doctoral degree in corporate management and is a senior engineer. From August 1996 to October 2002, he successively served at the Jiangsu Provincial Department of Finance. From October 2002 to August 2020, he worked at Jiangsu Communications Holding Co., Ltd. and successively held roles including deputy director, director and strategic planning positions. Since August 2020, he has been deputy general manager and member of the Party Committee of Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司). He has been a Director of the Guarantor since February 2021, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Jin Yongfu (晉永甫) is a Non-executive Director of the Guarantor. He holds a bachelor's degree in economics, and is an accountant and political engineer. From August 1992 to May 2005, he successively served at Jiangsu Textiles Import & Export Corporation (江蘇省紡織品進出口公司). From June 2005 to February 2007, he served as general manager of Jiangsu Textiles Import & Export Group Jietai Co., Ltd. (江蘇省紡織品進出口集團捷泰有限公司). From March 2007 to April 2014, he held office and investment development roles at Jiangsu Kaiyuan Co., Ltd. (江蘇開元股份有限公司), Jiangsu High Hope Co., Ltd. (江蘇匯鴻股份有限公司) and Jiangsu High Hope Huisheng Investment Management Co., Ltd. (江蘇匯鴻匯升投資管理有限公司). From May 2014 to August 2023, he successively served as deputy director of the office, director of the information centre, director of the office, general manager of the investment management department, vice president and a member of the Party Committee of Jiangsu High Hope International Group Corporation (江蘇匯鴻國際集團股份有限公). Since August 2023, he has served as vice president and a member of the Party Committee of Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司). He has been a Director of the Guarantor since June 2025, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Chen Jianwei (陳建偉) is a Non-executive Director of the Guarantor. He holds a master's degree in public administration and the title of senior auditor. From July 1999 to June 2015, he served in audit roles at the National Audit Office's Beijing-Tianjin-Hebei Resident Office and Nanjing Resident Office. He later served in management roles at Jiangsu Yourun Technology and Culture Group Co., Ltd. (江蘇有潤科技文化集團有限公司), Nanjing Jinling Hotel Group Co., Ltd. (南京金陵飯店集團有限公司), Jiangsu Tianquan Lake Development and Construction Co., Ltd. (江蘇天泉湖開發建設有限公司), Jiangsu Tianquan Lake Industrial Co., Ltd. (江蘇天泉湖實業股份有限公司), and Jiangsu Jincai Investment Co., Ltd. (江蘇金財投資有限公司). Since October 2025, he has served as general manager of the investment development department of Jiangsu Guojin Investment Group Co., Ltd. (江蘇省國金投資集團有限公司) and the secretary of the General Party Branch and chairman of Jiangsu Jincai Investment Co., Ltd. He has been a Director of the Guarantor since January 2026, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Wang Quansheng (王全勝) is an Independent non-executive Director of the Guarantor. He holds a doctoral degree in business management. He served as teaching assistant and lecturer in the Information Centre, associate professor, deputy dean, professor and dean of the Department of E-commerce, and professor and dean of the Department of Marketing and E-commerce of the Business School of Nanjing University from September 1993 to September 2016; and as professor and deputy dean of the Management School of Nanjing University from September 2016 to November 2020. He has been a professor and deputy dean of the Business School of Nanjing University since November 2020. He has been an independent non-executive Director of the Guarantor since June 2022, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Peng Bing (彭冰) is an Independent non-executive Director of the Guarantor. He holds a doctoral degree in international law. From April 2000 to July 2005, he served as a lecturer at the Law School of Peking University; from July 2005 to July 2017, he served as associate professor at the Law School of Peking University; from July 2017 to present, he has served as professor at the Law School of Peking University. He has been an independent non-executive Director of the Guarantor since December 2022, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Wang Bing (王兵) is an Independent non-executive Director of the Guarantor. He holds a doctoral degree in accounting. From July 2007 to December 2022, he served as a lecturer, associate professor and deputy dean of the Department of Accounting of Nanjing University Business School; from December 2022 to present, he has served as professor and deputy dean of the Department of Accounting of Nanjing University Business School. He has been an independent non-executive Director of the Guarantor since December 2022, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Lo Kin Wing Terry (老建榮) is an Independent non-executive Director of the Guarantor. He holds a bachelor's degree in sociology. He worked at American International Assurance Company Limited and East Asia Aetna Insurance Company Limited. From August 1994 to December 2007, he successively served as financial controller and chief executive officer of HSBC Life Insurance Company Limited (Hong Kong); from December 1995 to February 2006, he served as chief executive officer of Hang Seng Life Limited; from December 2007 to November 2012, he successively served as the person in charge and chief executive officer of HSBC Life Insurance Company Limited (China); and from July 2013 to March 2020, he successively served as vice president, chief executive officer and consultant of BOC Group Life Assurance Company Limited (Hong Kong). He has served as a non-executive director of the Insurance Authority since December 2021. He has been an independent non-executive Director of the Guarantor since June 2024, with a term of office in current session of the Board from January 2026 to January 2029.

Mr. Ye Jinqiang (葉金強) is an Independent non-executive Director of the Guarantor. He holds a doctoral degree in civil and commercial law. From August 1986 to February 1990, he served as a teacher at Lai'an Middle School in Anhui Province; from March 1990 to August 1995, he practiced as a solicitor at Anhui Lai'an Law Firm; from August 1998 to May 2006, he served as a lecturer and associate professor at the

School of Law, Nanjing University; since May 2006, he has served as a professor at the School of Law, Nanjing University, having held the positions of deputy dean and dean of the School of Law, Nanjing University from May 2014 to December 2022. Currently, Mr. Ye Jinqiang concurrently serves as a director of Nanjing University Press Co., Ltd.

SENIOR MANAGEMENT

The Guarantor's senior management is responsible for the management of day-to-day operations of the Guarantor. The following table sets out current senior management of the Guarantor, their respective position and their age.

Name	Age	Position
Mr. Zhou Yi (周易)	56	Executive Director, Chief executive officer and Chairman of the Executive Committee
Mr. Han Zhencong (韓臻聰)	58	Member of the Executive Committee and Chief information officer
Mr. Jiang Jian (姜健)	59	Member of the Executive Committee
Mr. Zhang Hui (張輝)	50	Member of the Executive Committee and Secretary to the Board
Mr. Chen Tianxiang (陳天翔)	47	Member of the Executive Committee
Ms. Jiao Xiaoning (焦曉寧)	55	Member of the Executive Committee and Chief financial officer
Mr. Wang Yujie (王宇捷)	41	Member of the Executive Committee
Mr. Jiao Kai (焦凱)	51	General legal counsel and Chief compliance officer
Mr. Wang Chong (王翀)	53	Chief risk officer
Ms. Sun Yan (孫艷)	54	Director of human resources

Mr. Zhou Yi (周易) is the Chief executive officer and Chairman of the Executive Committee of the Guarantor. See "*Board of Directors*" in this section for Mr. Zhou's biography.

Mr. Han Zhencong (韓臻聰) is a member of the Executive Committee and the Chief information officer of the Guarantor. Mr. Han holds a doctor's degree of management science and engineering and is a senior economist. He served as a member of the Leading Party Members' Group and deputy general manager of China Telecom Jiangsu Company Limited (中國電信江蘇公司); the secretary of the Leading Party Members' Group and general manager of China Telecom Heilongjiang Company Limited; the general manager of the government and enterprise customer business division of China Telecom, and the secretary of the Party Committee and general manager of China Telecom Zhejiang Company Limited, etc. He joined the Guarantor in December 2019 and has been a member of the Executive Committee and the chief information officer of the Guarantor since April 2022, with a term of office in current session of the senior management from January 2026 to January 2029.

Mr. Jiang Jian (姜健) is a member of the Executive Committee of the Guarantor. He holds a master's degree of agricultural economics and management. He joined the Guarantor in December 1994, and once served as the deputy general manager of the investment banking head office, general manager of the asset management head office, general manager of the investment banking business Nanjing head office, director of investment banking business and general manager of Nanjing head office, secretary to the Board of Directors, vice president and a member of the Party Committee of the Guarantor, etc. He has been a member of Executive Committee of the Guarantor since December 2019, with a term of office in current session of the senior management from January 2026 to January 2029.

Mr. Zhang Hui (張輝) is a member of the Executive Committee and the Secretary to the Board of the Guarantor. He holds a doctor's degree of technology economics and management. He joined the Guarantor in February 2003, and once served as a senior manager of the asset management head office, deputy general manager of the Securities Branch in Nantong Yaogang Road, the general manager of the Securities Branch in Shanghai Ruijin First Road, deputy general manager of the securities investment department, the general manager of the general affairs department, the general manager of the human resources department and head of the organization department of the Party Committee of the Guarantor. He has been the secretary to the Board of the Guarantor since April 2017, a member of the Executive

Committee of the Guarantor since December 2019 and a member of the Party Committee of the Guarantor since July 2022, with a term of office in current session of the senior management from January 2026 to January 2029.

Mr. Chen Tianxiang (陳天翔) is a member of the Executive Committee of the Guarantor. He holds a master's degree in control science and engineering. He joined the Guarantor in September 2007, and once served as the deputy general manager of the head office of brokerage business, deputy general manager of the internet finance department (in charge of work), and general manager of the internet finance department of the Guarantor, etc. He has been a member of the Executive Committee of the Guarantor since February 2020, with a term of office in current session of the senior management from January 2026 to January 2029.

Ms. Jiao Xiaoning (焦曉寧) is a member of the Executive Committee and the Chief financial officer of the Guarantor. She holds a master's degree of accounting and is an accountant. She once worked at Industrial and Commercial Bank of China Beijing Branch as well as the accounting department of Ministry of Finance (財政部會計司). She once served as deputy inspector and deputy director of the accounting department of the CSRC, etc. She joined the Guarantor in January 2020. She has been the chief financial officer of the Guarantor since March 2020, and a member of the Executive Committee of the Guarantor since January 2026, with a term of office in current session of the senior management from January 2026 to January 2029.

Mr. Wang Yujie (王宇捷) is a member of the Executive Committee of the Guarantor. He holds a master's degree of international business and banking management. He joined the Guarantor in July 2013, and once served as the general manager of the Securities Branch in Fanggong Road, Jiaxing, the general manager of the Securities Branch in Jiefang East Road, Hangzhou, and the general manager of Taizhou Branch of the Guarantor, etc. He has served as the general manager of Beijing Branch of the Guarantor since January 2022. He served as the assistant to the chairman of the Executive Committee of the Guarantor from February 2024 to January 2026. He has been a member of the Executive Committee of the Guarantor since January 2026, with a term of office in current session of the senior management from January 2026 to January 2029.

Mr. Jiao Kai (焦凱) is the general legal counsel and Chief compliance officer of the Guarantor. He is a Doctor of finance. He was once the director of the council office and deputy director of executive office, director of CPC Committee Office, director of the supervisory board office, director of Beijing center and general manager of membership department of the Shanghai Stock Exchange, etc. He joined the Guarantor in December 2019 serving as the general legal counsel of the Guarantor, and has been the chief compliance officer and general legal counsel of the Guarantor since February 2020, with a term of office in current session of the senior management from January 2026 to January 2029.

Mr. Wang Chong (王翀) is the Chief risk officer of the Guarantor. He holds a master's degree of computer and finance. Mr. Wang once worked at the treasury department/global financial marketing department of Bank of China, the London Branch of Bank of China, JP Morgan (UK) and China International Capital Corporation (UK) Limited (中國國際金融有限公司(英國)). He joined the Guarantor in December 2014, and once served as the general manager of the risk management department of the Guarantor. He has been the chief risk officer of the Guarantor since March 2017, with a term of office in current session of the senior management from January 2026 to January 2029.

Ms. Sun Yan (孫豔) is the Director of human resources of the Guarantor. She holds a bachelor's degree of statistics. She joined the Guarantor in August 1994, and once served as the compensation and benefits manager of the human resources department, the assistant to the general manager of the human resources department and the deputy general manager of the human resources department of the Guarantor, etc. She has been the general manager of the human resources department and head of the organization department of the Party Committee of the Guarantor since March 2019; and the director of human resources of the

Guarantor since December 2022. She has been a member of the Party Committee of the Guarantor since October 2023, with a term of office in current session of the senior management from January 2026 to January 2029.

BOARD COMMITTEES

The Board delegates certain responsibilities to various dedicated committees. The Board has established five special committees of the Board, namely the Development Strategy Committee, the Compliance and Risk Management Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee.

Development Strategy Committee

The Development Strategy Committee of the Guarantor consists of five directors, namely Mr. Wang Huiqing, Mr. Zhou Yi, Ms. Yu Lanying, Mr. Jin Yongfu and Mr. Chen Jianwei. Mr. Wang Huiqing is the chairman (convener) of the Development Strategy Committee. The major duties of the Development Strategy Committee include (but are not limited to):

- understanding and grasping the overall situation of the Guarantor's operation;
- understanding, analyzing and grasping the current situation of international and domestic industries;
- understanding and grasping the relevant domestic policies;
- studying the short-term, medium-term and long-term development strategies of the Guarantor or relevant issues;
- providing consultancy advice on the Guarantor's long-term development strategies, major investments, reforms and other major decisions, and promoting the deep integration of the Guarantor's cultural concept and the Guarantor's development strategies;
- considering and approving the special research reports on development strategies;
- publishing daily research reports in a regular or irregular manner; and
- other duties assigned by the Board.

Compliance and Risk Management Committee

The Compliance and Risk Management Committee of the Guarantor consists of three directors, namely Mr. Zhou Yi, Mr. Ke Xiang and Mr. Ye Jinqiang. Mr. Zhou Yi is the chairman (convener) of the Compliance and Risk Management Committee. The main duties of the Compliance and Risk Management Committee include (but are not limited to):

- reviewing and making recommendations on the overall targets and fundamental policies of compliance management and risk management;
- reviewing and making recommendations on the setup of compliance management and risk management bodies and their duties;
- evaluating and making recommendations on the risks of major decisions which require the Board's review as well as the solutions to these risks;

- reviewing and making recommendations on the compliance reports and risk assessment reports that require the Board's review; and

- other duties as prescribed in the Guarantor's articles of association.

Audit Committee

The Audit Committee of the Guarantor consists of three directors, namely Mr. Wang Bing, Mr. Ding Feng and Mr. Lo Kin Wing Terry. Mr. Wang Bing is the chairman (convener) of the Audit Committee.

On October 17, 2025, Resolution on the Matters Related to the Dissolution of the Supervisory Committee was considered and approved at the 2025 First Extraordinary General Meeting of the Guarantor. Pursuant to this resolution, during the year of 2025, the Guarantor discontinued the Supervisory Committee. The Audit Committee of the Board shall exercise the powers of the Supervisory Committee as stipulated by laws and regulations. Concurrently, the Rules of Procedures for the Supervisory Committee of Huatai Securities Co., Ltd. were repealed, and the Office of the Supervisory Committee was dissolved.

The main duties of the Audit Committee of the Board include (but are not limited to):

- supervising and guiding the audit work. It shall manage and guide the internal audit work planning and audit team construction, regularly listen to and review the comprehensive report of audit work, annual audit plan and important audit reports, make judgements on the truthfulness, accuracy and completeness of the audited financial report, and submit them to the Board for reviewing. It shall supervise the Guarantor's financial statement and the completeness of the Guarantor's annual report and account, interim report and quarterly report and review statements as well as major opinions on financial declaration in reports. The Committee shall pay special attention to the following matters: 1. Changes in accounting policies and practices; 2. Matters concerning significant judgment; 3. Significant adjustments due to the audit; 4. Assumptions of on-going operations of the Company and its qualified opinions; 5. Compliance with the accounting standards; and 6. Compliance with the listing rules or relevant laws and regulations of the listing place where the financial reporting shall be made;

- proposing the engagement or changing of external audit institutions and supervising the professional conduct of external audit institutions, so as to ensure the coordination of internal and external auditors. Moreover, it shall also ensure that the internal audit institution is given enough resources for operation and appropriate status within the Guarantor and check and supervise its validity;

- considering and putting forward suggestions for the appointment, reappointment, remuneration, appointment terms and any other issues about the resignation or dismissal of external auditors. It shall hold the position as the main representative between the Guarantor and the external auditor and supervise their relationship;

- discussing with the external auditors about the nature, scope and relevant responsibility of audit and frequently check if the audit procedure is valid and whether the external auditor is objective and independent before carrying out the audit work;

- checking the Explanation Letter on Audit offered by external auditors to the management and any major doubts put forward by the auditors to the management about the accounting record, financial account or monitoring system as well as the response of the management and ensure that the Board can timely reply to issues put forward in the Explanation Letter on Audit offered by external auditors to the management;

- checking and monitoring the Guarantor's financial supervision, risk management and internal monitoring system and check the financial and accounting policies and practices of the Guarantor and its subsidiaries;

- discussing the risk management and internal supervision system with the management so as to ensure that the management has performed its duty and established a valid internal supervision system; studying the important investigation results and responses of the management related to risk management and internal supervision system actively or as assigned by the Board of Directors;

- reporting the above issues to the Board;

- checking the Guarantor's following arrangement: Employees of the Guarantor may secretly raise concerns on irregular conducts about financial reporting, internal monitoring, or other aspects. The Audit Committee shall ensure that there is appropriate arrangement for the Guarantor to make fair and independent investigation and take appropriate actions on such issues;

- studying other projects defined by the Board; and

- other responsibilities according to the Guarantor's articles of association or the Listing rules or laws and regulations of the place where the Guarantor is listed.

Nomination Committee

The Nomination Committee of the Guarantor consists of three directors, namely Mr. Wang Quansheng, Ms. Wang Ying and Mr. Peng Bing. Mr. Wang Quansheng is the chairman (convener) of the Nomination Committee. The main duties of the Nomination Committee of the Board include (but are not limited to):

- reviewing the structure, headcount and composition (including skills, knowledge and experience) of the Board at least once each year and making recommendations regarding any proposed changes of the Board in line with the Guarantor's strategies;

- considering and making suggestions on the criteria and procedures for the selection of Directors and senior management members;

- searching for qualified candidates for the Directors and senior management, and selecting from the list of candidates nominated by Directors or making recommendations to the Board;

- reviewing and making suggestions on the qualification requirements for Directors and senior management;

- assessing the independence of independent non-executive Directors;

- making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors (in particular, the Chairman and the Chief Executive Officer); and

- other responsibilities stipulated in the Guarantor's articles of association or as required by the Board.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee of the Guarantor consists of three directors, namely Mr. Wang Quansheng, Mr. Peng Bing and Mr. Wang Bing. Mr. Wang Quansheng is the chairman (convener) of the Remuneration and Appraisal Committee. The main duties of the Remuneration and Appraisal Committee include (but are not limited to):

- reviewing and providing opinions on the appraisal and remuneration management system for Directors and senior management, and making recommendations to the Board on the Guarantor's overall policy and structure for the remuneration of the Directors and senior management, and on the establishment of a formal and transparent procedure to develop remuneration policy;

- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- conducting assessment on and making recommendations to the Directors and senior management, such as making recommendations on the remuneration packages, including benefits in kind, pensions and compensation payments (including any compensation payable for loss or termination of office or appointment) for certain executive Directors and senior management, and making recommendations to the Board on the remuneration of non-executive Directors;

- considering salaries paid by comparable companies, time commitment and responsibilities and engagement conditions elsewhere in the Group;

- reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the relevant contractual terms. In case of inconsistency with the relevant contractual terms, the compensation shall be fair and not excessive;

- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms. In case of inconsistency with the relevant contractual terms, the compensation shall be reasonable and appropriate;

- ensuring that no Director or any of his/her associates is involved in determining their own remuneration; and

- other responsibilities stipulated in the Guarantor's articles of association.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream or the CMU (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor or any other parties to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The applicable Pricing Supplement will specify the Clearing System(s) applicable for each Series.

THE CLEARING SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly. Euroclear and Clearstream have established an electronic bridge between the two systems across which their respective participants may settle trades with each other.

Distributions of principal, distribution and interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together, "**CMU Instruments**") which are specified in the reference manual relating to the operation of the CMU issued by the HKMA to CMU Members, as amended from time to time (the "**CMU Reference Manual**") as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the HKMA, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details of the full range of the CMU's custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the "**income proceeds**") by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual. An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts that Euroclear and Clearstream each have with the CMU.

BOOK-ENTRY OWNERSHIP

Bearer Notes

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a Temporary Global Note and/or a Permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream or a sub-custodian for the CMU.

Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream.

Registered Notes

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. The Issuer may also apply to have Registered Notes to be represented by a Global Certificate accepted for clearance through the CMU. Each Global Certificate will have an International Securities Identification Number ("**ISIN**") and a Common Code. Investors in Notes of such Series may hold their interests in a Global Certificate through Euroclear, Clearstream or the CMU (if applicable).

All Registered Notes will initially be in the form of a Global Certificate. Individual Certificates will be available, in the case of the Notes initially represented by a Global Certificate, in amounts specified in the applicable Pricing Supplement.

TAXATION

The following summary of certain British Virgin Islands, Hong Kong, PRC and U.S. tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Noteholder or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Persons considering the purchase of Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of such Notes. Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

BRITISH VIRGIN ISLANDS

The Issuer is exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

Payments of principal, premium or interest in respect of the Notes to persons who are not resident in the British Virgin Islands are not subject to British Virgin Islands tax or withholding tax.

Capital gains realised with respect to the Notes by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to the Notes.

All instruments relating to transactions in respect of the Notes are exempt from payment of stamp duty in the British Virgin Islands. This assumes that the Issuer does not hold an interest in real estate in the British Virgin Islands.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of the Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, pursuant to various foreign-sourced income exemption legislation in Hong Kong (together, the "**FSIE Amendments**", of which the latest amendment became effective from 1 January 2024), specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined, and subject to certain exceptions, in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes **provided that** either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "**SDO**")).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes **provided that** either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to its value or consideration, whichever is higher. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this "Taxation — PRC" section. In considering whether to invest in the Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Pursuant to the EIT Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose "*de facto* management body" are within the territory of the PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay PRC enterprise income tax at the rate of 25 per cent. in respect of their taxable income. Although the rules are not entirely clear, dividends from a PRC tax resident enterprise should be excluded from the taxable income of a recipient that is also a PRC tax resident enterprise. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "*de facto* management body" of the Issuer is within the territory of PRC, the Issuer may be treated as a PRC tax resident enterprise for the purpose of the EIT Law, and the Issuer may be subject to PRC enterprise income tax at the rate of 25 per cent. on its taxable income. At the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law.

However, there can be no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer. Accordingly, if the Issuer is treated as a PRC tax resident enterprise by the PRC tax authorities, the Issuer may be required to withhold income tax from the payments of interest in respect of the Notes to any non-PRC Noteholder, and gain from the disposition of the Notes may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10 per cent. for non-resident enterprise Noteholders and 20 per cent. in the case of non-resident individuals, subject to the provisions of an applicable tax treaty. The Issuer has agreed to pay additional amounts to Noteholders, subject to certain exceptions, so that they would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes.

In addition, as the Guarantor is currently regarded as a PRC tax resident enterprise, if the Issuer is not able to make payments under the Notes and the Guarantor fulfils the payment obligations under the Guarantee, the Guarantor must withhold PRC income tax on payments with respect to the interest accrued on the Notes to non-resident enterprise holders generally at the rate of 10 per cent. (and possibly at a rate of 20 per cent. in the case of payments to non-resident individual holders), subject to the provisions of any applicable tax treaty.

On 23 March 2016, MOF and the SAT issued Circular 36, confirming that business tax will be completely replaced by VAT from 1 May 2016. With effect from 1 May 2016, income derived from the provision of financial services, which previously was subject to business tax, is subject to VAT. On 25 December 2024, the NPC issued the New VAT Law, which is effective on 1 January 2026. Pursuant to the New VAT Law, VAT is applicable where the entities or individuals provide services within the PRC. The revenues generated from the taxable sale of services by entities and individuals, such as financial services, shall be subject to PRC VAT, if the seller of the services is within the PRC or the services is consumed within the PRC (including services provided to the entities or individuals located within the PRC by the entities or individuals outside of the PRC). Accordingly, if the Issuer is deemed to be a PRC resident enterprise in the PRC by the PRC tax authorities, the interest and other interest like earnings derived from such products and received by a non-resident Noteholder from the Issuer may be subject to PRC VAT. The Issuer may be required to withhold VAT on payments of interest and certain other amounts on the Notes paid to Noteholder that are non-resident enterprises or individuals.

Additionally, VAT is unlikely to be applicable to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Notes, but there is uncertainty as to the applicability of VAT if the seller of Notes is located inside the PRC.

However, the new VAT Law and its implementation, together with other laws and regulations pertaining to VAT, are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. Thus, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise or otherwise as located in the PRC for VAT purposes and as a result be required to withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC.

U.S. FATCA Withholding

Sections 1471–1474 of the U.S. Internal Revenue Code, along with U.S. Treasury Department regulations promulgated thereunder, commonly known as "**FATCA**", generally require certain non-U.S. financial institutions ("**FFIs**") to report certain information on their account holders to the government of the United States and require such institutions to withhold 30 per cent. from all, or a portion of, certain payments made to non-compliant FFIs or other persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding. Investors may be required to provide certain information (which may include an IRS tax form) to the Issuer or the Guarantor, or other payors.

This withholding currently applies to certain payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2019. Proposed U.S. Treasury regulations were published that delay the effective date of withholding on payments of "foreign passthru payments" until the date that is two years after the date on which final U.S. Treasury regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the date that is six months after the date on

which final U.S. Treasury regulations defining the term "foreign passthru payments" are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

A number of jurisdictions (including the British Virgin Islands and Hong Kong) have entered into intergovernmental agreements with the United States ("**IGAs**"), which modify the way in which FATCA applies in its jurisdictions. The Issuer and the Guarantor and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive and/or (ii) to comply with applicable law in its jurisdictions. It is not yet certain how the United States and the jurisdictions which enter into IGAs will address withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all.

If an amount in respect of FATCA withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, none of the Issuer, the Guarantor, the Trustee or any of the Agents or any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex. The above description is based in part on regulations, official guidance and IGAs, all of which are subject to change, possibly with retroactive effect. Investors should consult their own tax advisers regarding how FATCA may affect them based on their particular circumstances.

SUMMARY OF RELEVANT PRC LAWS AND REGULATIONS

This section is a high-level overview of the PRC legal system and a summary of the principal PRC laws and regulations relevant to the issue of the Notes by the Issuer and giving of the Guarantee by the Guarantor. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations.

MAJOR LAWS AND REGULATIONS

Regulation on the Issuance of Foreign Note

Pursuant to the NDRC Foreign Debt Measures, which was promulgated by the NDRC and became effective on 10 February 2023, where domestic enterprises, overseas enterprises controlled by them or their overseas branches issue foreign debts, which are debt instruments of no less than one year of tenor that are denominated in domestic currency or foreign currency with the capital repaid and interest paid as agreed, including but not limited to senior bonds, perpetual bonds, capital bonds, medium-term notes, convertible bonds, exchangeable bonds, finance leases and commercial loans, the enterprises shall apply to the NDRC for dealing with the formalities of review and registration before issuance. The NDRC shall decide to accept it or not within five working days upon the receipt of the application and provide the review and a pre-issuance certificate (the "**Registration Certification of Issuance of Foreign Debts by Enterprises**") within three months after acceptance. The enterprises shall submit the issuance information to the NDRC within 10 working days after the completion of the Notes issuance.

Employment Contracts

The Labour Contract Law (《劳動合同法》), promulgated by the Standing Committee of the National People's Congress on 29 June 2007, which became effective on 1 January 2008 and was amended on 28 December 2012 and became effective on 1 July 2013, governs the relationship between employers and employees and provides for specific provisions in relation to the terms and conditions of an employee contract. The Labour Contract Law stipulates that employee contracts shall be in writing and signed. It imposes more stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. Pursuant to the Labour Contract Law, employment contracts lawfully concluded prior to the implementation of the Labour Contract Law and continuing as at the date of its implementation shall continue to be performed. Where an employment relationship was established prior to the implementation of the Labour Contract Law, but no written employment contract was concluded, a contract shall be concluded within one month after its implementation.

Employee Funds

Under applicable PRC laws, regulations and rules, including the Social Insurance Law (《社會保險法》), promulgated by the Standing Committee of the National People's Congress on 28 October 2010, which became effective on 1 July 2011 and as amended on 29 December 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated by the State Council on 22 January 1999, which became effective on 22 January 1999 and as amended on 24 March 2019, and Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on 3 April 1999, which became effective on 3 April 1999 and as amended on 24 March 2002 and 24 March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the outstanding amount within a stipulated time period.

REGULATIONS REGARDING OVERSEAS INVESTMENT, FINANCING AND ACQUISITION ACTIVITIES

NDRC Supervision

According to the Administrative Measures for the Outbound Investment by Enterprises (《企業境外投資管理辦法》) effective from 1 March 2018, sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby shall be subject to the approval of the NDRC. Other projects shall be subject to the filing with the competent government body.

Specifically, overseas investment projects carried out by enterprises under central management, or those carried out by local enterprises in which the amount of Chinese investment reaches or exceeds U.S.$300 million shall be subject to the filing with the NDRC. Those carried out by local enterprises in which the amount of Chinese investment is below U.S.$300 million shall be subject to filing with competent investment departments of the provincial government.

Investment projects to be carried out in Hong Kong and/or the Macau Special Administrative Region shall be governed by the Administrative Measures for the Outbound Investment by Enterprises.

According to the NDRC Foreign Debt Measures, which was issued by the NDRC on 5 January 2023, and came into effect on 10 February 2023, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue foreign debts with a maturity of more than one year, such enterprise must in advance of issuing such debts, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue. The Guarantor also have to comply with regulations regarding risk management and interim and ex-post supervision of the NDRC Foreign Debt Measures and any other rules and regulations promulgated by the NDRC in relation with the supervision and management of foreign debt from time to time.

The NDRC Foreign Debt Measures relates to the matters as listed below:

- before the issuance of foreign debts, enterprises shall first apply to the NDRC for the handling of the review and registration procedures. According to the NDRC Foreign Debt Measures, an enterprise is obligated to: (i) submit with the NDRC the offering information (including, without limitation to, major business indicators of such enterprise and issue details of the relevant foreign debt) within 10 PRC Business Days after the completion of the issuance or drawdown of such foreign debt, (ii) submit with the NDRC the offering information related to the pre-issuance registration within 10 PRC Business Days after the expiry date of such registration, (iii) submit with the NDRC the requisite information, including, without limitation to, the use of proceeds, repayment details and plans of the principal and interest, and major business indicators, within five PRC Business Days before the end of January and July of each year, and (iv) submit the relevant information with the NDRC promptly upon the occurrence of any material event that may affect the due performance of debt obligations and take measures to avoid the spillover of default risk and the cross-default risk of onshore bonds;

- review and registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: application report attached with the relevant documents. The application report shall cover the following main particulars: (i) basic information, existing foreign debts and compliance of the enterprise; (ii) analysis of the necessity, feasibility, economy and financial sustainability of the borrowing of foreign debts; (iii) plan for borrowing foreign debts, including the currency, size, interest rate and maturity of foreign debts, types of debt instruments, guarantee or other credit enhancement measures, purpose of the funds raised, contra flow and work plan for borrowing foreign debts; (iv) plan for repayment of the principal and interest of foreign debts and risk prevention measures; and (v) letter of commitment for the authenticity of the borrowing of foreign debts by the enterprise;

- the NDRC shall decide whether to accept the application for review and registration within five working days of receiving it and shall issue a Certificate for review and Registration of the Issuance of Foreign Debts by Enterprises within three months of accepting the application and within the limit of the total size of foreign debts;

- an application for change shall be submitted to the NDRC prior to occurrence of any of the following circumstances and where adjustment is required: (i) changes in the currency of foreign debts to be borrowed or the type of debt instruments; (ii) major changes in the use of raised funds; and (iii) other circumstances under which major adjustments shall be made to the relevant contents of the Certificate for Review and Registration; and

- the NDRC shall, within 20 working days from the date of acceptance of an application for change, make a written decision on approval of the application with sufficient reasons, or issue a written notice on non-approval of the change with reasons stated if the application is not sufficiently justified.

CROSS-BORDER SECURITY LAWS

On 12 May 2014, SAFE promulgated the Circular concerning Promulgation of the Foreign Exchange Administration Rules on Cross-Border Guarantees and the Relating Implementation Guidelines (國家外匯管理局關於發佈《跨境擔保外匯管理規定》的通知) (collectively, "**Circular 29**"). Circular 29, which came into force on 1 June 2014, replaced 12 other regulations regarding cross-border security and introduces a number of significant changes, including: (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration or filing for two specific types of cross-border security only; (iii) removing eligibility requirements for providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing, and any other SAFE administrative requirements; and (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under Circular 29. Circular 29 classifies cross-border security into three types:

- Nei Bao Wai Dai (內保外貸) ("**NBWD**"): security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor.

- Wai Bao Nei Dai (外保內貸) ("**WBND**"): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor.

- Other Types of Cross-border Security (其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-bank institution, it shall conduct a registration of the relevant security/guarantee with SAFE within 15 PRC Business Days after the execution of the relevant security/guarantee. In the event of changes to the major clauses of the relevant security/guarantee, it shall conduct a change registration for the relevant security/guarantee. According to Circular 29, the funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. According to Circular No. 3 [2017] issued by the SAFE on 26 January 2017, funds for overseas loans under domestic guarantees are allowed to be repatriated into the PRC for domestic use. Debtors can repatriate, directly or indirectly, the funds under guarantees for domestic use through issuing loans to or equity participation in domestic institutions. Further, according to the Policy Q&As (Issue II) on the Circular of the State Administration of Foreign Exchange on Further Advancing the Reform of Foreign Exchange Administration and Improving Examination of Authenticity and Compliance, in the case where the offshore debtor transfers the funds borrowed offshore by means of foreign loans onshore, the onshore borrower shall meet the relevant requirements for foreign debt administration and control the scale of

funds repatriated according to the relevant requirements of the mode of macro-prudential management of full-covered cross-border financing or the mode required in the Administration Measures for Registration of Foreign Debts. In the case where the offshore debtor transfers the funds by means of equity investment onshore, it shall meet the requirements from the competent authorities in the area of foreign direct investment.

Upon enforcement, the onshore security provider can pay to the offshore creditor directly (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore bond issuance, the offshore issuer's equity shares must be fully or partially held directly or indirectly by the onshore security provider. Moreover, the proceeds from any such offshore bond issuance must be applied towards the offshore project(s), where an onshore entity holds equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC laws.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes. The Guarantor's obligations in respect of each Tranche of Notes are contained in the relevant Deed of Guarantee. The relevant Deed of Guarantee will be executed by the Guarantor and the Issuer on or before the relevant Issue Date. Under Circular 29, a Deed of Guarantee does not require any pre-approval by SAFE and is binding and effective upon execution. The Guarantor is required to submit the relevant Deed of Guarantee to the local SAFE for registration within 15 business days after its execution. The SAFE registration is merely a post signing registration requirement, which is not a condition to the effectiveness of the Guarantee of the Notes.

Under Circular 29, the local SAFE will go through a procedural review (as opposed to a substantive examination process) of an application for registration. Upon completion of the review, the local SAFE will issue a registration notice or record to confirm the completion of the registration. Under Circular 29:

- non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC law although SAFE may impose penalties on the Guarantor if submission for registration is not carried out within the stipulated time frame of when necessary; and

- there may be logistical hurdles at the time of remittance (if any cross-border payment is to be made by the Guarantor under the Guarantee of the Notes) when the SAFE registration is needed as domestic banks require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Guarantee of the Notes itself.

The Terms and Conditions of the Notes provide that the Guarantor will register or cause to be registered with SAFE within 15 PRC Business Days after the execution of a Deed of Guarantee in respect of each Tranche of Notes. The Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline (being 150 PRC Business Days after the relevant Issue Date) and shall comply with all applicable PRC laws and regulations in relation to the Guarantee. If the Guarantor fails to provide the Trustee with the Registration Documents (as defined in the Terms and Conditions of the Notes) by the Registration Deadline, the Noteholders will have a put option to require the Issuer to redeem the Notes held by them at their principal amount together with any accrued and unpaid interest (see Condition 6(d) (*Redemption for Relevant Events*) of the Terms and Conditions of the Notes).

MOFCOM SUPERVISION

The MOFCOM issued the new version of the Overseas Investment Administration Rules (《境外投資管理辦法》) on 6 September 2014, effective from 6 October 2014 (the "**New Overseas Investment Rules**").

Under the New Overseas Investment Rules, a domestic enterprise intending to carry out any overseas investment shall report to the competent department of commerce for verification or filing and the competent department of commerce shall, with regard to an enterprise so verified or filed, issue thereto an Enterprise Overseas Investment Certificate (企業境外投資證書). If two or more enterprises make joint investment to establish an overseas enterprise, the larger (or largest) shareholder shall be responsible for the verification or filing procedure after obtaining written consent of other investing parties.

An enterprise that intends to invest in a sensitive country or region or a sensitive industry shall apply for the verification by MOFCOM. "**Sensitive countries and regions**" refer to those countries without a diplomatic relationship with the PRC, or subject to the UNSC sanctions or otherwise under the list of verified countries and regions published by MOFCOM from time to time. "**Sensitive industries**" refer to those industries involving the products and technologies which are restricted from being exported by the PRC, or affecting the interests of more than one country (or region). In accordance with the New Overseas Investment Rules, a central enterprise shall apply to MOFCOM for verification and MOFCOM shall, within 20 working days after accepting such application, decide whether or not the verification is granted. For a local enterprise, it shall apply through the provincial department of commerce to MOFCOM for such verification. The provincial department of commerce shall give a preliminary opinion within 15 working days after accepting such local enterprise's application, and submit all application documents to MOFCOM. MOFCOM shall decide whether or not to grant the verification within 15 working days of receipt of such preliminary opinion from the provincial department of commerce. Upon verification, the Enterprise Overseas Investment Certificate shall be issued to the investing enterprise by MOFCOM.

All overseas investments other than those subject to MOFCOM verification as described above are subject to a filing procedure. The investing enterprise shall complete the filing form through the Overseas Investment Management System, an online system maintained by MOFCOM, print out a copy of such filing form for stamping with the company chop, and then submit such stamped filing form together with a copy of its business licence for filing at MOFCOM (for a central enterprise (中央企業)) or the provincial department of commerce (for a local enterprise) respectively.

MOFCOM or the provincial department of commerce shall accept the filing and issue the Enterprise Overseas Investment Certificate within three working days upon receipt of such filing form.

The investing enterprise must carry out the investment within two years of the date of the relevant Enterprise Overseas Investment Certificate, otherwise such certificate will automatically become invalid and a new filing or verification application has to be made by the investing enterprise. In addition, if any item specified in such certificate is changed, the investing enterprise shall make the change of registration at MOFCOM or the provincial department of commerce (as the case may be).

If an overseas invested company carries out a re-investment activity offshore, the investing enterprise shall report such re-investment activity to MOFCOM or the provincial department of commerce (as the case may be) after the legal process of the investment is completed offshore. The investing enterprise shall complete and print out a copy of the Overseas Chinese-invested Enterprise Re-investment Report Form (境外中資企業再投資報告表) from the Overseas Investment Management System and stamp and submit such form to MOFCOM or the provincial department of commerce.

Foreign Exchange Administration

According to Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (Hui Fa [2015] No. 13) (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) and its appendix, banks will review and carry out foreign exchange registration under overseas direct investment directly.

According to the Administrative Measures for Foreign Debt Registration and its operating guidelines, effective as at 13 May 2013 and amended on 4 May 2015, issuers of foreign debts are required to register

with SAFE. Issuers other than banks and financial departments of the government shall go through registration or record-filing procedures with the local branch of the SAFE within 15 business days of entering into a foreign debt agreement. If the receipt and payment of funds related to the foreign debt of such issuer is not handled through a domestic bank, the Issuer shall, in the event of any change in the amount of money withdrawn, principal and interest payable or outstanding debt, go through relevant record-filing procedures with the local branch of SAFE.

On 12 January 2017, the PBOC issued the Notice of People's Bank of China on Matters Concerning Macro-prudential Management on All-round Cross-border Financing (Yin Fa [2017] No. 9) (《中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知》), which came into effect on the same date and established a mechanism aimed at regulating cross border financing activities based on the capital or net asset of the borrowing entities using a prudent management principle on a macro nationwide scale.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated dealer agreement dated 6 August 2026 (as further amended, restated and/or supplemented from time to time, the "**Dealer Agreement**"), agreed with the Issuer and the Guarantor a basis on which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". Under the terms of the Dealer Agreement, the Issuer, failing whom the Guarantor, will pay each relevant Dealer a commission (if any) agreed between the Issuer, the Guarantor and the relevant Dealer in respect of the Notes subscribed by it. The Issuer and the Guarantor have agreed to reimburse the Arranger for certain of their expenses properly incurred in connection with the establishment of the Programme and any future update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and certain of their affiliates may have performed certain investment banking and advisory services for the Issuer the Guarantor and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of their business. In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

SELLING RESTRICTIONS

United States

In respect of the Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes and the relevant Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold or, in the case of Bearer Notes, delivered within the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold or, in the case of Bearer Notes, delivered, and will not offer or sell or, in the case of Bearer Notes, deliver, any Notes and the relevant Guarantee constituting part of its allotment within the United States. The Notes and the relevant Guarantee are being offered and sold outside the United States in reliance on Regulation S.

In respect of the Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes and the relevant Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Each Dealer

represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold or, in the case of Bearer Notes, delivered, any Notes, and will not offer or sell or, in the case of Bearer Notes, deliver, any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer who has subscribed for Notes of a Tranche (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant lead manager) shall determine and certify to the Issuing and Paying Agent the completion of the distribution of the Notes of such Tranche. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice setting out the restrictions on offers and sales of the Notes within the United States or, to, or for the account or benefit of U.S. persons.

Terms used in the above provision have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restrictions under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(1) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, **provided that** any such prospectus has subsequently been completed by a Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(2) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(3) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(4) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Notes referred to in (2) to (4) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of the Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

  (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of EUWA; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Public Offer Selling Restriction under the UK Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the UK except that it may make an offer of such notes to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes and the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their

businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the SFO other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

PRC

Each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC or Taiwan), except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

British Virgin Islands

Each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that no invitation has been made or will be made, directly or indirectly, to any person in the British Virgin Islands or to the public in the British Virgin Islands to purchase the Notes and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by the British Virgin Islands laws.

This Offering Circular does not constitute, and there will not be, an offering of the Notes to any person in the British Virgin Islands.

Macau

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Notes be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the offer and sale of the Notes in Macau. The Notes have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the

relevant Dealers accordingly. CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealer may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealers with such evidence within the timeline requested.

General

Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws, regulations and directives in force in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering or publicity material or any Pricing Supplement, in all cases at its own expense.

None of the Issuer, the Guarantor, the Trustee or any of the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Pricing Supplement.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

GENERAL INFORMATION

AUTHORISATIONS

Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in connection with the establishment and update of the Programme. The establishment and update of the Programme was authorised by (1) the written resolutions of the sole director of the Issuer passed on 25 July 2023, 31 October 2023, 24 April 2025 and 23 January 2026 and unanimous written resolutions of the directors of the Issuer passed on 5 August 2026 and 16 November 2026, (2) a resolution of the shareholders of the Guarantor dated 8 February 2021, 30 June 2023 and 26 June 2026, and (3) the decision by the authorised persons of the Guarantor dated 5 August 2026 and 10 November 2026. Prior to issuing any Tranche of Notes under the Programme, the Issuer and the Guarantor will have obtained all necessary consents, approvals and authorisations in connection with the issue of such Tranche of Notes, the giving of the relevant Guarantee and the performance of their obligations thereunder. With respect to each Tranche of the Notes with a maturity of more than one year (where the NDRC Foreign Debt Measures are applicable), the Registration Certification of Issuance of Foreign Debts by Enterprises evidencing the registration of the issue of such Tranche with the NDRC will be obtained prior to the relevant Issue Date; and the Guarantor will undertake to, within the relevant prescribed timeframes after the relevant Issue Date, to file or cause to be filed with the NDRC the relevant NDRC Filings in accordance with the Terms and Conditions of the Notes. In addition, with respect to the Guarantee relating to each Tranche of Notes, the Guarantor will undertake to, within the prescribed timeframe after the execution of the relevant Deed of Guarantee, file or cause to be filed with SAFE the Cross-Border Security Registration in accordance with the Terms and Conditions of the Notes. The Guarantor will also make requisite filings with CSRC, in accordance with Measures for the Administration of the Formation, Acquisition and Purchase of Non-Controlling Shares of Overseas Business Institutions by Securities Companies and Securities Investment Fund Management Companies (證券公司和證券投資基金管理公司境外設立、收購、參股經營機構管理辦法) issued by CSRC on 25 September 2018 and amended on 15 January 2021, following the passing of the relevant resolutions for giving any Guarantee relating to such Tranche of Notes.

LISTING AND ADMISSION TO TRADE

Application has been made to the Hong Kong Stock Exchange for listing of the Programme under which the Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Notes to be listed on the Hong Kong Stock Exchange are required to have a denomination of at least HK$500,000 (or its equivalent in other currencies).

Unlisted Notes may be issued under the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed.

LITIGATION

Except as disclosed in this Offering Circular, there are no legal or arbitration proceedings against or affecting the Issuer, the Guarantor, any of their respective subsidiaries or any of their assets or the Group, and neither of the Issuer nor the Guarantor is aware of any pending or threatened proceedings, which are material in the context of the issue of the Notes or the giving of the Guarantee.

NO MATERIAL ADVERSE CHANGE

Except as disclosed in this Offering Circular, since 30 June 2026, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in or affecting the general affairs, financial condition, results of operations or prospects of the Issuer, the Guarantor or the Group.

DOCUMENTS AVAILABLE

For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will be available (upon prior written request and proof of holding and identity satisfactory to the Trustee, or as the case may be, the Issuing and Paying Agent), during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal office of the Trustee, being at the date of this Offering Circular, at Level 26, HSBC Main Building, 1 Queen's Road Central, Hong Kong and at the specified office of the Issuing and Paying Agent:

(i) the Trust Deed (which includes the form of the Global Notes, the Global Certificates, the Notes in definitive form, the Coupons, the Receipts and the Talons);

(ii) the Agency Agreement; and

(iii) each Deed of Guarantee;

For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will be available (upon prior written request and proof of holding and identity satisfactory to the Issuer and the Guarantor), during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection, being at the date of this Offering Circular, at 62/F., The Center, 99 Queen's Road Central, Hong Kong:

(i) the constitutive documents of each of the Issuer and the Guarantor;

(ii) the Audited Consolidated Financial Statements;

(iii) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of the Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer, the Guarantor and the Trustee as to its holding of the Notes and identity); and

(iv) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein referenced.

CLEARING OF THE NOTES

Notes have been accepted for clearance through the Euroclear and Clearstream systems. The relevant ISIN and the Common Code will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

FINANCIAL STATEMENTS

The 2024 Audited Consolidated Financial Statements were prepared and presented in accordance with the IFRS Accounting Standards and have been audited by Deloitte, Certified Public Accountants, Hong Kong, in accordance with ISAs, as stated in their report appearing herein.

The 2025 Audited Consolidated Financial Statements were prepared and presented in accordance with the IFRS Accounting Standards and have been audited by Deloitte, Certified Public Accountants, Hong Kong, in accordance with ISAs, as stated in their report appearing herein.

The 2026 Reviewed Condensed Consolidated Financial Statements were prepared and presented in accordance with IAS 34 and have been reviewed by Deloitte, Certified Public Accountants, Hong Kong, in accordance with ISRE 2410, as stated in their report appearing herein.

TEFRA D LEGEND

Notes issued pursuant to TEFRA D (other than Temporary Global Notes) and any Coupons, Receipts and Talons appertaining thereto will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

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Notes:

1 The 2026 Reviewed Condensed Consolidated Financial Statements have been reproduced from the interim report of the Group for the six months ended 30 June 2026 ("**2026 Interim Report**") and page references are references to page set forth in such report. The 2026 Reviewed Condensed Consolidated Financial Statements have not been prepared for the inclusion in this Offering Circular.

2 The 2025 Audited Consolidated Financial Statements have been reproduced from the annual report of the Group for the year ended 31 December 2025 ("**2025 Annual Report**") and page references are references to pages set forth in such report. The 2025 Audited Consolidated Financial Statements have not been prepared for the inclusion in this Offering Circular.

3 The 2024 Audited Consolidated Financial Statements have been reproduced from the annual report of the Group for the year ended 31 December 2024 ("**2024 Annual Report**") and page references are references to pages set forth in such report. The 2024 Audited Consolidated Financial Statements have not been prepared for the inclusion in this Offering Circular.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF HUATAI SECURITIES CO., LTD.

(Incorporated in the People's Republic of China with Limited Liability)

Introduction

We have reviewed the condensed consolidated financial statements of Huatai Securities Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 153 to 248, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2026 (Unaudited)	*2025 (Unaudited)*
Revenue			
Fee and commission income	5	**12,686,247**	8,027,182
Interest income	6	**8,317,215**	6,417,878
Net investment gains	7	**12,220,398**	6,629,834
		33,223,860	21,074,894
Other income and losses	8	**(1,917,614)**	(95,769)
Total revenue, gains and other income		**31,306,246**	20,979,125
Fee and commission expenses	9	**(3,714,445)**	(2,063,672)
Interest expenses	10	**(6,034,004)**	(4,381,310)
Staff costs	11	**(5,493,978)**	(4,569,531)
Depreciation and amortisation expenses	12	**(714,119)**	(733,905)
Tax and surcharges		**(125,004)**	(92,999)
Other operating expenses	13	**(2,443,780)**	(2,304,447)
Impairment losses under expected credit loss model, net of reversal	14	**(1,109,892)**	(523)
Total expenses		**(19,635,222)**	(14,146,387)
Operating profit		**11,671,024**	6,832,738
Share of profit of associates and joint ventures		**2,101,185**	1,692,103
Profit before income tax		**13,772,209**	8,524,841
Income tax expense	15	**(2,070,318)**	(973,992)
Profit for the period		**11,701,891**	7,550,849
Attributable to:			
Shareholders of the Company		**11,691,538**	7,549,447
Non-controlling interests		**10,353**	1,402
		11,701,891	7,550,849
Earnings per share (Expressed in Renminbi per share)	16		
- Basic		**1.25**	0.80
- Diluted		**1.19**	0.80

The notes on pages 164 to 248 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2026 (Unaudited)	*2025 (Unaudited)*
Profit for the period	**11,701,891**	7,550,849
Other comprehensive (expense) / income for the period:		
Items that will not be reclassified subsequently to profit or loss:		
Equity instruments at fair value through other comprehensive income		
- Net change in fair value	**(1,759,911)**	745,932
- Income tax impact	**452,301**	(188,085)
Items that may be reclassified subsequently to profit or loss:		
Net gain / (loss) from debt instruments at fair value through other comprehensive income	**235,718**	(44,084)
Fair value loss on hedging instruments designated in cash flow hedges	**-**	(75,662)
Share of other comprehensive income / (expense) of associates and joint ventures	**63,557**	(137,242)
Exchange differences on translation of financial statements in foreign currencies	**(928,944)**	(46,881)
Income tax impact	**(60,257)**	11,361
Other comprehensive (expense) / income for the period, net of income tax	**(1,997,536)**	265,339
Total comprehensive income for the period	**9,704,355**	7,816,188
Attributable to:		
Shareholders of the Company	**9,691,871**	7,814,698
Non-controlling interests	**12,484**	1,490
Total	**9,704,355**	7,816,188

The notes on pages 164 to 248 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	*As at 30 June 2026 (Unaudited)*	*As at 31 December 2025 (Audited)*
Non-current assets			
Property and equipment	17	**6,971,058**	6,749,551
Investment properties		**162,987**	178,018
Goodwill	18	**249,837**	249,707
Land-use rights and other intangible assets	19	**2,005,499**	2,135,007
Interests in associates	20	**23,365,586**	22,285,733
Interests in joint ventures	21	**1,352,671**	1,344,777
Debt instruments at amortised cost	22	**39,959,818**	42,557,169
Financial assets held under resale agreements	32	**1,892,043**	1,117,472
Debt instruments at fair value through other comprehensive income	23	**41,319,197**	38,412,576
Equity instruments at fair value through other comprehensive income	24	**19,684,166**	14,613,478
Financial assets at fair value through profit or loss	25	**6,522,633**	6,072,976
Refundable deposits	26	**57,615,006**	49,391,627
Deferred tax assets	27	**3,323,086**	2,413,051
Other non-current assets	28	**165,316**	187,881
Total non-current assets		**204,588,903**	187,709,023
Current assets			
Accounts receivable	29	**13,339,681**	12,589,543
Other receivables, prepayments and other current assets	30	**3,796,493**	4,093,160
Margin accounts receivable	31	**226,955,047**	186,014,825
Debt instruments at amortised cost	22	**4,597,999**	1,961,138
Financial assets held under resale agreements	32	**17,925,584**	16,491,714
Debt instruments at fair value through other comprehensive income	23	**1,937,839**	6,403,360
Financial assets at fair value through profit or loss	25	**466,059,731**	372,869,353
Derivative financial assets	33	**26,527,458**	11,437,030
Clearing settlement funds	34	**15,165,428**	8,346,763
Cash held on behalf of brokerage clients	35	**311,016,526**	221,738,092
Cash and bank balances	36	**59,706,323**	47,693,555
Total current assets		**1,147,028,109**	889,638,533
Total assets		**1,351,617,012**	1,077,347,556

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

AS AT 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	*As at 30 June 2026 (Unaudited)*	*As at 31 December 2025 (Audited)*
Current liabilities			
Short-term bank loans	38	**30,781,533**	21,647,664
Short-term debt instruments issued	39	**49,143,622**	60,329,377
Placements from other financial institutions	40	**38,971,757**	37,134,967
Accounts payable to brokerage clients	41	**335,023,778**	240,910,426
Employee benefits payable		**4,131,964**	4,502,377
Other payables and accruals	42	**146,486,032**	109,915,712
Contract liabilities		**299,885**	223,153
Current tax liabilities		**2,240,012**	1,450,281
Financial assets sold under repurchase agreements	43	**183,949,302**	148,156,522
Financial liabilities at fair value through profit or loss	44	**45,448,291**	33,370,249
Derivative financial liabilities	33	**71,365,834**	18,224,472
Long-term bonds due within one year	45	**92,013,877**	83,066,273
Total current liabilities		**999,855,887**	758,931,473
Net current assets		**147,172,222**	130,707,060
Total assets less current liabilities		**351,761,125**	318,416,083
Non-current liabilities			
Long-term bonds	46	**119,696,771**	100,025,526
Long-term bank loans	47	**162,232**	170,903
Non-current employee benefits payable		**8,983,457**	6,901,015
Deferred tax liabilities	27	**898,965**	668,282
Financial liabilities at fair value through profit or loss	44	**5,296,348**	3,051,669
Other payables and accruals	42	**509,338**	602,484
Total non-current liabilities		**135,547,111**	111,419,879
Net assets		**216,214,014**	206,996,204

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

AS AT 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Equity			
Share capital	48	**9,026,864**	9,026,864
Other equity instruments	49	**37,300,000**	33,300,000
Treasury shares	50	**(7,102)**	(7,102)
Reserves	51	**106,472,220**	108,747,265
Retained profits	52	**63,352,814**	55,872,443
Total equity attributable to shareholders of the Company		**216,144,796**	206,939,470
Non-controlling interests		**69,218**	56,734
Total equity		**216,214,014**	206,996,204

The notes on pages 164 to 248 form part of these condensed consolidated financial statements.

Approved and authorised for issue by the board of directors on 28 August 2026.

Wang Huiqing	Wang Bing
Chairman of the Board, Director	Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
				Reserves									
	Share capital	*Other equity instruments*	*Treasury shares*	*Capital reserve*	*Surplus reserve*	*General reserve*	*Fair value reserve*	*Cash flow hedges reserve*	*Translation reserve*	*Retained profits*	*Total*	*Non-controlling interests*	*Total equity*
	(Note 48)	(Note 49)	(Note 50)	(Note 51)	(Note 51)	(Note 51)	(Note 51)	(Note 51)	(Note 51)	(Note 52)			
As at 1 January 2026 (audited)	9,026,864	33,300,000	(7,102)	68,840,010	10,854,951	28,086,336	345,580	-	620,388	55,872,443	206,939,470	56,734	206,996,204
Changes in equity for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	11,691,538	11,691,538	10,353	11,701,891
Other comprehensive (expense) / income for the period	-	-	-	-	-	-	(1,068,592)	-	(931,075)	-	(1,999,667)	2,131	(1,997,536)
Total comprehensive (expense) / income for the period	-	-	-	-	-	-	(1,068,592)	-	(931,075)	11,691,538	9,691,871	12,484	9,704,355
Issue of a perpetual subordinated bond	-	4,000,000	-	(4,047)	-	-	-	-	-	-	3,995,953	-	3,995,953
Appropriation to general reserve	-	-	-	-	-	59,964	-	-	-	(59,964)	-	-	-
Dividends declared to ordinary shareholders for the period	-	-	-	-	-	-	-	-	-	(3,610,746)	(3,610,746)	-	(3,610,746)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(871,570)	(871,570)	-	(871,570)
Others	-	-	-	(182)	-	-	(331,113)	-	-	331,113	(182)	-	(182)
As at 30 June 2026 (unaudited)	9,026,864	37,300,000	(7,102)	68,835,781	10,854,951	28,146,300	(1,054,125)	-	(310,687)	63,352,814	216,144,796	69,218	216,214,014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
				Reserves									
	Share capital	Other equity instruments	Treasury shares	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Cash flow hedges reserve	Translation reserve	Retained profits	Total	Non-controlling interests	Total equity
	(Note 48)	(Note 49)	(Note 50)	(Note 51)	(Note 51)	(Note 51)	(Note 51)	(Note 51)	(Note 51)	(Note 52)			
As at 1 January 2025 (audited)	9,027,302	28,300,000	(100,545)	68,838,074	9,727,061	25,485,039	556,803	(44,844)	1,190,888	48,694,124	191,673,902	220,019	191,893,921
Changes in equity for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	7,549,447	7,549,447	1,402	7,550,849
Other comprehensive income / (expense) for the period	-	-	-	-	-	-	387,882	(75,662)	(46,969)	-	265,251	88	265,339
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	387,882	(75,662)	(46,969)	7,549,447	7,814,698	1,490	7,816,188
Issue of a perpetual subordinated bond	-	5,000,000	-	(5,189)	-	-	-	-	-	-	4,994,811	-	4,994,811
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(168,863)	(168,863)
Equity-settled share-based payments	-	-	90,280	4,190	-	-	-	-	-	-	94,470	-	94,470
Appropriation to general reserve	-	-	-	-	-	39,601	-	-	-	(39,601)	-	-	-
Dividends declared to ordinary shareholders for the period	-	-	-	-	-	-	-	-	-	(3,340,102)	(3,340,102)	-	(3,340,102)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(1,103,270)	(1,103,270)	-	(1,103,270)
Others	-	-	-	(787)	4,839	9,679	-	-	-	(14,518)	(787)	32,227	31,440
As at 30 June 2025 (unaudited)	9,027,302	33,300,000	(10,265)	68,836,288	9,731,900	25,534,319	944,685	(120,506)	1,143,919	51,746,080	200,133,722	84,873	200,218,595

The notes on pages 164 to 248 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2026 (Unaudited)	*2025 (Unaudited)*
Cash flows from operating activities:		
Profit before income tax	**13,772,209**	8,524,841
Adjustments for:		
Interest expenses	**6,034,004**	4,381,310
Share of profit of associates and joint ventures	**(2,101,185)**	(1,692,103)
Depreciation and amortisation expenses	**714,119**	733,905
Impairment losses under expected credit loss model, net of reversal	**1,109,892**	523
Expenses recognised from equity-settled share-based payment	**-**	4,190
Net gains arising from disposal of an associate / a subsidiary	**(2,460)**	(304)
Losses / (gains) on disposal of property and equipment	**309**	(616)
Foreign exchange losses	**1,289,203**	298,393
Dividend income and interest income from financial assets through other comprehensive income ("FVTOCI") and debt instruments at amortised cost	**(1,530,975)**	(1,109,498)
Net losses arising from derecognition of FVTOCI	**23,340**	50,269
Unrealised fair value changes in financial instruments at fair value through profit or loss	**(36,489,225)**	(3,203,919)
Unrealised fair value changes in derivatives	**37,967,177**	2,963,475
Unrealised fair value changes in other assets	**102,014**	-
Operating cash flows before movements in working capital	**20,888,422**	10,950,466

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS- continued

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2026 (Unaudited)	*2025 (Unaudited)*
Increase in refundable deposits	**(8,223,379)**	(4,736,532)
(Increase) / decrease in margin accounts receivable	**(42,021,129)**	1,564,276
Increase in accounts receivable, other receivables and prepayments	**(557,758)**	(4,167,362)
Increase in financial assets held under resale agreements	**(2,900,237)**	(3,304,593)
Increase in financial instruments at fair value through profit or loss	**(50,890,851)**	(52,864,542)
Decrease in restricted bank deposits	**576,804**	170,347
Increase in cash held on behalf of brokerage clients	**(89,271,385)**	(12,557,830)
Increase in accounts payable to brokerage clients	**94,113,352**	19,636,534
Increase in other payables and accruals	**32,247,765**	1,453,716
Increase in employee benefits payable	**1,711,445**	1,550,027
Increase in financial assets sold under repurchase agreements	**35,792,780**	34,510,165
Increase in placements from other financial institutions	**1,854,925**	5,293,782
Cash used in operations	**(6,679,246)**	(2,501,546)
Income taxes paid	**(1,457,551)**	(951,312)
Interest paid	**(2,311,488)**	(1,983,279)
Net cash used in operating activities	**(10,448,285)**	(5,436,137)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Cash flow from investing activities:		
Proceeds on disposal of property and equipment	**5,287**	4,466
Dividends received from associates	**1,015,912**	1,506,363
Dividend income and interest income from FVTOCI and debt instruments at amortised cost	**1,738,041**	1,041,073
Proceeds from disposals of FVTOCI	**30,549,496**	2,986,589
Proceeds from disposals of debt instruments at amortised cost	**17,568,136**	4,392,246
Purchase of FVTOCI	**(35,868,020)**	(20,843,799)
Purchase of debt instruments at amortised cost	**(17,673,408)**	(2,682,008)
Divestments of associates and joint ventures and other investments	**210,233**	219,386
Disposal of a subsidiary	**-**	(10,109)
Purchase of property and equipment, investment properties, other intangible assets and other non-current assets	**(577,544)**	(387,231)
Acquisition of a subsidiary, net of cash acquired	**-**	(244,671)
Acquisition of interests in associates and joint ventures	**(207,568)**	-
Net cash used in investing activities	**(3,239,435)**	(14,017,695)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Cash flow from financing activities:			
Proceeds from issuance of short-term debt instruments		**29,599,738**	28,883,492
Proceeds from issuance of convertible bonds		**8,888,200**	-
Proceeds from issuance of long-term bonds		**65,332,505**	20,700,000
Proceeds from issuance of a perpetual bond		**4,000,000**	4,994,811
Proceeds from bank loans		**30,599,242**	17,035,379
Repayment of bank loans		**(21,531,153)**	(3,355,750)
Repayment of debt securities issued		**(76,799,727)**	(53,670,700)
Short-term debt instruments interest paid		**(838,367)**	(224,413)
Short-term bank loans interest paid		**(377,197)**	(135,397)
Long-term bank loans interest paid		**(4,009)**	(159)
Long-term bonds interest paid		**(3,046,801)**	(2,193,767)
Dividends paid		**(200,230)**	(81,133)
Payment of lease liabilities		**(282,104)**	(270,333)
Net cash generated from financing activities		**35,340,097**	11,682,030
Net increase / (decrease) in cash and cash equivalents		**21,652,377**	(7,771,802)
Cash and cash equivalents at the beginning of the period		**60,600,716**	56,033,209
Effect of foreign exchange rate changes		**(2,181,212)**	(431,042)
Cash and cash equivalents at the end of the period	37	**80,071,881**	47,830,365

The notes on pages 164 to 248 form part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026
(Expressed in thousands of Renminbi, unless otherwise stated)

1 General information

Huatai Securities Co., Ltd. (the "Company"), formerly known as Jiangsu Securities Company, was approved by the People's Bank of China ("PBOC"), and registered with the Administration for Industry and Commerce of Jiangsu Province on 9 April 1991, with a registered capital of RMB10 million. The Company was renamed as Huatai Securities Limited Liability Company on 21 December 1999 and then renamed as Huatai Securities Co., Ltd. on 7 December 2007 as a result of the conversion into a joint stock limited liability company.

The Company publicly issued RMB784,561,275 ordinary shares (the "A shares") in February 2010, and was listed on the Shanghai Stock Exchange on 26 February 2010.

In June 2015, the Company issued RMB1,562,768,800 H shares, which were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Due to the issuance and listing of H Shares, the relevant state-owned shareholders transferred 156,276,880 state owned shares (A Shares) of the Company held by them to the National Council for Social Security Fund of the PRC in the form of H Shares, on the basis of 10% of the number of H Shares issued this time.

In July 2018, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) by way of "Non-Public Issuance to Specific Investors".

In June 2019, the Company issued 82,515,000 Global Deposits Receipts (the "GDRs"), representing 825,150,000 new A shares, and was listed on the London Stock Exchange plc (the "London Stock Exchange").

From September 2022 to December 2025, the Company completed the repurchase and cancellation of 49,786,214 restricted A shares, and the Company's registered capital has been reduced by RMB49,786,214.

As at 30 June 2026, the Company's registered capital was RMB9,026,863,786 and the Company has a total of 9,026,863,786 issued shares of RMB1 each.

As at 30 June 2026, the Company has 27 branches and 256 securities business offices.

The Company and its subsidiaries (the "Group") are principally engaged in securities business, securities underwriting and sponsorship, securities investment advisory, asset management, agency sale of financial products, intermediary introduction business for the futures companies, agency sale and custody of securities investment fund, mutual fund management, direct investment business, alternative investment business, futures brokerage business and other business activities as approved by the China Securities Regulatory Commission (the "CSRC").

2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It was authorised for issue on 28 August 2026.

3 Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards as issued by the IASB ("IFRS Accounting Standards"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards, for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4 Use of judgements and estimates

The preparation of the condensed consolidated financial statements requires management to make judgements and estimates that affect the application of policies and disclosed amounts of assets and liabilities, incomes and expenses. Actual results in the future may differ from those disclosed as a result of the use of estimates and assumptions about future conditions.

In the preparation of the condensed consolidated financial statements, the key sources of uncertainty derived from significant judgements and estimation made by the management while applying the Group's accounting policies are the same as these applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025.

5 Fee and commission income

	Six months ended 30 June	
	2026	*2025*
Income from securities brokerage and advisory business	**8,830,560**	5,150,504
Income from asset management business	**936,806**	901,482
Income from underwriting and sponsorship business	**1,322,008**	1,077,075
Income from futures brokerage business	**1,228,809**	696,453
Income from financial advisory business	**226,130**	108,751
Other commission income	**141,934**	92,917
Total	**12,686,247**	8,027,182

6 Interest income

	Six months ended 30 June	
	2026	2025
Interest income from margin financing and securities lending	**4,508,034**	3,509,214
Interest income from financial institutions	**2,390,255**	1,706,585
Interest income from debt instruments at amortised cost	**634,704**	695,537
Interest income from debt instruments at fair value through other comprehensive income	**483,361**	265,651
Interest income from other financial assets held under resale agreements	**145,987**	169,690
Interest income from securities-backed lendings	**148,719**	64,967
Others	**6,155**	6,234
Total	**8,317,215**	6,417,878

7 Net investment gains

	Six months ended 30 June	
	2026	2025
Dividend income and interest income from financial instruments at fair value through profit or loss	**2,554,154**	3,134,455
Dividend income from financial instruments at fair value through other comprehensive income	**414,281**	148,310
Net realised gains from disposal of an associate/a subsidiary	**2,460**	304
Net realised gains from disposal of financial instruments at fair value through profit or loss	**48,980,453**	5,898,838
Net realised losses from disposal of debt instruments at fair value through other comprehensive income	**(23,340)**	(50,269)
Net realised losses from disposal of derivative financial instruments	**(36,250,279)**	(1,607,964)
Unrealised fair value changes of derivative financial instruments	**(39,825,473)**	(4,051,973)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**36,345,225**	3,203,919
Other investment gains/(losses)	**22,917**	(45,786)
Total	**12,220,398**	6,629,834

8 Other income and losses

	Six months ended 30 June	
	2026	2025
Foreign exchange losses	(2,233,690)	(636,447)
Government grants[(i)]	70,919	121,579
Rental income	9,434	18,571
Income from commodity sales	8,378	268,031
Gains on disposal of property and equipment	235	1,288
Others	227,110	131,209
Total	(1,917,614)	(95,769)

(i) The government grants were received unconditionally by the Group from the local government where they reside.

9 Fee and commission expenses

	Six months ended 30 June	
	2026	2025
Expenses for securities brokerage and advisory business	2,800,015	1,561,871
Expenses for futures brokerage business	896,227	474,994
Expenses for asset management business	10,908	8,749
Expenses for underwriting and sponsorship business	6,647	17,755
Expenses for financial advisory business	554	184
Other commission expenses	94	119
Total	3,714,445	2,063,672

10 Interest expenses

	Six months ended 30 June	
	2026	2025
Interest expenses on long-term bonds	**2,553,432**	1,886,453
Interest expenses on financial assets sold under repurchase agreements	**1,505,713**	1,409,508
Interest expenses on short-term debt instruments issued	**723,593**	325,348
Interest expenses on short-term bank loans	**442,976**	162,179
Interest expenses of accounts payable to brokerage clients	**371,898**	249,039
Interest expenses on placements from banks and other financial institutions	**241,879**	242,666
Interest expenses on lease liabilities	**16,642**	16,179
Interest expenses on long-term bank loans	**4,009**	159
Others	**173,862**	89,779
Total	**6,034,004**	4,381,310

11 Staff costs

	Six months ended 30 June	
	2026	2025
Salaries, bonuses and allowances	**4,445,376**	3,620,761
Contribution to pension schemes	**499,399**	430,906
Share-based payment expense	**-**	4,190
Other social welfare	**549,203**	513,674
Total	**5,493,978**	4,569,531

The domestic employees of the Group in the PRC participate in social welfare plans, including pension, medical, housing, and other welfare benefits, organised and administered by the governmental authorities. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on a regular basis and paid to the labour and social welfare authorities. The contributions to the social security plans are expensed as incurred. The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance.

12 Depreciation and amortisation expenses

	Six months ended 30 June	
	2026	*2025*
Amortisation of land-use rights and other intangible assets	**200,807**	191,406
Depreciation of property and equipment		
- Right-of-use assets	**238,129**	243,133
- Other property and equipment	**220,648**	236,684
Amortisation of leasehold improvements and long-term deferred expenses	**50,527**	58,378
Depreciation of investment properties	**4,008**	4,304
Total	**714,119**	733,905

13 Other operating expenses

	Six months ended 30 June	
	2026	*2025*
IT expenses	**805,341**	858,250
Stock exchange fees	**330,643**	229,784
Marketing, advertising and promotion expenses	**167,416**	56,442
Travelling expenses	**143,462**	124,079
Postal and communication expenses	**135,363**	131,615
Consulting fees	**88,873**	56,887
Securities investor protection funds	**86,797**	59,966
Products distribution expenses	**70,996**	46,518
Property management fees	**45,665**	45,840
Utilities	**24,391**	28,366
Rental expenses	**21,255**	24,576
Cost of commodity sales	**7,022**	262,325
Others	**516,556**	379,799
Total	**2,443,780**	2,304,447

14 Impairment losses under expected credit loss model, net of reversal

	Six months ended 30 June	
	2026	2025
Provision for impairment losses against financial assets held under resale agreements	**14,619**	10,019
Provision for / (reversal of) impairment losses against other receivables and interest receivable	**5,261**	(11,288)
Provision for impairment losses against financial assets at fair value through other comprehensive income	**7,715**	2,449
(Reversal of) / provision for impairment losses against accounts receivable	**(1,129)**	3,368
Provision for / (reversal of) impairment losses against margin accounts receivable	**1,083,382**	(1,782)
Reversal of impairment losses against cash and bank balances	**(33)**	(146)
(Reversal of) / provision for impairment losses against cash held on behalf of brokerage clients	**(13)**	17
Provision for / (reversal of) impairment losses against debt instruments at amortised cost	**90**	(2,114)
Total	**1,109,892**	523

15 Income tax expense

(a) Taxation in the condensed consolidated income statements represents :

	Six months ended 30 June	
	2026	2025
Current income tax		
- Mainland China	**1,835,091**	942,136
- Hong Kong	**411,003**	148,282
- Income taxes under Pillar Two Rules	**15,780**	-
- Overseas	**321**	291
	2,262,195	1,090,709
Adjustment in respect of prior years		
- Mainland China	**(3,929)**	13,152
Deferred tax	**(187,948)**	(129,869)
Total	**2,070,318**	973,992

(1) According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Group's subsidiaries in the Mainland China are subject to CIT at the statutory tax rate of 25%.

(2) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits.

(3) The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong, Singapore and New Zealand, in which the Group's subsidiaries are incorporated. The Group has applied the temporary mandatory exception for recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rate :

	Six months ended 30 June	
	2026	2025
Profit before income tax	**13,772,209**	8,524,841
Notional tax calculated using the PRC statutory tax rate	**3,443,052**	2,131,210
Effect of different tax rates of the subsidiaries	**(413,307)**	(83,102)
Tax effect of non-deductible expenses	**164,668**	17,650
Tax effect of deductible temporary differences or unused tax losses not recognised	**2,031**	858
Effect of using the deductible tax losses for which no deferred tax asset was recognised in previous period	**(8,644)**	(6,694)
Tax effect of non-taxable income	**(1,079,147)**	(1,075,956)
Adjustment in respect of prior years	**(3,929)**	13,152
Effect of Pillar Two Rules	**15,780**	-
Others (Note)	**(50,186)**	(23,126)
Income tax expense for the period	**2,070,318**	973,992

Note:The balance of others mainly represents tax impact of dividends to perpetual subordinated bonds.

16 Basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

		Six months ended 30 June	
	Notes	**2026**	2025
Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)	16(1)(a)	**11,277,262**	7,170,311
Weighted average number of ordinary shares (in thousands)	16(1)(b)	**9,025,804**	9,017,633
Basic earnings per share attributable to ordinary shareholders (in RMB per share)		**1.25**	0.80

(a) Consolidated net profit attributable to ordinary shareholders of the Company (recalculated per IAS 33) (in RMB thousands)

	Six months ended 30 June	
	2026	2025
Consolidated net profit attributable to equity shareholders of the Company	**11,691,538**	7,549,447
Dividends declared under Restricted Share Incentive Scheme of A Shares	**(424)**	(392)
Profit attributable to perpetual subordinated bonds holders of the Company[(i)]	**(413,852)**	(378,744)
Consolidated net profit attributable to ordinary shareholders of the Company (recalculated per IAS 33)	**11,277,262**	7,170,311

(i) For the purpose of calculating basic earnings per ordinary share in respect of the period ended 30 June 2026, RMB414 million attributable to perpetual subordinated bonds were deducted from profits attributable to shareholders of the Company (the period ended 30 June 2025: RMB379 million).

(b) Weighted average number of ordinary shares (in thousands)

	Six months ended 30 June	
	2026	2025
Number of ordinary shares as at 1 January	**9,026,864**	9,027,302
Decrease in weighted average number of ordinary shares	**(1,060)**	(9,669)
Weighted average number of ordinary shares	**9,025,804**	9,017,633

(2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding (diluted):

		Six months ended 30 June	
	Notes	**2026**	2025
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	16(2)(a)	**11,223,167**	7,170,703
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	16(2)(b)	**9,421,951**	9,018,212
Diluted earnings per share attributable to ordinary shareholders (in Renminbi per share)		**1.19**	0.80

(a) Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows :

	Six months ended 30 June	
	2026	2025
Consolidated net profit attributable to ordinary shareholders of the Company (recalculated per IAS 33)	**11,277,262**	7,170,311
Diluted adjustments:		
Effect of dividends declared under Restricted Stock Incentive Scheme of A Shares[(i)]	**424**	392
Effect of the Company's convertible bond conversion [(ii)]	**(54,519)**	-
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	**11,223,167**	7,170,703

(i) The Group granted Restricted Stock Incentive Scheme of A shares to certain employees in 2021. Diluted earnings per share should take into account both the impact of the cash dividend of the current period distributed to the holders of restricted shares who are expected to reach the unlocking conditions and estimate number of restricted shares which will be unlocked. After considering the abovementioned impacts, the Restricted Stock Incentive Scheme has a dilutive effect and included in the calculation of diluted earnings per share for the period ended 30 June 2026 (30 June 2025: dilutive effect).

(ii) The Company issued convertible bonds in 2026. Diluted earnings per share takes into account the potential dilutive impact on the Group's profits due to the potential full conversion of bonds to shares.

(b) Weighted average number of ordinary shares outstanding (diluted) is calculated as follows :

	Six months ended 30 June	
	2026	*2025*
Weighted average number of ordinary shares at 30 June	**9,025,804**	9,017,633
Diluted adjustments:		
Effect of Restricted Stock Incentive Scheme of A shares	**713**	579
Effect of the Company's convertible bond conversion	**395,434**	-
Weighted average number of ordinary shares (diluted)	**9,421,951**	9,018,212

17 Property and equipment

	Buildings	*Motor vehicles*	*Electronic equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2026	**4,848,261**	**159,089**	**2,296,347**	**319,009**	**1,722,200**	**2,139,711**	**11,484,617**
Additions	**91**	**1,072**	**71,861**	**5,815**	**363,783**	**260,205**	**702,827**
Transfer during the period	**38**	**-**	**220**	**44**	**(17,750)**	**-**	**(17,448)**
Transfer in from investment properties	**30,151**	**-**	**-**	**-**	**-**	**-**	**30,151**
Disposals	**(421)**	**(2,576)**	**(36,305)**	**(2,525)**	**-**	**(146,404)**	**(188,231)**
As at 30 June 2026	**4,878,120**	**157,585**	**2,332,123**	**322,343**	**2,068,233**	**2,253,512**	**12,011,916**
Accumulated depreciation							
As at 1 January 2026	**(1,667,695)**	**(94,354)**	**(1,595,964)**	**(247,286)**	**-**	**(1,129,767)**	**(4,735,066)**
Charge for the period	**(69,970)**	**(6,930)**	**(131,228)**	**(12,520)**	**-**	**(238,129)**	**(458,777)**
Transfer in from investment properties	**(19,129)**	**-**	**-**	**-**	**-**	**-**	**(19,129)**
Disposals	**145**	**1,842**	**33,435**	**816**	**-**	**135,876**	**172,114**
As at 30 June 2026	**(1,756,649)**	**(99,442)**	**(1,693,757)**	**(258,990)**	**-**	**(1,232,020)**	**(5,040,858)**
Carrying amount							
As at 30 June 2026	**3,121,471**	**58,143**	**638,366**	**63,353**	**2,068,233**	**1,021,492**	**6,971,058**

	Buildings	*Motor vehicles*	*Electronic equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2025	4,851,019	154,475	2,149,778	428,367	1,275,114	2,350,883	11,209,636
Additions	3,311	32,175	231,214	15,980	489,626	543,344	1,315,650
Transfer during the year	1,906	701	722	355	(40,114)	-	(36,430)
Acquisition of a subsidiary	-	1,075	-	11,373	-	128	12,576
Transfer in from investment properties	10,711	-	-	-	-	-	10,711
Disposals	-	(29,337)	(85,367)	(137,066)	-	(754,644)	(1,006,414)
Transfer to investment properties	(18,686)	-	-	-	(2,426)	-	(21,112)
As at 31 December 2025	4,848,261	159,089	2,296,347	319,009	1,722,200	2,139,711	11,484,617
Accumulated depreciation							
As at 1 January 2025	(1,532,929)	(110,600)	(1,404,835)	(318,980)	-	(1,352,880)	(4,720,224)
Charge for the year	(140,539)	(12,236)	(271,886)	(48,318)	-	(482,156)	(955,135)
Transfer in from investment properties	(5,933)	-	-	-	-	-	(5,933)
Disposals	-	28,482	80,757	120,012	-	705,269	934,520
Transfer to investment properties	11,706	-	-	-	-	-	11,706
As at 31 December 2025	(1,667,695)	(94,354)	(1,595,964)	(247,286)	-	(1,129,767)	(4,735,066)
Carrying amount							
As at 31 December 2025	3,180,566	64,735	700,383	71,723	1,722,200	1,009,944	6,749,551

As at 30 June 2026 included in buildings, there is a carrying amount of RMB35.45 million, for which the Group has yet to obtain the relevant land or building certificates (as at 31 December 2025: RMB38.67 million).

18 Goodwill

Cost	
As at 1 January 2026	**249,707**
Effect of movements in exchange rates	**130**
As at 30 June 2026	**249,837**
Impairment losses	
As at 1 January 2026	**-**
Impairment losses	**-**
As at 30 June 2026	**-**
Carrying amounts	
As at 1 January 2026	**249,707**
As at 30 June 2026	**249,837**

Cost	
As at 1 January 2025	51,342
Acquisition through business combination	201,433
Effect of movements in exchange rates	(3,068)
As at 31 December 2025	249,707
Impairment losses	
As at 1 January 2025	-
Impairment losses	-
As at 31 December 2025	-
Carrying amounts	
As at 1 January 2025	51,342
As at 31 December 2025	249,707

19 Land-use rights and other intangible assets

	Land-use rights	*Customer relationships*	*Trade names*	*Software and others*	*Total*
Cost					
As at 1 January 2026	**1,768,330**	**56,717**	**109,443**	**3,063,472**	**4,997,962**
Additions	**-**	**-**	**-**	**91,115**	**91,115**
Disposals	**-**	**-**	**-**	**(20)**	**(20)**
Exchange differences	**-**	**24**	**72**	**(5,748)**	**(5,652)**
As at 30 June 2026	**1,768,330**	**56,741**	**109,515**	**3,148,819**	**5,083,405**
Accumulated amortisation					
As at 1 January 2026	**(283,632)**	**(8,290)**	**-**	**(2,571,033)**	**(2,862,955)**
Charge for the period	**(20,886)**	**(13,180)**	**-**	**(183,997)**	**(218,063)**
Disposals	**-**	**-**	**-**	**19**	**19**
Exchange differences	**-**	**392**	**-**	**2,701**	**3,093**
As at 30 June 2026	**(304,518)**	**(21,078)**	**-**	**(2,752,310)**	**(3,077,906)**
Carrying amount					
As at 30 June 2026	**1,463,812**	**35,663**	**109,515**	**396,509**	**2,005,499**
Cost					
As at 1 January 2025	1,768,330	-	-	2,718,476	4,486,806
Additions	-	-	-	348,426	348,426
Acquisition of a subsidiary	-	57,659	111,200	-	168,859
Disposals	-	-	-	(85)	(85)
Exchange differences	-	(942)	(1,757)	(3,345)	(6,044)
As at 31 December 2025	1,768,330	56,717	109,443	3,063,472	4,997,962
Accumulated amortisation					
As at 1 January 2025	(241,860)	-	-	(2,209,047)	(2,450,907)
Charge for the year	(41,772)	(8,572)	-	(363,209)	(413,553)
Disposals	-	-	-	85	85
Exchange differences	-	282	-	1,138	1,420
As at 31 December 2025	(283,632)	(8,290)	-	(2,571,033)	(2,862,955)
Carrying amount					
As at 31 December 2025	1,484,698	48,427	109,443	492,439	2,135,007

During the period ended 30 June 2026, trade names are not amortised while their useful lives are assessed to be indefinite because there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group (during the year of 2025: same).

20 Interests in associates

	As at 30 June 2026	As at 31 December 2025
Share of net assets	**23,365,586**	22,285,733

In February 2026, the Company completed the disposal of its 32% equity interest in Jiangsu Equity Exchange Center Co., Ltd. and no longer holds any equity in the entity.

As at 30 June 2026, the Group has pledged the shares of interest in associates with a total book value of RMB4,069 million to the People's Bank of China for securities, funds, and insurance company swap facilities (as at 31 December 2025: RMB3,898 million).

As at 30 June 2026, the Group has pledged the shares of interest in associates with a total book value of RMB1,821 million to China Securities Finance Corporation Limited ("CSF") for refinancing and supporting the Group's securities lending business (as at 31 December 2025: RMB1,745 million).

The following list contains only the particulars of material associates. Bank of Jiangsu has been listed on the Shanghai Stock Exchange, and China Southern Asset Management Co., Ltd. is an unlisted corporate entity whose quoted market price is not available.

				Proportion of owner ship interest						
Name of associates	Registered place	Registered capital		Group's effective interest		Held by the Company		Held by a subsidiary		Principal activity
		30/06/2026	31/12/2025	**30/06/2026**	31/12/2025	**30/06/2026**	31/12/2025	**30/06/2026**	31/12/2025	
Bank of Jiangsu[(i)]	Nanjing	**18,351,324**	18,351,324	**5.03%**	5.03%	**5.03%**	5.03%	**-**	-	Commercial banking
China Southern Asset Management Co., Ltd.	Shenzhen	**361,720**	361,720	**41.16%**	41.16%	**41.16%**	41.16%	**-**	-	Fund management

Both of the above associates are accounted for using the equity method in the condensed consolidated financial statements.

(i) The Company has appointed one director in the board of directors of Bank of Jiangsu. The Company exercises significant influence over Bank of Jiangsu by participating in the formulation of financial and operational policies through the director it has appointed.

21 Interests in joint ventures

	As at 30 June 2026	*As at 31 December 2025*
Unlisted investment in a joint venture at fair value through profit or loss[(i)]	**236,833**	297,529
Unlisted investment in a joint venture	**1,115,838**	1,047,248
Total	**1,352,671**	1,344,777

(i) As at 30 June 2026, the Group elected to measure its investment Huatai International Greater Bay Area Investment Fund, L.P. of RMB237 million held through Huatai Financial Holdings (Hong Kong) Limited, a wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this joint venture on a fair value basis.

The following list contains only the particulars of joint venture, which is accounted for using the equity method in the condensed consolidated financial statements, and details of the joint venture as at 30 June 2026 and 31 December 2025 are as follows :

			Proportion of ownership interest			
Name of joint venture	*Registered place*	*Registered capital*	*Group's effective interest*	*Held by the Company*	*Held by a subsidiary*	*Principal activity*
Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership)	Nanjing	10,001,000	10.00%	-	10.00%	Equity investment

As at 30 June 2026, the Group held 10.00% equity interest of Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership). Pursuant to the partnership agreement, the Group and a third party contractually agree to share control of the fund, and have rights to the net assets of the fund. The directors of the Group consider the fund is jointly controlled by the Group and the third party, and it is therefore accounted for as a joint venture of the Group.

22 Debt instruments at amortised cost

(a) Analysed by nature :

Non-current

	As at 30 June 2026	*As at 31 December 2025*
Debt securities	**39,962,698**	42,560,006
Less: impairment losses	**(2,880)**	(2,837)
Total	**39,959,818**	42,557,169
Analysed as:		
Listed outside Hong Kong	**23,117,527**	23,202,809
Listed in Hong Kong	**88,568**	109,921
Unlisted	**16,753,723**	19,244,439
Total	**39,959,818**	42,557,169

Current

	As at 30 June 2026	*As at 31 December 2025*
Debt securities	**4,598,154**	1,961,258
Less: impairment losses	**(155)**	(120)
Total	**4,597,999**	1,961,138
Analysed as:		
Listed outside Hong Kong	**130,677**	244,324
Listed in Hong Kong	**17,401**	-
Unlisted	**4,449,921**	1,716,814
Total	**4,597,999**	1,961,138

As at 30 June 2026, the Group has pledged debt instruments at amortised cost with a total fair value of RMB42,107 million and carrying amount of RMB39,275 million for the purpose of repurchase agreement business and derivative business (as at 31 December 2025: a total fair value of RMB41,621 million and carrying amount of RMB39,548 million).

(b) Analysis of the movements of provision for impairment losses :

	As at 30 June 2026	*As at 31 December 2025*
At the beginning of the period/ year	**2,957**	5,391
Provision / (reversal) for the period/ year, net	**90**	(2,416)
Other Changes	**(12)**	(18)
At the end of the period/ year	**3,035**	2,957

23 Debt instruments at fair value through other comprehensive income

(a) Analysed by nature :

Non-current

	As at 30 June 2026	*As at 31 December 2025*
Debt securities	**41,319,197**	38,412,576
Total	**41,319,197**	38,412,576
Analysed as:		
Listed outside Hong Kong	**19,757,826**	5,439,272
Listed in Hong Kong	**-**	123,127
Unlisted	**21,561,371**	32,850,177
Total	**41,319,197**	38,412,576

Current

	As at 30 June 2026	*As at 31 December 2025*
Debt securities	**1,937,839**	6,403,360
Total	**1,937,839**	6,403,360
Analysed as:		
Listed outside Hong Kong	**646,954**	561,136
Listed in Hong Kong	**347,946**	-
Unlisted	**942,939**	5,842,224
Total	**1,937,839**	6,403,360

As at 30 June 2026, the Group has pledged debt instruments at fair value through other comprehensive income with a total fair value of RMB28,364 million for the purpose of repurchase agreement business and bond lending business (as at 31 December 2025: RMB28,007 million).

As at 30 June 2026, the fair value of debt instruments at fair value through other comprehensive income with commitment were RMB859 million (as at 31 December 2025: RMB1,086 million).

24 Equity instruments at fair value through other comprehensive income

(a) Analysed by nature :

Non-current

	As at 30 June 2026	*As at 31 December 2025*
Equity securities designated at financial assets at fair value through other comprehensive income		
- Listed equity securities	**19,587,213**	14,517,414
- Unlisted equity securities	**96,953**	96,064
Total	**19,684,166**	14,613,478
Analysed as:		
Listed outside Hong Kong	**13,336,194**	9,177,694
Listed in Hong Kong	**6,251,019**	5,339,720
Unlisted	**96,953**	96,064
Total	**19,684,166**	14,613,478

Equity instruments at FVTOCI include non-traded equity instruments held by the Group. As the equity instruments are not held for trading purpose, the Group has designated these investments as equity instruments at FVTOCI.

During the period ended 30 June 2026, the fair value losses from the equity instruments at FVTOCI recognised in other comprehensive income amounted to RMB1,759,912 thousand (during the period ended 30 June 2025: the gains amounted to RMB745,932 thousand).

As a result of the change of investment strategies, the Group disposed certain equity instrument at FVTOCI and the corresponding gains after tax amounted to RMB331,113 thousand (during the period ended 30 June 2025: losses amounted to RMB27).

25 Financial assets at fair value through profit or loss

Non-current

(a) Analysed by type :

	As at 30 June 2026	*As at 31 December 2025*
Equity securities	**5,218,895**	4,938,291
Mutual funds	**1,126,343**	754,473
Other debt instruments	**177,395**	380,212
Total	**6,522,633**	6,072,976

(b) Analysed as :

	As at 30 June 2026	*As at 31 December 2025*
Listed outside Hong Kong	**585,047**	494,486
Unlisted	**5,937,586**	5,578,490
Total	**6,522,633**	6,072,976

Current

(a) Analysed by type :

	As at 30 June 2026	*As at 31 December 2025*
Debt securities	**190,449,476**	169,288,045
Equity securities	**187,394,058**	106,148,907
Mutual funds	**77,753,990**	87,362,596
Private funds	**5,241,362**	5,595,740
Wealth management products	**4,164,431**	4,287,024
Other debt instruments	**1,056,414**	187,041
Total	**466,059,731**	372,869,353

(b) Analysed as :

	As at 30 June 2026	*As at 31 December 2025*
Listed outside Hong Kong	**272,322,753**	173,987,041
Listed in Hong Kong	**20,171,004**	28,176,956
Unlisted	**173,565,974**	170,705,356
Total	**466,059,731**	372,869,353

As at 30 June 2026, the fund investments with lock-up periods in its investment portfolio held by the Group are RMB1,206 million (as at 31 December 2025: RMB969 million).

As at 30 June 2026, the listed equity securities held by the Group included approximately RMB1,088 million of restricted shares (as at 31 December 2025: RMB777 million). The restricted shares are listed in the PRC with a legally enforceable restriction on these securities that prevents the Group from disposing of within the specified period.

The equity interest in unlisted securities held by the Group are issued by private companies. The value of the securities is determined using valuation techniques, which include comparing with comparable listed companies in the same sector or using other appropriate valuation methods.

Non-current financial assets at fair value through profit or loss investments are expected to be realised or restricted for sale beyond one year from the end of the respective reporting periods. The fair value of the Group's investments in unlisted funds, which mainly invest in publicly traded equities listed in the PRC, are valued based on the net asset values of the funds calculated by the respective fund managers by reference to their underlying assets and liabilities' fair values.

The fair value of the Group's investments in equity securities without restriction, exchange-listed funds and debt securities are determined with reference to their quoted prices as at the reporting date.

As at 30 June 2026, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through profit or loss investments with total fair value of RMB3,369 million to external clients, which did not result in derecognition of the financial assets (as at 31 December 2025: RMB2,229 million). The fair value of collateral for the securities lending business is analysed in Note 31(c) together with the fair value of collateral of margin financing business.

As at 30 June 2026, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB156,020 million for the purpose of repurchase agreement business, bond lending business and derivative business (as at 31 December 2025: RMB136,127 million).

As at 30 June 2026, the wealth management products held by the Group included approximately RMB138 million of products with restricted periods (as at 31 December 2025: RMB40 million). The products are subscribed by the Group as the fund manager with a legally enforceable restriction on these products that prevents the Group from disposing of within the specified period.

26 Refundable deposits

	As at 30 June 2026	*As at 31 December 2025*
Deposits with stock exchanges		
- Hong Kong Securities Clearing Company Limited	**79,983**	22,620
- China Securities Depository and Clearing Corporation Limited	**3,007,097**	2,322,297
- Hong Kong Stock Exchange	**88,011**	88,033
- Hong Kong Exchanges and Clearing Limited	**144,148**	146,292
	3,319,239	2,579,242
Deposits with futures and commodity exchanges		
- China Financial Futures Exchange	**20,538,180**	19,035,587
- Shanghai Futures Exchange	**8,878,435**	7,906,399
- Dalian Commodity Exchange	**4,010,176**	2,807,295
- Zhengzhou Commodity Exchange	**3,266,563**	2,456,620
- Shanghai International Energy Exchange	**1,588,552**	594,352
- Other domestic commodity exchange	**2,075,483**	1,942,996
- Overseas commodity exchange	**9,545**	8,710
	40,366,934	34,751,959
Deposits with other institutions		
- China Securities Finance Corporation Limited	**17,451**	9,691
- Shanghai Clearing House	**1,260,469**	1,125,959
- Shanghai Gold Exchange	**861**	-
- Other financial institutions	**12,650,052**	10,924,776
	13,928,833	12,060,426
Total	**57,615,006**	49,391,627

27 Deferred taxation

(a) The components of deferred tax assets/ (liabilities) recognised in the condensed consolidated statements of financial position and the movements are as follows :

Deferred tax arising from:	*Provision for impairment losses*	*Employee benefits payable*	*Changes in fair value of financial instruments measured at fair value through profit and loss*	*Changes in fair value of derivative financial instruments*	*Changes in fair value of financial instruments measured at fair value through other comprehensive income*	*Others*	*Total*
As at 1 January 2026	**910,828**	**1,834,777**	**(750,708)**	**528,158**	**(30,752)**	**(747,534)**	**1,744,769**
Recognised in profit or loss	**269,878**	**490,268**	**(521,583)**	**(5,745)**	**-**	**(44,870)**	**187,948**
Recognised in reserves	**(953)**	**-**	**-**	**-**	**492,357**	**-**	**491,404**
As at 30 June 2026	**1,179,753**	**2,325,045**	**(1,272,291)**	**522,413**	**461,605**	**(792,404)**	**2,424,121**
As at 1 January 2025	765,016	1,785,665	(713,194)	172,836	(48,429)	(846,516)	1,115,378
Recognised in profit or loss	145,848	49,112	(37,514)	355,322	-	130,517	643,285
Acquisition of subsidiaries	-	-	-	-	-	(31,535)	(31,535)
Recognised in reserves	(36)	-	-	-	17,677	-	17,641
As at 31 December 2025	910,828	1,834,777	(750,708)	528,158	(30,752)	(747,534)	1,744,769

(b) Reconciliation to the condensed consolidated statements of financial position

	As at 30 June 2026	As at 31 December 2025
Net deferred tax assets recognised in the condensed consolidated statement of financial position	**3,323,086**	2,413,051
Net deferred tax liabilities recognised in the condensed consolidated statement of financial position	**(898,965)**	(668,282)
Total	**2,424,121**	1,744,769

(c) Deferred tax assets not recognised

As at 30 June 2026, the Group has not recognised unused tax losses of RMB123 million (as at 31 December 2025: RMB161 million), as deferred tax assets, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Most of the tax losses will not expire under the current tax legislation.

28 Other non-current assets

(a) Analysed by nature :

	As at 30 June 2026	As at 31 December 2025
Leasehold improvements and long-term deferred expenses	**165,316**	187,881

(b) The movements of leasehold improvements and long-term deferred expenses are as below :

	As at 30 June 2026	As at 31 December 2025
At the beginning of the period/ year	**187,881**	240,951
Additions	**10,520**	28,941
Transfer in from property and equipment(Note 17)	**17,448**	36,430
Amortisation	**(50,527)**	(118,184)
Other decrease	**(6)**	(257)
At the end of the period/ year	**165,316**	187,881

29 Accounts receivable

(a) Analysed by nature :

	As at 30 June 2026	As at 31 December 2025
Accounts receivable of:		
- Fee and commission	**2,905,306**	2,006,414
- Brokers, dealers and clearing house	**7,324,048**	7,978,586
- Return swap and OTC options	**1,744,265**	1,138,553
- Redemption of open-ended fund	**959,324**	958,967
- Settlement	**391,076**	542,425
- Subscription receivable	**5,476**	11,370
- Others	**145,691**	93,114
Less: impairment losses	**(135,505)**	(139,886)
Total	**13,339,681**	12,589,543

(b) Analysed by ageing :

As at the end of the reporting period, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 30 June 2026	As at 31 December 2025
Within 1 month	**11,846,192**	11,021,602
1 to 3 months	**347,221**	122,879
Over 3 months	**1,146,268**	1,445,062
Total	**13,339,681**	12,589,543

(c) Analysis of the movements of provision for impairment losses :

	As at 30 June 2026	As at 31 December 2025
At the beginning of the period/ year	**139,886**	180,224
Reversal for the period/ year, net	**(1,129)**	(8,652)
Derecognition and transfer out	**-**	(21,970)
Other	**(3,252)**	(9,716)
At the end of the period/ year	**135,505**	139,886

(d) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

The receivables from securities-backed lending business are not included in accounts receivable.

30 Other receivables, prepayments and other current assets

(a) Analysed by nature :

	As at 30 June 2026	*As at 31 December 2025*
Inventory	**1,868,164**	2,500,583
Dividends receivable	**580,183**	327,631
Prepayments	**352,060**	348,508
Deductible value-added tax	**319,358**	330,633
Other receivables[1]	**400,780**	387,095
Interest receivable[2]	**18,797**	17,589
Others	**257,151**	181,121
Total	**3,796,493**	4,093,160

The balance of others mainly represents prepaid tax and other current assets arising from normal course of business.

As at 30 June 2026, the Group has pledged inventory with a total amount of RMB1,178 million for the purpose of derivative business (as at 31 December 2025: RMB1,808 million).

The fair values of the inventory are determined based on futures exchange settlement price and spot market average price.

(1) Other receivables :

	As at 30 June 2026	*As at 31 December 2025*
Other receivables	**1,118,794**	1,099,876
Less: impairment losses	**(718,014)**	(712,781)
Total	**400,780**	387,095

Analysis of the movements of provision for other receivables impairment losses:

	As at 30 June 2026	*As at 31 December 2025*
At the beginning of the period/ year	**712,781**	722,365
Charge/(reversal) for the period/ year, net	**5,261**	(12,676)
Written-off	**-**	(1)
Other	**(28)**	3,093
At the end of the period/ year	**718,014**	712,781

(2) Interest receivable :

	As at 30 June 2026	As at 31 December 2025
Interest receivable	64,296	63,088
Less: impairment losses	(45,499)	(45,499)
Total	18,797	17,589

Analysis of the movements of provision for impairment losses of interest receivable:

	As at 30 June 2026	As at 31 December 2025
At the beginning of the period/ year	45,499	45,499
Charge for the period/ year, net	-	-
At the end of the period/ year	45,499	45,499

31 Margin accounts receivable

(a) Analysed by nature :

	As at 30 June 2026	As at 31 December 2025
Individuals	190,978,799	158,754,247
Institutions	39,426,949	29,630,372
Less: impairment losses	(3,450,701)	(2,369,794)
Total	226,955,047	186,014,825

(b) Analysis of the movements of provision for impairment losses :

	As at 30 June 2026	As at 31 December 2025
At the beginning of the period/ year	2,369,794	1,765,624
Charge for the period/ year, net	1,083,382	605,598
Other	(2,475)	(1,428)
At the end of the period/ year	3,450,701	2,369,794

(c) The fair value of collateral for margin financing and securities lending business is analysed as follows :

	As at 30 June 2026	*As at 31 December 2025*
Fair value of collateral:		
Equity securities	**653,623,989**	503,380,244
Funds	**24,927,209**	21,331,802
Cash	**21,959,392**	13,940,272
Debt securities	**871,336**	741,046
Total	**701,381,926**	539,393,364

The Group evaluates the collectability of receivable from margin clients based on management's assessment on the credit rating, collateral value and the past collection history of margin client.

32 Financial assets held under resale agreements

(a) Analysed by collateral type :

Non-current

	As at 30 June 2026	*As at 31 December 2025*
Equity securities	**1,901,790**	1,121,103
Less: impairment losses	**(9,747)**	(3,631)
Total	**1,892,043**	1,117,472

Current

	As at 30 June 2026	*As at 31 December 2025*
Debt securities	**12,674,774**	12,465,779
Equity securities	**5,875,134**	4,645,831
Less: impairment losses	**(624,324)**	(619,896)
Total	**17,925,584**	16,491,714

(b) Analysed by market :

Non-current

	As at 30 June 2026	As at 31 December 2025
Shanghai stock exchange	1,901,790	901,035
Others	-	220,068
Less: impairment losses	(9,747)	(3,631)
Total	1,892,043	1,117,472

Current

	As at 30 June 2026	As at 31 December 2025
Inter-bank market	9,094,299	7,356,016
Shenzhen stock exchange	4,995,570	4,968,673
Shanghai stock exchange	502,673	3,451,518
Others	3,957,366	1,335,403
Less: impairment losses	(624,324)	(619,896)
Total	17,925,584	16,491,714

(c) Analysis of the movements of provision for impairment losses :

	As at 30 June 2026	As at 31 December 2025
At the beginning of the period/ year	623,527	619,009
Charge for the period/ year, net	14,619	7,506
Other	(4,075)	(2,988)
At the end of the period/ year	634,071	623,527

(d) Analysed by remaining contractual maturities of securities-backed lendings :

	As at 30 June 2026	As at 31 December 2025
Within 1 month	681,604	675,473
1 to 3 months	920,404	922,646
3 months to 1 year	4,273,126	3,047,712
Over 1 year	1,901,790	1,121,103
Less: impairment losses	(507,916)	(492,469)
Total	7,269,008	5,274,465

(e) Analysed by the stage of ECL of securities-backed lendings :

	As at 30 June 2026			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	**7,304,490**	**-**	**472,434**	**7,776,924**
Impairment losses	**(35,482)**	**-**	**(472,434)**	**(507,916)**
Carrying amount	**7,269,008**	**-**	**-**	**7,269,008**
Collateral value	**19,624,479**	**-**	**-**	**19,624,479**

	As at 31 December 2025			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	5,294,500	-	472,434	5,766,934
Impairment losses	(20,035)	-	(472,434)	(492,469)
Carrying amount	5,274,465	-	-	5,274,465
Collateral value	14,969,792	-	-	14,969,792

As at 30 June 2026, the fair value of the collateral of the Group's financial assets held under resale agreements was RMB40,003,685 thousand (31 December 2025: RMB25,408,601 thousand).

33 Derivative financial instruments

	As at 30 June 2026		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	**1,957,673,482**	**623,555**	**(387,053)**
Currency derivatives	**248,651,445**	**512,264**	**(1,536,077)**
Equity derivatives	**287,802,460**	**22,526,747**	**(69,089,897)**
Credit derivatives	**1,880,063**	**6,200**	**(30,215)**
Commodity derivatives and others	**329,173,901**	**2,567,920**	**(3,043,865)**
Total	**2,825,181,351**	**26,236,686**	**(74,087,107)**
Less: settlement		**290,772**	**2,721,273**
Net position		**26,527,458**	**(71,365,834)**

	As at 31 December 2025		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,915,215,462	727,671	(414,131)
Currency derivatives	245,609,865	333,092	(1,134,756)
Equity derivatives	229,489,078	5,791,775	(13,388,372)
Credit derivatives	8,836,697	8,865	(35,088)
Commodity derivatives and others	413,131,528	5,586,868	(5,417,113)
Total	2,812,282,630	12,448,271	(20,389,460)
Less: settlement		(1,011,241)	2,164,988
Net position		11,437,030	(18,224,472)

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in Shanghai Clearing House, stock index futures and treasury futures settled in China Financial Futures Exchange and certain commodity futures traded through futures companies, were settled daily and the corresponding receipts and payments were included in "clearing settlement funds". Accordingly, the net position of the above contracts was nil as at 30 June 2026 and 31 December 2025.

Cash flow hedges

As at 30 June 2026, there is no designated hedging instruments in cash flow hedges (as at 31 December 2025: nil).

During the six months ended 30 June 2026, the net losses from the hedging instruments recognised in other comprehensive income amounted to nil (during the six months ended 30 June 2025: the net losses amounted to RMB75,662 thousand). There was no hedge ineffectiveness for the six months ended 30 June 2026 and the six months ended 30 June 2025.

34 Clearing settlement funds

	As at 30 June 2026	As at 31 December 2025
Deposits with stock exchanges		
- China Securities Depository and Clearing Corporation Limited	**11,738,123**	4,631,338
- Hong Kong Securities Clearing Company Limited	**103,678**	85,864
Deposits with other institutions	**3,323,627**	3,629,561
Total	**15,165,428**	8,346,763

35 Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the condensed consolidated statement of financial position, and recognised the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. In the Mainland China, the use of cash held on behalf of brokerage clients is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the use of cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

36 Cash and bank balances

(a) Analysed by nature :

	As at 30 June 2026	As at 31 December 2025
Cash on hand	**282**	258
Bank balances	**59,706,099**	47,693,388
Less: impairment losses	**(58)**	(91)
Total	**59,706,323**	47,693,555

Bank balances mainly comprise time and demand deposits which bear interest at the prevailing market rates.

(b) Analysis of the movements of provision for impairment losses :

	As at 30 June 2026	As at 31 December 2025
At the beginning of the period/ year	**91**	351
Reversal of impairment for the period/ year, net	**(33)**	(261)
Other changes	**-**	1
At the end of the period/ year	**58**	91

37 Cash and cash equivalents

	As at 30 June 2026	*As at 31 December 2025*
Cash on hand	**282**	258
Bank balances	**59,677,546**	47,666,255
Clearing settlement funds	**15,165,428**	8,346,763
Financial assets held under resale agreements within 3 months original maturity	**5,761,638**	6,442,891
Bond investment within 3 months original maturity	**1,045,079**	219,560
Less: restricted bank deposits and bank deposits with original maturity of more than three months	**(1,578,092)**	(2,075,011)
Total	**80,071,881**	60,600,716

The restricted bank deposits mainly include deposits reserved for guarantees, value-added tax payable of asset management plans and risk reserve deposits.

38 Short-term bank loans

	As at 30 June 2026	*As at 31 December 2025*
Credit loans	**30,103,980**	20,879,927
Pledged loans	**677,553**	767,737
Total	**30,781,533**	21,647,664

As of 30 June 2026, the interest rates for short-term loans were in the range of 2.15% - 4.68% per annum (31 December 2025: 2.70% - 5.13% per annum).

39 Short-term debt instruments issued

As at 30 June 2026

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
25 HUATAI S3	RMB3,000,000	23/4/2025	23/3/2026	RMB3,000,000	1.77%
25 HUATAI S3 (reopen)	RMB1,000,000	23/4/2025	23/3/2026	RMB1,000,000	1.77%
25 HUATAI S4	RMB5,000,000	23/7/2025	23/7/2026	RMB5,000,000	1.64%
25 HUATAI S5	RMB5,000,000	28/7/2025	28/6/2026	RMB5,000,000	1.72%
25 HUATAI S5 (reopen)	RMB1,300,000	28/7/2025	28/6/2026	RMB1,300,000	1.72%
25 HUATAI S6	RMB5,000,000	5/8/2025	5/3/2026	RMB5,000,000	1.63%
25 HUATAI S8	RMB2,500,000	7/8/2025	7/7/2026	RMB2,500,000	1.65%
25 HUATAI S8 (reopen)	RMB5,000,000	7/8/2025	7/7/2026	RMB5,000,000	1.65%
25 HUATAI S9	RMB3,500,000	19/8/2025	19/2/2026	RMB3,500,000	1.72%
25 HUA S10	RMB1,200,000	19/8/2025	19/8/2026	RMB1,200,000	1.70%
25 HUATAI D1	RMB3,000,000	12/9/2025	12/5/2026	RMB3,000,000	1.76%
25 HUATAI D2	RMB2,000,000	9/10/2025	9/6/2026	RMB2,000,000	1.80%
25 HUA S11	RMB5,000,000	23/12/2025	23/12/2026	RMB5,000,000	1.71%
26 HUATAI S1	RMB2,500,000	29/1/2026	29/12/2026	RMB2,500,000	1.67%
26 HUATAI S2	RMB4,000,000	22/5/2026	22/10/2026	RMB4,000,000	1.44%
26 HUATAI S3	RMB4,000,000	22/5/2026	22/4/2027	RMB4,000,000	1.48%
26 HUATAI S4	RMB3,000,000	29/5/2026	29/5/2027	RMB3,000,000	1.48%
HUATAI B2601a	USD20,000	23/10/2025	22/1/2026	USD20,000	4.26%
HUATAI B2601b	USD30,000	23/10/2025	27/1/2026	USD30,000	4.26%
HUATAI B2601c	USD80,000	23/10/2025	27/1/2026	USD80,000	4.28%
HUATAI B2602a	USD50,000	4/11/2025	3/2/2026	USD50,000	4.23%
HUATAI B2602b	USD50,000	4/11/2025	4/2/2026	USD50,000	4.23%
HUATAI B2602c	USD50,000	10/11/2025	10/2/2026	USD50,000	4.23%
HUATAI B2602d	USD50,000	10/11/2025	11/2/2026	USD50,000	4.23%
HUATAI B2602e	USD30,000	19/8/2025	12/2/2026	USD30,000	0.00%
HUATAI B2602f	USD54,000	12/11/2025	12/2/2026	USD54,000	4.26%
HUATAI B2602g	USD50,000	10/11/2025	12/2/2026	USD50,000	4.23%
HUATAI B2602h	USD25,000	13/8/2025	13/2/2026	USD25,000	4.55%
HUATAI B2602i	USD30,000	27/8/2025	27/2/2026	USD30,000	0.00%
HUATAI B2603a	USD25,800	2/12/2025	3/3/2026	USD25,800	4.17%
HUATAI B2603b	USD40,000	27/8/2025	4/3/2026	USD40,000	4.43%
HUATAI B2603c	USD25,000	9/12/2025	10/3/2026	USD25,000	4.21%
HUATAI B2603d	USD31,000	9/12/2025	10/3/2026	USD31,000	4.15%
HUATAI B2603e	USD25,000	12/12/2025	11/3/2026	USD25,000	4.15%
HUATAI B2603f	USD30,000	12/12/2025	12/3/2026	USD30,000	4.21%
HUATAI B2603g	USD50,000	16/12/2025	17/3/2026	USD50,000	4.00%
HUATAI B2603h	USD50,000	25/11/2025	25/3/2026	USD50,000	4.28%
HUATAI B2603i	USD50,000	25/11/2025	26/3/2026	USD50,000	4.25%
HUATAI B2603j	USD50,000	25/11/2025	26/3/2026	USD50,000	4.28%
HUATAI B2604a	HKD385,000	22/10/2025	22/4/2026	HKD385,000	0.00%
HUATAI B2605a	USD50,000	10/11/2025	12/5/2026	USD50,000	4.18%
HUATAI B2605b	USD80,000	18/11/2025	19/5/2026	USD80,000	SOFR Compounded Index + 0.43%
HUATAI B2605c	USD40,000	20/11/2025	20/5/2026	USD40,000	SOFR Compounded Index + 0.43%
HUATAI B2605d	USD80,000	25/11/2025	27/5/2026	USD80,000	SOFR Compounded Index + 0.44%

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
HUATAI B2606a	USD66,000	3/12/2025	3/6/2026	USD66,000	0.00%
HUATAI B2606b	USD20,000	10/12/2025	10/6/2026	USD20,000	4.15%
HUATAI B2606c	USD55,000	15/12/2025	10/6/2026	USD55,000	SOFR Compounded Index + 0.53%
HUATAI B2606d	USD55,000	16/12/2025	11/6/2026	USD55,000	SOFR Compounded Index + 0.53%
HUATAI B2612a	USD80,000	17/12/2025	10/12/2026	USD80,000	SOFR Compounded Index + 0.57%
HUATAI B2612b	HKD430,000	29/12/2025	17/12/2026	HKD430,000	3.09%
HUATAI B2612c	HKD620,000	29/12/2025	18/12/2026	HKD620,000	3.09%
HUATAI B2607a	USD15,000	9/1/2026	14/7/2026	USD15,000	4.10%
HUATAI B2607b	USD50,000	12/1/2026	14/7/2026	USD50,000	SOFR Compounded Index + 0.55%
HUATAI B2607c	USD55,000	12/1/2026	16/7/2026	USD55,000	SOFR Compounded Index + 0.55%
HUATAI B2607d	USD20,000	16/1/2026	16/7/2026	USD20,000	4.10%
HUATAI B2607e	USD85,000	23/4/2026	21/7/2026	USD85,000	4.12%
HUATAI B2607f	USD20,000	23/1/2026	22/7/2026	USD20,000	4.05%
HUATAI B2607g	USD60,000	21/1/2026	23/7/2026	USD60,000	SOFR Compounded Index + 0.46%
HUATAI B2607h	USD100,000	28/1/2026	28/7/2026	USD100,000	4.05%
HUATAI B2607i	USD30,000	27/1/2026	28/7/2026	USD30,000	4.05%
HUATAI B2608a	USD100,000	28/1/2026	27/8/2026	USD100,000	4.05%
HUATAI B2608b	USD30,000	27/2/2026	27/8/2026	USD30,000	4.05%
HUATAI B2609a	USD75,000	27/2/2026	2/9/2026	USD75,000	4.08%
HUATAI B2609b	USD50,000	27/2/2026	3/9/2026	USD50,000	4.02%
HUATAI B2609c	USD50,000	27/2/2026	4/9/2026	USD50,000	4.02%
HUATAI B2609d	RMB680,000	17/3/2026	8/9/2026	RMB680,000	1.85%
HUATAI B2609e	USD85,000	27/2/2026	10/9/2026	USD85,000	4.09%
HUATAI B2609f	HKD170,000	13/3/2026	10/9/2026	HKD170,000	2.78%
HUATAI B2609g	USD23,000	13/3/2026	15/9/2026	USD23,000	4.02%
HUATAI B2610a	RMB500,000	23/4/2026	14/10/2026	RMB500,000	1.70%
HUATAI B2610b	USD60,000	23/4/2026	15/10/2026	USD60,000	4.14%
HUATAI B2610c	HKD307,000	21/1/2026	21/10/2026	HKD307,000	3.15%
HUATAI B2610d	USD100,000	22/1/2026	22/10/2026	USD100,000	4.05%
HUATAI B2610e	HKD307,000	22/1/2026	22/10/2026	HKD307,000	3.15%
HUATAI B2610f	USD100,000	22/1/2026	29/10/2026	USD100,000	4.05%
HUATAI B2611	USD20,000	27/2/2026	27/11/2026	USD20,000	SOFR Compounded Index + 0.48%
HUATAI B2612d	USD80,000	3/3/2026	3/12/2026	USD80,000	SOFR Compounded Index + 0.49%
HUATAI B2612e	HKD160,000	3/3/2026	3/12/2026	HKD160,000	HIBOR 3m + 0.28%
HUATAI B2612f	USD20,000	12/1/2026	15/12/2026	USD20,000	SOFR Compounded Index + 0.55%
HUATAI B2701a	USD50,000	15/1/2026	12/1/2027	USD50,000	4.00%
HUATAI B2701b	USD100,000	16/1/2026	13/1/2027	USD100,000	2.19%
HUATAI B2701c	RMB250,000	19/1/2026	13/1/2027	RMB250,000	2.20%
HUATAI B2701d	HKD100,000	23/1/2026	22/1/2027	HKD100,000	3.14%
HUATAI B2701e	USD100,000	28/1/2026	26/1/2027	USD100,000	4.00%
HUATAI B2701f	RMB640,000	28/1/2026	27/1/2027	RMB640,000	0.00%
HUATAI B2701g	HKD385,000	29/1/2026	28/1/2027	HKD385,000	0.00%
HUATAI B2702	HKD200,000	3/3/2026	3/2/2027	HKD200,000	2.95%
Structured notes [(1)]	RMB2,030,950	Note (1)	Note (1)	RMB2,030,950	Note (1)

Name	Book value as at 1 January 2026	Increase	Decrease	Book value as at 30 June 2026
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
25 HUATAI S3	3,036,580	12,011	(3,048,591)	-
25 HUATAI S3 (reopen)	1,012,292	3,905	(1,016,197)	-
25 HUATAI S4	5,036,151	41,000	-	5,077,151
25 HUATAI S5	5,036,758	42,172	(5,078,930)	-
25 HUATAI S5 (reopen)	1,309,627	10,894	(1,320,521)	-
25 HUATAI S6	5,033,082	14,253	(5,047,335)	-
25 HUATAI S8	2,516,522	20,625	-	2,537,147
25 HUATAI S8 (reopen)	5,033,229	41,250	-	5,074,479
25 HUATAI S9	3,522,170	8,179	(3,530,349)	-
25 HUA S10	1,207,513	10,200	-	1,217,713
25 HUATAI D1	3,015,987	19,019	(3,035,006)	-
25 HUATAI D2	2,008,300	15,667	(2,023,967)	-
25 HUA S11	5,000,319	42,750	-	5,043,069
26 HUATAI S1	-	2,517,739	-	2,517,739
26 HUATAI S2	-	4,006,378	-	4,006,378
26 HUATAI S3	-	4,006,555	-	4,006,555
26 HUATAI S4	-	3,004,065	-	3,004,065
HUATAI B2601a	141,754	350	(142,104)	-
HUATAI B2601b	212,631	644	(213,275)	-
HUATAI B2601c	567,037	1,726	(568,763)	-
HUATAI B2602a	353,869	1,342	(355,211)	-
HUATAI B2602b	353,869	1,382	(355,251)	-
HUATAI B2602c	353,622	1,618	(355,240)	-
HUATAI B2602d	353,622	1,657	(355,279)	-
HUATAI B2602e	209,923	1,110	(211,033)	-
HUATAI B2602f	381,838	1,845	(383,683)	-
HUATAI B2602g	353,622	1,697	(355,319)	-
HUATAI B2602h	175,758	934	(176,692)	-
HUATAI B2602i	209,515	1,515	(211,030)	-
HUATAI B2603a	181,979	1,245	(183,224)	-
HUATAI B2603b	281,212	2,083	(283,295)	-
HUATAI B2603c	176,210	1,355	(177,565)	-
HUATAI B2603d	218,468	1,656	(220,124)	-
HUATAI B2603e	176,122	1,356	(177,478)	-
HUATAI B2603f	211,378	1,673	(213,051)	-
HUATAI B2603g	351,961	2,836	(354,797)	-
HUATAI B2603h	353,020	3,354	(356,374)	-
HUATAI B2603i	353,009	3,371	(356,380)	-
HUATAI B2603j	353,020	3,394	(356,414)	-
HUATAI B2604a	344,227	3,546	(347,773)	-
HUATAI B2605a	353,597	5,148	(358,745)	-
HUATAI B2605b	565,205	8,637	(573,842)	-
HUATAI B2605c	282,538	4,348	(286,886)	-
HUATAI B2605d	564,758	9,146	(573,904)	-
HUATAI B2606a	455,751	8,318	(464,069)	-
HUATAI B2606b	140,946	2,494	(143,440)	-
HUATAI B2606c	387,395	7,045	(394,440)	-
HUATAI B2606d	387,350	7,083	(394,433)	-
HUATAI B2612a	563,360	11,626	(17,674)	557,312

Name	*Book value as at 1 January 2026*	*Increase*	*Decrease*	*Book value as at 30 June 2026*
	RMB equivalent	*RMB equivalent*	*RMB equivalent*	*RMB equivalent*
HUATAI B2612b	388,440	11,099	(20,239)	379,300
HUATAI B2612c	560,076	8,459	(21,574)	546,961
HUATAI B2607a	-	104,179	-	104,179
HUATAI B2607b	-	347,257	-	347,257
HUATAI B2607c	-	381,983	-	381,983
HUATAI B2607d	-	138,796	-	138,796
HUATAI B2607e	-	583,509	-	583,509
HUATAI B2607f	-	138,658	-	138,658
HUATAI B2607g	-	416,119	-	416,119
HUATAI B2607h	-	692,905	-	692,905
HUATAI B2607i	-	207,894	-	207,894
HUATAI B2608a	-	692,905	-	692,905
HUATAI B2608b	-	207,182	-	207,182
HUATAI B2609a	-	518,007	-	518,007
HUATAI B2609b	-	345,268	-	345,268
HUATAI B2609c	-	345,268	-	345,268
HUATAI B2609d	-	683,663	-	683,663
HUATAI B2609e	-	587,094	-	587,094
HUATAI B2609f	-	148,897	-	148,897
HUATAI B2609g	-	158,572	-	158,572
HUATAI B2610a	-	501,606	-	501,606
HUATAI B2610b	-	411,904	-	411,904
HUATAI B2610c	-	270,379	-	270,379
HUATAI B2610d	-	693,365	-	693,365
HUATAI B2610e	-	270,348	-	270,348
HUATAI B2610f	-	693,365	-	693,365
HUATAI B2611	-	138,144	-	138,144
HUATAI B2612d	-	552,348	-	552,348
HUATAI B2612e	-	140,226	(969)	139,257
HUATAI B2612f	-	138,903	-	138,903
HUATAI B2701a	-	346,872	-	346,872
HUATAI B2701b	-	101,004	-	101,004
HUATAI B2701c	-	252,384	-	252,384
HUATAI B2701d	-	88,052	-	88,052
HUATAI B2701e	-	692,760	-	692,760
HUATAI B2701f	-	640,000	-	640,000
HUATAI B2701g	-	334,393	-	334,393
HUATAI B2702	-	175,405	-	175,405
Structured notes [1]	6,243,765	3,175,527	(7,382,184)	2,037,108
Total	60,329,377	30,256,895	(41,442,650)	49,143,622

As at 31 December 2025

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
24 HUATAI S1	RMB2,000,000	18/10/2024	18/3/2025	RMB2,000,000	1.96%
24 HUATAI S2	RMB4,800,000	13/11/2024	13/5/2025	RMB4,800,000	1.90%
24 HUATAI S3	RMB1,000,000	13/11/2024	13/11/2025	RMB1,000,000	1.92%
24 HUATAI S4	RMB6,000,000	10/12/2024	10/6/2025	RMB6,000,000	1.75%
24 HUATAI S6	RMB3,000,000	24/12/2024	24/8/2025	RMB3,000,000	1.67%
25 HUATAI S1	RMB3,200,000	8/1/2025	16/10/2025	RMB3,200,000	1.60%
25 HUATAI S2	RMB5,000,000	15/4/2025	15/10/2025	RMB5,000,000	1.78%
25 HUATAI S3	RMB3,000,000	23/4/2025	23/3/2026	RMB3,000,000	1.77%
25 HUATAI S3 (reopen)	RMB1,000,000	23/4/2025	23/3/2026	RMB1,000,000	1.77%
25 HUATAI S4	RMB5,000,000	23/7/2025	23/7/2026	RMB5,000,000	1.64%
25 HUATAI S5	RMB5,000,000	28/7/2025	28/6/2026	RMB5,000,000	1.72%
25 HUATAI S5 (reopen)	RMB1,300,000	28/7/2025	28/6/2026	RMB1,300,000	1.72%
25 HUATAI S6	RMB5,000,000	5/8/2025	5/3/2026	RMB5,000,000	1.63%
25 HUATAI S7	RMB2,500,000	7/8/2025	7/11/2025	RMB2,500,000	1.56%
25 HUATAI S8	RMB2,500,000	7/8/2025	7/7/2026	RMB2,500,000	1.65%
25 HUATAI S8(reopen)	RMB5,000,000	7/8/2025	7/7/2026	RMB5,000,000	1.65%
25 HUATAI S9	RMB3,500,000	19/8/2025	19/2/2026	RMB3,500,000	1.72%
25 HUA S10	RMB1,200,000	19/8/2025	19/8/2026	RMB1,200,000	1.70%
25 HUATAI D1	RMB3,000,000	12/9/2025	12/5/2026	RMB3,000,000	1.76%
25 HUATAI D2	RMB2,000,000	9/10/2025	9/6/2026	RMB2,000,000	1.80%
25 HUA S11	RMB5,000,000	23/12/2025	23/12/2026	RMB5,000,000	1.71%
HUATAI B2601a	USD20,000	23/10/2025	22/1/2026	USD20,000	4.26%
HUATAI B2601b	USD30,000	23/10/2025	27/1/2026	USD30,000	4.26%
HUATAI B2601c	USD80,000	23/10/2025	27/1/2026	USD80,000	4.28%
HUATAI B2602a	USD50,000	4/11/2025	3/2/2026	USD50,000	4.23%
HUATAI B2602b	USD50,000	4/11/2025	4/2/2026	USD50,000	4.23%
HUATAI B2602c	USD50,000	10/11/2025	10/2/2026	USD50,000	4.23%
HUATAI B2602d	USD50,000	10/11/2025	11/2/2026	USD50,000	4.23%
HUATAI B2602e	USD30,000	19/8/2025	12/2/2026	USD30,000	0.00%
HUATAI B2602f	USD54,000	12/11/2025	12/2/2026	USD54,000	4.26%
HUATAI B2602g	USD50,000	10/11/2025	12/2/2026	USD50,000	4.23%
HUATAI B2602h	USD25,000	13/8/2025	13/2/2026	USD25,000	4.55%
HUATAI B2602i	USD30,000	27/8/2025	27/2/2026	USD30,000	0.00%
HUATAI B2603a	USD25,800	2/12/2025	3/3/2026	USD25,800	4.17%
HUATAI B2603b	USD40,000	27/8/2025	4/3/2026	USD40,000	4.43%
HUATAI B2603c	USD25,000	9/12/2025	10/3/2026	USD25,000	4.21%
HUATAI B2603d	USD31,000	9/12/2025	10/3/2026	USD31,000	4.15%
HUATAI B2603e	USD25,000	12/12/2025	11/3/2026	USD25,000	4.15%
HUATAI B2603f	USD30,000	12/12/2025	12/3/2026	USD30,000	4.21%
HUATAI B2603g	USD50,000	16/12/2025	17/3/2026	USD50,000	4.00%
HUATAI B2603h	USD50,000	25/11/2025	25/3/2026	USD50,000	4.28%
HUATAI B2603i	USD50,000	25/11/2025	26/3/2026	USD50,000	4.25%

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
HUATAI B2603j	USD50,000	25/11/2025	26/3/2026	USD50,000	4.28%
HUATAI B2604a	HKD385,000	22/10/2025	22/4/2026	HKD385,000	0.00%
HUATAI B2605a	USD50,000	10/11/2025	12/5/2026	USD50,000	4.18%
HUATAI B2605b	USD80,000	18/11/2025	19/5/2026	USD80,000	SOFR Compounded Index + 0.43%
HUATAI B2605c	USD40,000	20/11/2025	20/5/2026	USD40,000	SOFR Compounded Index + 0.43%
HUATAI B2605d	USD80,000	25/11/2025	27/5/2026	USD80,000	SOFR Compounded Index + 0.44%
HUATAI B2606a	USD66,000	3/12/2025	3/6/2026	USD66,000	0.00%
HUATAI B2606b	USD20,000	10/12/2025	10/6/2026	USD20,000	4.15%
HUATAI B2606c	USD55,000	15/12/2025	10/6/2026	USD55,000	SOFR Compounded Index + 0.53%
HUATAI B2606d	USD55,000	16/12/2025	11/6/2026	USD55,000	SOFR Compounded Index + 0.53%
HUATAI B2612a	USD80,000	17/12/2025	10/12/2026	USD80,000	SOFR Compounded Index + 0.57%
HUATAI B2612b	HKD430,000	29/12/2025	17/12/2026	HKD430,000	3.09%
HUATAI B2612c	HKD620,000	29/12/2025	18/12/2026	HKD620,000	3.09%
Structured notes [(1)]	RMB6,222,520	Note(1)	Note(1)	RMB6,222,520	Note(1)

Name	Book value as at 1 January 2025	Increase	Decrease	Book value as at 31 December 2025
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
24 HUATAI S1	2,008,009	8,207	(2,016,216)	-
24 HUATAI S2	4,812,160	33,066	(4,845,226)	-
24 HUATAI S3	1,002,560	16,640	(1,019,200)	-
24 HUATAI S4	6,006,210	46,146	(6,052,356)	-
24 HUATAI S6	3,001,077	32,277	(3,033,354)	-
25 HUATAI S1	-	3,239,418	(3,239,418)	-
25 HUATAI S2	-	5,044,620	(5,044,620)	-
25 HUATAI S3	-	3,036,580	-	3,036,580
25 HUATAI S3(reopen)	-	1,012,292	-	1,012,292
25 HUATAI S4	-	5,036,151	-	5,036,151
25 HUATAI S5	-	5,036,758	-	5,036,758
25 HUATAI S5(reopen)	-	1,309,627	-	1,309,627
25 HUATAI S6	-	5,033,082	-	5,033,082
25 HUATAI S7	-	2,509,830	(2,509,830)	-
25 HUATAI S8	-	2,516,522	-	2,516,522
25 HUATAI S8(reopen)	-	5,033,229	-	5,033,229
25 HUATAI S9	-	3,522,170	-	3,522,170
25 HUA S10	-	1,207,513	-	1,207,513
25 HUATAI D1	-	3,015,987	-	3,015,987
25 HUATAI D2	-	2,008,300	-	2,008,300
25 HUA S11	-	5,000,319	-	5,000,319
HUATAI B2601a	-	141,754	-	141,754
HUATAI B2601b	-	212,631	-	212,631
HUATAI B2601c	-	567,037	-	567,037
HUATAI B2602a	-	353,869	-	353,869
HUATAI B2602b	-	353,869	-	353,869
HUATAI B2602c	-	353,622	-	353,622
HUATAI B2602d	-	353,622	-	353,622
HUATAI B2602e	-	209,923	-	209,923
HUATAI B2602f	-	381,838	-	381,838
HUATAI B2602g	-	353,622	-	353,622
HUATAI B2602h	-	175,758	-	175,758
HUATAI B2602i	-	209,515	-	209,515
HUATAI B2603a	-	181,979	-	181,979
HUATAI B2603b	-	281,212	-	281,212
HUATAI B2603c	-	176,210	-	176,210
HUATAI B2603d	-	218,468	-	218,468
HUATAI B2603e	-	176,122	-	176,122
HUATAI B2603f	-	211,378	-	211,378
HUATAI B2603g	-	351,961	-	351,961
HUATAI B2603h	-	353,020	-	353,020
HUATAI B2603i	-	353,009	-	353,009
HUATAI B2603j	-	353,020	-	353,020

Name	*Book value as at 1 January 2025*	*Increase*	*Decrease*	*Book value as at 31 December 2025*
	RMB equivalent	*RMB equivalent*	*RMB equivalent*	*RMB equivalent*
HUATAI B2604a	-	344,227	-	344,227
HUATAI B2605a	-	353,597	-	353,597
HUATAI B2605b	-	565,205	-	565,205
HUATAI B2605c	-	282,538	-	282,538
HUATAI B2605d	-	564,758	-	564,758
HUATAI B2606a	-	455,751	-	455,751
HUATAI B2606b	-	140,946	-	140,946
HUATAI B2606c	-	387,395	-	387,395
HUATAI B2606d	-	387,350	-	387,350
HUATAI B2612a	-	563,360	-	563,360
HUATAI B2612b	-	388,440	-	388,440
HUATAI B2612c	-	560,076	-	560,076
Structured notes (1)	12,022,923	23,600,094	(29,379,252)	6,243,765
Total	28,852,939	88,615,910	(57,139,472)	60,329,377

(1) During the six months ended 30 June 2026, the Company issued 36 tranches of structured notes classified as short-term financing payables and repayable within 1 year, with the outstanding notes bearing interest ranging from 1.30% to 1.83% per annum. Structured notes repayable more than 1 year are classified as "Long-term bonds" (Note 46)(during the year ended 31 December 2025: the Company has issued 137 tranches of structured notes classified as short-term financing payables, with the outstanding notes bearing interest ranging from 1.55% to 2.05% per annum).

40 Placements from other financial institutions

	As at 30 June 2026	*As at 31 December 2025*
Placements from banks	**37,463,269**	36,052,947
Placements from refinancing business	**1,508,488**	1,082,020
Total	**38,971,757**	37,134,967

As at 30 June 2026, the placements from banks are unsecured, bearing interest of 1.30% -3.96% per annum, with maturities within 283 days (As at 31 December 2025: the placements from banks are unsecured, bearing interest of 1.30% - 4.00% per annum, with maturities within 173 days) , and the placements from CSF are secured by the securities and refundable deposits held by the Group, bearing interest of 1.68% - 1.90%per annum, with maturities within 154 days (as at 31 December 2025: the placements from CSF are secured, bearing interest of 1.82%per annum, with maturities within 146 days).

41 Accounts payable to brokerage clients

Current

	As at 30 June 2026	*As at 31 December 2025*
Clients' deposits for brokerage trading	**295,486,121**	214,764,655
Clients' deposits for margin financing and securities lending	**39,537,657**	26,145,771
Total	**335,023,778**	240,910,426

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of these businesses.

42 Other payables and accruals

Non-current

	As at 30 June 2026	As at 31 December 2025
Lease liabilities		
1 to 2 years (inclusive)	**277,531**	299,145
2 to 5 years (inclusive)	**202,451**	270,432
After 5 years	**29,356**	32,907
Total	**509,338**	602,484

The Group's leases are mainly land and buildings for operations. Most lease contracts are entered into terms from 1 year to 5 years.

(1) During the six months ended 30 June 2026, the expenses related to short-term leases and low-value leases of RMB18 million (six months ended 30 June 2025: RMB25 million) were recognised in profit or loss.

(2) As at 30 June 2026, the cash flows of lease contracts signed by the Group but lease not yet commenced are insignificant.

Current

	As at 30 June 2026	As at 31 December 2025
Trade payable	**126,361,446**	91,600,769
Payable to brokers, dealers and clearing house	**9,009,592**	9,104,084
Payable to open-ended funds	**2,615,775**	5,016,231
Other tax payable	**439,631**	601,936
Restrictive repurchase obligation	**7,102**	7,102
Lease liabilities	**487,139**	409,777
Fee and commission payable	**122,667**	104,135
Futures risk reserve	**302,258**	286,834
Payable to outsourcing service	**132,221**	131,908
Payable to the securities investor protection fund	**82,322**	64,931
Funds payable to securities issuers	**146,813**	59,892
Dividend payable	**3,623,842**	13,097
Accrued liabilities (1)	**678,089**	693,794
Interest payable on perpetual bonds	**1,181,270**	509,930
Others (2)	**1,295,865**	1,311,292
Total	**146,486,032**	109,915,712

(1) The balance of accrued liabilities mainly represents the provisions accrued for the outstanding litigation amounting to RMB675 million (Note 55).

(2) The balance of others mainly represents payable to brokerage agents and sundry payables arising from normal course of business.

43 Financial assets sold under repurchase agreements

(a) Analysed by collateral type :

	As at 30 June 2026	*As at 31 December 2025*
Debt securities	**173,638,312**	141,066,211
Equity securities	**10,310,990**	7,090,311
Total	**183,949,302**	148,156,522

As at 30 June 2026, the Group's pledged collateral in connection with financial assets sold under repurchase agreements amounted to RMB215,537 million (as at 31 December 2025: RMB187,866 million).

(b) Analysed by market :

	As at 30 June 2026	*As at 31 December 2025*
Shanghai stock exchange	**33,431,163**	27,138,152
Shenzhen stock exchange	**15,016,123**	14,515,745
Inter-bank market	**134,469,737**	106,502,625
Other market	**1,032,279**	-
Total	**183,949,302**	148,156,522

44 Financial liabilities at fair value through profit or loss

Non-current

	As at 30 June 2026	*As at 31 December 2025*
Financial liabilities designated at fair value through profit or loss	**5,296,348**	3,051,669
Total	**5,296,348**	3,051,669

Current

	As at 30 June 2026	*As at 31 December 2025*
Financial liabilities held for trading	**27,673,284**	25,031,028
Financial liabilities designated at fair value through profit or loss	**17,775,007**	8,339,221
Total	**45,448,291**	33,370,249

In the condensed consolidated financial statements, the financial liabilities arising from consolidation of structured entities and private funds with the underlying investments related to listed equity investments in active markets and unlisted equity investments are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon maturity dates of the structured entities based on net book value and related terms of those consolidated asset management schemes or private equity funds.

In the condensed consolidated financial statements, certain structured notes are designated at fair value through profit or loss by the Group, as the host contracts of structured notes contain embedded derivatives.

In the condensed consolidated financial statements, a bond is designated at fair value through profit or loss by the Group, as the designation can significantly reduce the accounting mismatch.

On 10 February 2026, the Company issued zero coupon convertible bonds with an aggregate principal amount of HKD10,000 million, convertible into H-shares of the Company. The bonds have been listed on the Vienna MTF operated by the Vienna Stock Exchange. The bond is convertible at any time on or after the day after 10 February 2026 up to the date falling 10 working days prior to 8 February, 2027, unless previously redeemed, repurchased and canceled or converted and subject to customary restricted periods. At any time during the conversion period, bondholders shall have the right to convert all or any of their bonds into H-shares at the prevailing conversion price. The prevailing conversion price is subject to adjustment under the terms of the bonds upon the occurrence of certain events, including a consolidation, subdivision or re-classification, capitalisation of profits or reserves, capital distributions, rights issues of or options at less than 95% of the current market price per H-share, and certain other dilutive events, as well as in respect of all dividends paid on the H-shares and upon a change of control of the Company. Assuming full conversion of the bonds at the initial conversion price of HKD19.70 per H-share, the bonds will be convertible into approximately 507,614,213 H-shares. If the bonds have not been converted or redeemed, they will be redeemed on 8 February 2027 at par.

In the condensed consolidated financial statements, the convertible bonds are designated at fair value through profit or loss by the Group, as the conversion rights embedded in the bonds, being exercisable into a fixed number of the Group's ordinary shares for a fixed amount of foreign currency rather than the Group's functional currency, do not meet the "fixed-for-fixed" condition and are therefore not equity instruments but embedded derivatives measured at fair value through profit or loss.

As at 30 June 2026, there were no significant fair value changes related to the changes in the credit risk of the Group (as at 31 December 2025: nil).

45 Long-term bonds due within one year

As at 30 June 2026

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
25 HUATAI G1	RMB1,800,000	5/2/2025	5/4/2026	RMB1,800,000	1.85%
25 HUATAI G3	RMB3,000,000	27/2/2025	27/2/2027	RMB3,000,000	2.05%
25 HUATAI G3(reopen)	RMB5,000,000	27/2/2025	27/2/2027	RMB5,000,000	2.05%
25 HUATAI G5	RMB2,000,000	6/3/2025	6/6/2026	RMB2,000,000	2.05%
25 HUATAI G7	RMB5,000,000	17/3/2025	17/4/2026	RMB5,000,000	2.03%
25 HUATAI G8	RMB3,600,000	24/3/2025	24/8/2026	RMB3,600,000	2.02%
25 HUATAI F1	RMB2,600,000	8/9/2025	8/4/2027	RMB2,600,000	1.92%
25 HUATAI F2	RMB1,000,000	12/9/2025	12/4/2027	RMB1,000,000	1.95%
25 HUATAI F3	RMB1,400,000	9/10/2025	9/5/2027	RMB1,400,000	1.95%
26 HUATAI F1	RMB6,000,000	12/1/2026	27/1/2027	RMB6,000,000	1.77%
26 HUATAI F2	RMB5,500,000	15/1/2026	15/6/2027	RMB5,500,000	1.95%
26 HUATAI F4	RMB7,000,000	23/1/2026	23/3/2027	RMB7,000,000	1.85%
26 HUATAI F5	RMB500,000	29/1/2026	23/2/2027	RMB500,000	1.73%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR Compounded Index + 0.9%
Structured notes [1]	RMB35,240,000	Note (1)	Note (1)	RMB35,240,000	Note (1)

Name	*Book value as at 1 January 2026*	*Increase*	*Decrease*	*Book value as at 30 June 2026*
	RMB equivalent	*RMB equivalent*	*RMB equivalent*	*RMB equivalent*
21 HUATAI C1	9,374,371	30,629	(9,405,000)	-
21 HUATAI G4	6,138,351	84,249	(6,222,600)	-
21 HUATAI G6	2,043,747	28,853	(2,072,600)	-
23 HUATAI G4	4,630,976	14,374	(4,645,350)	-
23 HUATAI G6	1,539,487	7,613	(1,547,100)	-
23 HUATAI 10	2,018,437	26,631	-	2,045,068
23 HUATAI 11	2,519,747	36,348	-	2,556,095
23 HUATAI 15	1,004,264	14,185	-	1,018,449
23 HUATAI F2	2,808,118	42,980	-	2,851,098
23 HUATAI F4	3,603,976	56,011	-	3,659,987
25 HUATAI G1	1,829,978	8,704	(1,838,682)	-
25 HUATAI G3	-	3,081,534	(61,500)	3,020,034
25 HUATAI G3(reopen)	-	5,143,648	(102,500)	5,041,148
25 HUATAI G5	2,033,319	18,015	(2,051,334)	-
25 HUATAI G7	5,079,242	30,878	(5,110,120)	-
25 HUATAI G8	3,655,422	37,042	(72,720)	3,619,744
25 HUATAI F1	-	2,639,601	-	2,639,601
25 HUATAI F2	-	1,015,260	-	1,015,260
25 HUATAI F3	-	1,419,341	-	1,419,341
26 HUATAI F1	-	6,046,636	-	6,046,636
26 HUATAI F2	-	5,545,841	-	5,545,841
26 HUATAI F4	-	7,052,597	-	7,052,597
26 HUATAI F5	-	503,359	-	503,359
HUATAI B2604	3,530,967	18,474	(3,549,441)	-
HUATAI B2608	2,868,062	70,927	(157,429)	2,781,560
HUATAI B2611	5,646,968	125,299	(298,687)	5,473,580
Structured notes [1]	22,740,841	14,080,515	(1,096,877)	35,724,479
Total	83,066,273	47,179,544	(38,231,940)	92,013,877

As at 31 December 2025

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
22 HUATAI G4	RMB2,000,000	5/9/2022	5/9/2025	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	13/9/2022	13/9/2025	RMB3,000,000	2.50%
22 HUATAI 10	RMB2,000,000	12/12/2022	12/12/2025	RMB2,000,000	3.35%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G8	RMB1,700,000	10/5/2023	10/7/2025	RMB1,700,000	2.82%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 13	RMB1,000,000	16/10/2023	16/10/2025	RMB1,000,000	2.80%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
25 HUATAI G1	RMB1,800,000	5/2/2025	5/4/2026	RMB1,800,000	1.85%
25 HUATAI G5	RMB2,000,000	6/3/2025	6/6/2026	RMB2,000,000	2.05%
25 HUATAI G7	RMB5,000,000	17/3/2025	17/4/2026	RMB5,000,000	2.03%
25 HUATAI G8	RMB3,600,000	24/3/2025	24/8/2026	RMB3,600,000	2.02%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	14/9/2022	14/9/2025	RMB3,025,000	2.85%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR Compounded Index + 0.9%
Structured notes [(i)]	RMB22,500,000	Note (1)	Note (1)	RMB22,500,000	Note (1)

Name	Book value as at 1 January 2025	Increase	Decrease	Book value as at 31 December 2025
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
20 HUATAI G3	3,568,003	33,497	(3,601,500)	-
20 HUATAI G4	3,058,606	37,394	(3,096,000)	-
20 HUATAI C1	5,029,184	194,816	(5,224,000)	-
21 HUATAI C1	-	9,779,371	(405,000)	9,374,371
21 HUATAI G4	-	6,360,952	(222,601)	6,138,351
21 HUATAI G6	-	2,116,347	(72,600)	2,043,747
22 HUATAI G1	5,122,256	17,244	(5,139,500)	-
22 HUATAI G4	2,015,855	34,537	(2,050,392)	-
22 HUATAI G5	3,021,831	53,135	(3,074,966)	-
22 HUATAI 10	2,003,097	63,903	(2,067,000)	-
23 HUATAI G1	4,114,609	2,191	(4,116,800)	-
23 HUATAI G2	823,152	848	(824,000)	-
23 HUATAI G4	-	4,776,326	(145,350)	4,630,976
23 HUATAI G6	-	1,586,587	(47,100)	1,539,487
23 HUATAI G8	1,730,847	24,050	(1,754,897)	-
23 HUATAI 10	-	2,071,237	(52,800)	2,018,437
23 HUATAI 11	-	2,591,997	(72,250)	2,519,747
23 HUATAI 13	1,005,674	22,305	(1,027,979)	-
23 HUATAI 15	-	1,032,564	(28,300)	1,004,264
23 HUATAI F2	-	2,894,078	(85,960)	2,808,118
23 HUATAI F4	-	3,714,856	(110,880)	3,603,976
25 HUATAI G1	-	1,829,978	-	1,829,978
25 HUATAI G5	-	2,033,319	-	2,033,319
25 HUATAI G7	-	5,079,242	-	5,079,242
25 HUATAI G8	-	3,655,422	-	3,655,422
HUATAI B2604	-	3,683,495	(152,528)	3,530,967
HUATAI B2503	7,245,831	30,432	(7,276,263)	-
HUATAI B2509	3,048,491	64,761	(3,113,252)	-
HUATAI B2608	-	3,083,935	(215,873)	2,868,062
HUATAI B2611	-	6,075,289	(428,321)	5,646,968
Structured notes [1]	-	24,970,373	(2,229,532)	22,740,841
Total	41,787,436	87,914,481	(46,635,644)	83,066,273

(1) As at 30 June 2026, 13 tranches structured notes classified as long-term bonds would mature within one year (as at 31 December 2025: 9 tranches).

46 Long-term bonds

As at 30 June 2026

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G9(reopen)	RMB5,100,000	10/5/2023	10/5/2028	RMB5,100,000	3.07%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 14	RMB1,600,000	16/10/2023	16/10/2033	RMB1,600,000	3.35%
23 HUATAI 16	RMB2,500,000	6/11/2023	6/11/2033	RMB2,500,000	3.30%
25 HUATAI G3	RMB3,000,000	27/2/2025	27/2/2027	RMB3,000,000	2.05%
25 HUATAI G3(reopen)	RMB5,000,000	27/2/2025	27/2/2027	RMB5,000,000	2.05%
25 HUATAI G4	RMB1,900,000	27/2/2025	27/2/2028	RMB1,900,000	2.05%
25 HUATAI G6	RMB2,700,000	6/3/2025	6/9/2027	RMB2,700,000	2.05%
25 HUATAI G6(reopen)	RMB6,000,000	6/3/2025	6/9/2027	RMB6,000,000	2.05%
25 HUATAI F1	RMB2,600,000	8/9/2025	8/4/2027	RMB2,600,000	1.92%
25 HUATAI F2	RMB1,000,000	12/9/2025	12/4/2027	RMB1,000,000	1.95%
25 HUATAI G9	RMB4,000,000	18/9/2025	18/9/2027	RMB4,000,000	1.91%
25 HUATAI F3	RMB1,400,000	9/10/2025	9/5/2027	RMB1,400,000	1.95%
25 HUATAI 12	RMB1,000,000	13/10/2025	13/8/2030	RMB1,000,000	2.20%
25 HUATAI 11	RMB6,300,000	13/10/2025	13/10/2028	RMB6,300,000	2.06%
25 HUATAI 14	RMB2,000,000	16/10/2025	16/9/2030	RMB2,000,000	2.20%
25 HUATAI 13	RMB2,000,000	16/10/2025	16/11/2028	RMB2,000,000	2.02%
25 HUATAI 15	RMB3,200,000	7/11/2025	7/12/2028	RMB3,200,000	1.85%
25 HUATAI 16	RMB1,700,000	7/11/2025	7/10/2030	RMB1,700,000	2.00%
25 HUATAI 17	RMB2,830,000	24/11/2025	24/11/2028	RMB2,830,000	1.88%
25 HUATAI 18	RMB870,000	24/11/2025	24/11/2030	RMB870,000	1.99%
26 HUATAI F1	RMB6,000,000	12/1/2026	27/1/2027	RMB6,000,000	1.77%
26 HUATAI F2	RMB5,500,000	15/1/2026	15/6/2027	RMB5,500,000	1.95%
26 HUATAI F3	RMB6,000,000	20/1/2026	20/8/2027	RMB6,000,000	1.92%
26 HUATAI C1	RMB4,000,000	21/1/2026	21/1/2029	RMB4,000,000	1.99%
26 HUATAI C2	RMB3,500,000	21/1/2026	11/1/2031	RMB3,500,000	2.20%
26 HUATAI F4	RMB7,000,000	23/1/2026	23/3/2027	RMB7,000,000	1.85%
26 HUATAI F5	RMB500,000	29/1/2026	23/2/2027	RMB500,000	1.73%
26 HUATAI G1	RMB4,000,000	9/2/2026	9/2/2029	RMB4,000,000	1.85%
26 HUATAI G3	RMB1,900,000	24/6/2026	24/6/2028	RMB1,900,000	1.60%
26 HUATAI G4	RMB6,100,000	24/6/2026	24/6/2029	RMB6,100,000	1.68%
26 HUATAI F7	RMB6,000,000	29/6/2026	22/7/2027	RMB6,000,000	1.58%
HUATAI KC01	RMB700,000	13/5/2025	13/5/2028	RMB700,000	1.71%
25 HUATAI C1	RMB1,200,000	15/8/2025	15/8/2030	RMB1,200,000	2.13%
25 HUATAI C2	RMB2,000,000	10/9/2025	10/9/2030	RMB2,000,000	2.19%
25 HUATAI C3	RMB1,000,000	22/9/2025	22/9/2030	RMB1,000,000	2.24%
25 HUATAI C4	RMB4,100,000	14/10/2025	14/10/2028	RMB4,100,000	2.26%
25 HUATAI C5	RMB900,000	14/10/2025	14/10/2030	RMB900,000	2.38%

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
25 HUATAI C6	RMB1,500,000	11/11/2025	11/11/2028	RMB1,500,000	2.03%
25 HUATAI C7	RMB1,100,000	11/11/2025	11/11/2030	RMB1,100,000	2.20%
25 HUATAI STIB01A	RMB300,000	22/12/2025	22/12/2028	RMB300,000	1.76%
25 HUATAI STIB01B	RMB700,000	22/12/2025	22/12/2030	RMB700,000	1.85%
HUATAI B2809a	HKD2,000,000	22/9/2025	22/9/2028	HKD2,000,000	3.00%
HUATAI B2809b	RMB1,700,000	22/9/2025	22/9/2028	RMB1,700,000	3.09%
HUATAI B2809c	USD500,000	25/9/2025	25/9/2028	USD500,000	SOFR Compounded Index + 0.57%
HUATAI B2802a	RMB2,100,000	2/2/2026	2/2/2028	RMB2,100,000	1.90%
HUATAI B2802b	HKD3,100,000	2/2/2026	2/2/2028	HKD3,100,000	2.95%
Structured notes [(1)]	-	Note(1)	Note(1)	-	Note(1)

Name	*Book value as at 1 January 2026*	*Increase*	*Decrease*	*Book value as at 30 June 2026*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
21 HUATAI 12	2,731,186	51,120	-	2,782,306
21 HUATAI 14	3,427,273	67,864	-	3,495,137
21 HUATAI 16	1,107,896	21,681	-	1,129,577
22 HUATAI G7	1,404,831	22,290	-	1,427,121
22 HUATAI 11	500,777	8,765	-	509,542
23 HUATAI G3	2,066,260	34,929	(69,600)	2,031,589
23 HUATAI G5	4,118,535	68,013	(135,600)	4,050,948
23 HUATAI G7	2,261,524	37,076	(73,920)	2,224,680
23 HUATAI G9(reopen)	5,329,180	53,934	(156,570)	5,226,544
23 HUATAI G9	713,629	10,781	(21,490)	702,920
23 HUATAI 14	1,610,569	26,838	-	1,637,407
23 HUATAI 16	2,512,183	41,274	-	2,553,457
25 HUATAI G3	3,050,159	-	(3,050,159)	-
25 HUATAI G3(reopen)	5,096,786	-	(5,096,786)	-
25 HUATAI G4	1,931,545	19,736	(38,950)	1,912,331
25 HUATAI G6	2,744,050	28,236	(55,350)	2,716,936
25 HUATAI G6(reopen)	6,116,412	57,615	(123,000)	6,051,027
25 HUATAI F1	2,614,088	-	(2,614,088)	-
25 HUATAI F2	1,005,295	-	(1,005,295)	-
25 HUATAI G9	4,018,384	39,202	-	4,057,586
25 HUATAI F3	1,405,393	-	(1,405,393)	-
25 HUATAI 12	1,003,817	11,995	-	1,015,812
25 HUATAI 11	6,324,216	65,513	-	6,389,729
25 HUATAI 14	2,007,270	23,992	-	2,031,262
25 HUATAI 13	2,006,560	22,144	-	2,028,704
25 HUATAI 15	3,205,654	32,772	-	3,238,426
25 HUATAI 16	1,703,355	18,714	-	1,722,069
25 HUATAI 17	2,832,614	29,442	-	2,862,056
25 HUATAI 18	870,889	9,542	-	880,431
26 HUATAI F1	-	6,046,636	(6,046,636)	-
26 HUATAI F2	-	5,545,841	(5,545,841)	-
26 HUATAI F3	-	6,047,350	-	6,047,350
26 HUATAI C1	-	4,032,003	-	4,032,003

Name	*Book value as at 1 January 2026*	*Increase*	*Decrease*	*Book value as at 30 June 2026*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
26 HUATAI C2	-	3,531,074	-	3,531,074
26 HUATAI F4	-	7,052,597	(7,052,597)	-
26 HUATAI F5	-	503,359	(503,359)	-
26 HUATAI G1	-	4,025,073	-	4,025,073
26 HUATAI G3	-	1,898,630	-	1,898,630
26 HUATAI G4	-	6,095,675	-	6,095,675
26 HUATAI F7	-	5,994,327	-	5,994,327
HUATAI KC01	707,101	6,087	(11,970)	701,218
25 HUATAI C1	1,208,880	12,863	-	1,221,743
25 HUATAI C2	2,011,708	22,083	-	2,033,791
25 HUATAI C3	1,005,255	11,292	-	1,016,547
25 HUATAI C4	4,116,760	46,870	-	4,163,630
25 HUATAI C5	903,891	10,779	-	914,670
25 HUATAI C6	1,503,462	15,345	-	1,518,807
25 HUATAI C7	1,102,786	12,152	-	1,114,938
25 HUATAI STIB01A	299,821	2,879	(2,648)	300,052
25 HUATAI STIB01B	699,597	7,019	-	706,616
HUATAI B2809a	1,821,494	25,844	(95,756)	1,751,582
HUATAI B2809b	1,714,592	16,017	(21,637)	1,708,972
HUATAI B2809c	3,508,345	116,259	(223,700)	3,400,904
HUATAI B2802a	-	2,116,403	-	2,116,403
HUATAI B2802b	-	2,725,169	-	2,725,169
Structured notes [1]	3,701,504	-	(3,701,504)	-
Total	100,025,526	56,723,094	(37,051,849)	119,696,771

As at 31 December 2025

Name	*Par value*	*Value date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G9(reopen)	RMB5,100,000	10/5/2023	10/5/2028	RMB5,100,000	3.07%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 14	RMB1,600,000	16/10/2023	16/10/2033	RMB1,600,000	3.35%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI 16	RMB2,500,000	6/11/2023	6/11/2033	RMB2,500,000	3.30%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
25 HUATAI G1	RMB1,800,000	5/2/2025	5/4/2026	RMB1,800,000	1.85%
25 HUATAI G3	RMB3,000,000	27/2/2025	27/2/2027	RMB3,000,000	2.05%
25 HUATAI G4	RMB1,900,000	27/2/2025	27/2/2028	RMB1,900,000	2.05%
25 HUATAI G3(reopen)	RMB5,000,000	27/2/2025	27/2/2027	RMB5,000,000	2.05%
25 HUATAI G5	RMB2,000,000	6/3/2025	6/6/2026	RMB2,000,000	2.05%
25 HUATAI G6	RMB2,700,000	6/3/2025	6/9/2027	RMB2,700,000	2.05%
25 HUATAI G6(reopen)	RMB6,000,000	6/3/2025	6/9/2027	RMB6,000,000	2.05%
25 HUATAI G7	RMB5,000,000	17/3/2025	17/4/2026	RMB5,000,000	2.03%
25 HUATAI G8	RMB3,600,000	24/3/2025	24/8/2026	RMB3,600,000	2.02%
HUATAI KC01	RMB700,000	13/5/2025	13/5/2028	RMB700,000	1.71%
25 HUATAI C1	RMB1,200,000	15/8/2025	15/8/2030	RMB1,200,000	2.13%
25 HUATAI F1	RMB2,600,000	8/9/2025	8/4/2027	RMB2,600,000	1.92%
25 HUATAI C2	RMB2,000,000	10/9/2025	10/9/2030	RMB2,000,000	2.19%
25 HUATAI F2	RMB1,000,000	12/9/2025	12/4/2027	RMB1,000,000	1.95%
25 HUATAI G9	RMB4,000,000	18/9/2025	18/9/2027	RMB4,000,000	1.91%
25 HUATAI C3	RMB1,000,000	22/9/2025	22/9/2030	RMB1,000,000	2.24%
25 HUATAI F3	RMB1,400,000	9/10/2025	9/5/2027	RMB1,400,000	1.95%
25 HUATAI 12	RMB1,000,000	13/10/2025	13/8/2030	RMB1,000,000	2.20%
25 HUATAI 11	RMB6,300,000	13/10/2025	13/10/2028	RMB6,300,000	2.06%
25 HUATAI C4	RMB4,100,000	14/10/2025	14/10/2028	RMB4,100,000	2.26%
25 HUATAI C5	RMB900,000	14/10/2025	14/10/2030	RMB900,000	2.38%
25 HUATAI 14	RMB2,000,000	16/10/2025	16/9/2030	RMB2,000,000	2.20%
25 HUATAI 13	RMB2,000,000	16/10/2025	16/11/2028	RMB2,000,000	2.02%
25 HUATAI 15	RMB3,200,000	7/11/2025	7/12/2028	RMB3,200,000	1.85%

Name	Par value	Value date	Due date	Issue amount	Nominal interest rate
	Original currency			Original currency	
25 HUATAI 16	RMB1,700,000	7/11/2025	7/10/2030	RMB1,700,000	2.00%
25 HUATAI C6	RMB1,500,000	11/11/2025	11/11/2028	RMB1,500,000	2.03%
25 HUATAI C7	RMB1,100,000	11/11/2025	11/11/2030	RMB1,100,000	2.20%
25 HUATAI 17	RMB2,830,000	24/11/2025	24/11/2028	RMB2,830,000	1.88%
25 HUATAI 18	RMB870,000	24/11/2025	24/11/2030	RMB870,000	1.99%
25 HUATAI STIB01A	RMB300,000	22/12/2025	22/12/2028	RMB300,000	1.76%
25 HUATAI STIB01B	RMB700,000	22/12/2025	22/12/2030	RMB700,000	1.85%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR Compounded Index + 0.9%
HUATAI B2809a	HKD2,000,000	22/9/2025	22/9/2028	HKD2,000,000	3.00%
HUATAI B2809b	RMB1,700,000	22/9/2025	22/9/2028	RMB1,700,000	3.09%
HUATAI B2809c	USD500,000	25/9/2025	25/9/2028	USD500,000	SOFR Compounded Index + 0.57%
Structured notes [1]	RMB3,700,000	Note (1)	Note (1)	RMB3,700,000	Note (1)

Name	Book value as at 1 January 2025	Increase	Decrease	Book value as at 31 December 2025
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
21 HUATAI C1	9,372,484	-	(9,372,484)	-
21 HUATAI G4	6,137,126	-	(6,137,126)	-
21 HUATAI G6	2,043,339	-	(2,043,339)	-
21 HUATAI 12	2,731,010	102,236	(102,060)	2,731,186
21 HUATAI 14	3,427,207	135,726	(135,660)	3,427,273
21 HUATAI 16	1,107,874	43,362	(43,340)	1,107,896
22 HUATAI G7	1,404,773	44,578	(44,520)	1,404,831
22 HUATAI 11	500,702	17,525	(17,450)	500,777
23 HUATAI G3	2,066,135	69,725	(69,600)	2,066,260
23 HUATAI G4	4,630,454	-	(4,630,454)	-
23 HUATAI G5	4,118,397	135,738	(135,600)	4,118,535
23 HUATAI G6	1,539,390	-	(1,539,390)	-
23 HUATAI G7	2,261,440	74,004	(73,920)	2,261,524
23 HUATAI G9(reopen)	-	5,329,180	-	5,329,180
23 HUATAI G9	713,590	21,529	(21,490)	713,629
23 HUATAI 10	2,018,026	-	(2,018,026)	-
23 HUATAI 11	2,519,358	-	(2,519,358)	-
23 HUATAI 14	1,610,498	53,671	(53,600)	1,610,569
23 HUATAI 15	1,004,212	-	(1,004,212)	-
23 HUATAI 16	2,512,149	82,534	(82,500)	2,512,183
23 HUATAI F2	2,808,118	-	(2,808,118)	-
23 HUATAI F4	3,602,869	-	(3,602,869)	-
25 HUATAI G1	-	1,829,978	(1,829,978)	-
25 HUATAI G3	-	3,050,159	-	3,050,159
25 HUATAI G4	-	1,931,545	-	1,931,545
25 HUATAI G3(reopen)	-	5,096,786	-	5,096,786
25 HUATAI G5	-	2,033,319	(2,033,319)	-
25 HUATAI G6	-	2,744,050	-	2,744,050

Name	Book value as at 1 January 2025	Increase	Decrease	Book value as at 31 December 2025
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
25 HUATAI G6(reopen)	-	6,116,412	-	6,116,412
25 HUATAI G7	-	5,079,242	(5,079,242)	-
25 HUATAI G8	-	3,655,422	(3,655,422)	-
HUATAI KC01	-	707,101	-	707,101
25 HUATAI C1	-	1,208,880	-	1,208,880
25 HUATAI F1	-	2,614,088	-	2,614,088
25 HUATAI C2	-	2,011,708	-	2,011,708
25 HUATAI F2	-	1,005,295	-	1,005,295
25 HUATAI G9	-	4,018,384	-	4,018,384
25 HUATAI C3	-	1,005,255	-	1,005,255
25 HUATAI F3	-	1,405,393	-	1,405,393
25 HUATAI 12	-	1,003,817	-	1,003,817
25 HUATAI 11	-	6,324,216	-	6,324,216
25 HUATAI C4	-	4,116,760	-	4,116,760
25 HUATAI C5	-	903,891	-	903,891
25 HUATAI 14	-	2,007,270	-	2,007,270
25 HUATAI 13	-	2,006,560	-	2,006,560
25 HUATAI 15	-	3,205,654	-	3,205,654
25 HUATAI 16	-	1,703,355	-	1,703,355
25 HUATAI C6	-	1,503,462	-	1,503,462
25 HUATAI C7	-	1,102,786	-	1,102,786
25 HUATAI 17	-	2,832,614	-	2,832,614
25 HUATAI 18	-	870,889	-	870,889
25 HUATAI STIB01A	-	299,821	-	299,821
25 HUATAI STIB01B	-	699,597	-	699,597
HUATAI B2604	3,609,339	-	(3,609,339)	-
HUATAI B2608	2,927,397	-	(2,927,397)	-
HUATAI B2611	5,777,948	-	(5,777,948)	-
HUATAI B2809a	-	1,821,494	-	1,821,494
HUATAI B2809b	-	1,714,592	-	1,714,592
HUATAI B2809c	-	3,559,958	(51,613)	3,508,345
Structured notes [1]	3,227,546	3,701,504	(3,227,546)	3,701,504
Total	73,671,381	91,001,065	(64,646,920)	100,025,526

(1) During the six months ended 30 June 2026, the Company issued 4 tranches of long-term structured notes classified as long-term bonds (during the year ended 31 December 2025: 9 tranches). As at 30 June 2026, 2 tranches of long-term structured notes due within one year are classified as "Long-term bonds due within one year" (as at 31 December 2025: 9 tranches) (Note 45).

47 Long-term bank loans

(a) Analysed by nature

	As at 30 June 2026	As at 31 December 2025
Unsecured bank loans	**162,232**	170,903
Less: unsecured bank loans due within one year	**-**	-
Total	**162,232**	170,903

(b) Analysed by maturity

	As at 30 June 2026	As at 31 December 2025
Maturity within five years	**162,232**	170,903

48 Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	As at 30 June 2026		As at 31 December 2025	
	Number of shares	**Nominal value**	Number of shares	Nominal value
	(Thousands)		(Thousands)	
Registered, issued and fully paid:				
A shares of RMB1 each	**7,307,818**	**7,307,818**	7,307,818	7,307,818
H shares of RMB1 each	**1,719,046**	**1,719,046**	1,719,046	1,719,046
Total	**9,026,864**	**9,026,864**	9,026,864	9,026,864

The H shares and GDRs representing A shares rank pari passu in all respects with the existing A shares including the right to receive all dividends and distributions declared or made.

49 Other equity instruments

	As at 30 June 2026	As at 31 December 2025
Perpetual subordinated bonds	**37,300,000**	33,300,000

As approved by the CSRC, the Company issued eleven batches of perpetual subordinated bonds ("21 Huatai Y1", "21 Huatai Y2", "21 Huatai Y3", "22 Huatai Y1", "22 Huatai Y2", "22 Huatai Y3","23 Huatai Y1","23 Huatai Y2","24 Huatai Y1","25 Huatai Y1" and "26 Huatai Y1") with an initial interest rate of 3.85%, 4.00%, 3.80%, 3.49%, 3.59%, 3.20%, 3.46%, 3.58%, 2.39%, 2.12% and 1.95% on 15 September 2021, 26 October 2021, 16 November 2021, 24 January 2022, 7 July 2022, 19 October 2022, 6 September 2023, 18 October 2023, 22 November 2024, 22 May 2025 and 5 June 2026, respectively. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 200bp or 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

As the Company declared dividend distribution to ordinary equity holders during the 2025 annual general meeting held on 26 June 2026, the Company has recognised interest payable to the perpetual subordinated bonds amounted to RMB871,570 thousand in dividend payable.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the condensed consolidated statement of financial position.

50 Treasury shares

	As at 1 January 2026	Increase for the period	Decrease for the period	As at 30 June 2026
Restricted Share Incentive Scheme of A Shares	7,102	-	-	7,102
Total	7,102	-	-	7,102

51 Reserves

(a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

(b) Surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of the Company provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

(c) General reserve

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates 10% from its annual net profit to the transaction risk reserve.

In accordance with the requirements of the CSRC No. 94 Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds, the Company appropriates 2.5% from its fund custody fee income to the general risk reserve.

The Company's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

(d) Fair value reserve

The fair value reserve comprises:

- The cumulative net changes in fair value of equity instruments designated at FVTOCI; and

- The cumulative net changes in fair value of debt instruments at FVTOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

(e) Cash flow hedges reserve

The cash flow hedges reserve comprises the effective portion of the gain or loss on the hedging instrument.

(f) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

52 Retained profits

Pursuant to the resolution of the general meeting of the shareholders dated 26 June 2026, the Company was approved to distribute cash dividends of RMB4.00 (tax inclusive) per 10 shares to the shareholders based on 9,026,863,786 shares, with total cash dividends amounting to RMB3,611 million (tax inclusive). The cash dividends of the Company were paid on 21 August 2026.

53 Commitments

(a) Capital commitments

Capital commitments outstanding as at 30 June 2026 and 31 December 2025 not provided for in the condensed consolidated financial statements were as follows:

	As at 30 June 2026	*As at 31 December 2025*
Contracted, but not provided for	**7,903,522**	8,554,035

The aforementioned capital commitments mainly represent securities underwriting commitments, subscribed capital contributions to funds, construction of properties and purchase of equipment of the Group.

54 Interests in structured entities

(a) Interests in structured entities consolidated by the Group

Structured entities consolidated by the Group mainly stand for the asset management schemes where the Group involves as manager and/ or as investor. The Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the asset management schemes to a level of such significance that it indicates that the Group is a principal.

As at 30 June 2026, the Group consolidated 74 structured entities (as at 31 December 2025: 78 structured entities), which are mainly asset management schemes. As at 30 June 2026, the total assets of the consolidated structured entities are RMB73,430 million (as at 31 December 2025: RMB62,418 million), and the carrying amount of interests held by the Group in the consolidated structured entities are RMB65,471 million (as at 31 December 2025: RMB55,249 million). For the period ended 30 June 2026 and year ended 31 December 2025, the Group did not provide financial support to these structured entities.

(b) Interests in structured entities sponsored by the Group but not consolidated

Structured entities for which the Group served as general partner or manager, therefore has power over them during the reporting periods are asset management schemes. Except for the structured entities that the Group has consolidated as set out in Note 54(a), the Group's exposure to the variable returns in the remaining structured entities in which the Group has interests is not significant. Besides, the Group did not provide financial support to these structured entities. The Group therefore did not consolidate these structured entities.

As at 30 June 2026, the total assets of these unconsolidated structured entities managed by the Group amounted to RMB816,937 million (as at 31 December 2025: RMB778,286 million). As at 30 June 2026, the carrying amount of interests held by the Group in these unconsolidated structured entities are RMB7,217 million (as at 31 December 2025: RMB6,122 million).

During the six months ended 30 June 2026, the Group's profit or loss from these unconsolidated structured entities including asset management fee and commission income, and net investment gains, amounted to a total gain of RMB1,005 million (during the six months ended 30 June 2025: asset management fee and commission income, and net investment gains, amounted to a total gain of RMB981 million).

(c) Interests in structured entities sponsored by third party institutions

The types of structured entities sponsored by third party institutions that the Group does not consolidate but in which it holds interests include funds, asset management schemes, trust schemes, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The carrying amount of the related accounts in the condensed consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at 30 June 2026 and 31 December 2025, which are listed as below:

	As at 30 June 2026	
	Financial assets at fair value through profit or loss	*Total*
Funds	**78,409,854**	**78,409,854**
Wealth management products	**9,404,495**	**9,404,495**
Debt securities	**662,588**	**662,588**
Total	**88,476,937**	**88,476,937**

	As at 31 December 2025	
	Financial assets at fair value through profit or loss	*Total*
Funds	86,363,606	86,363,606
Wealth management products	9,519,749	9,519,749
Debt securities	393,903	393,903
Total	96,277,258	96,277,258

55 Outstanding litigations

From time to time in the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 30 June 2026, based on the court rulings and advices from legal representatives and management judgement, provision had been made to the claim amounts for the major legal action as listed below.

During the year of 2020, the Group's subsidiary Huatai United Securities Co., Ltd. received the Notice of Legal Action and relevant litigation materials sent by Shanghai Financial Court. The plaintiff, Postal Savings Bank of China Co., Ltd., failed to fully cash its investment in "Huatai Magnate Light Asset-backed Securities", sued to the Court to require the manager (the first defendant), the legal adviser (the second defendant), the rating agency (the third defendant), the issuer (the fourth defendant) and Huatai United Securities Co., Ltd., the financial adviser (the fifth defendant), to bear joint and several liability for the compensation for the plaintiff's investment loss of RMB527 million and relevant interest. The Shanghai Financial Court made the judgment of the first instance on 14 April 2023 that Huatai United Securities Co., Ltd. shall bear joint and several liability. Huatai United Securities Co., Ltd. received the Ruling of Stay of Proceedings from the Shanghai Higher-People's Court on 29 May 2026 to stay the second-instance litigation. As of the approval and issuance date of the financial statements, no judgment had been made. According to the opinion of the legal representative and the judgment of the management, the Group has accrued provision amounting to RMB675 million for the claim amount.

As of 30 June 2026, except for the aforementioned cases, the Group is not involved in any other legal proceedings or arbitrations for which an unfavorable judgment, ruling, or decision, if rendered, would reasonably be expected to result in a material adverse effect on the Group's financial position or operating results.

56 Share-based payments

	Note	*As at 1 January 2026*	*Accrued for the period*	*Decrease for the period*	*As at 30 June 2026*
Restricted Share Incentive Scheme of A Shares	(a)	**8,628**	**-**	**-**	**8,628**

	Note	*As at 1 January 2025*	*Accrued for the year*	*Decrease for the year*	*As at 31 December 2025*
Restricted Share Incentive Scheme of A Shares	(a)	104,624	5,094	(101,090)	8,628

(a) Share-based payments of the Company

The Company carried out a Restricted Share Incentive Scheme of A Shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. On 29 March 2021, 45,640,000 restricted A Shares were granted to 813 incentive participants at the grant price of RMB9.10 per Share. As at 30 March 2021, the Company had in aggregate received subscription proceeds of RMB413,940,800 from 810 incentive participants. On 30 March 2023, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 14,222,943 shares at the end of the first locking period. On 12 April 2024, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 13,269,954 shares at the end of the second locking period. On 29 April 2025, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 12,427,384 shares at the end of the third locking period. 20% of the total restricted shares granted (including stock dividends distributed in respect of such shares) to incentive participants who are Directors and Senior Management of the Company shall remain locked up until the expiration of their term of office. The unlocking of such shares shall be determined based on the performance assessment for their term as Directors or Senior Management or the results of an economic responsibility audit.

Details of the scheme as at 30 June 2026 and 30 June 2025 are set out below :

	Six months ended 30 June	
Number of shares	***2026***	*2025*
Outstanding at the beginning of the period	**1,060,000**	13,723,650
Granted during the period	**-**	-
Exercised during the period	**-**	-
Forfeited during the period	**-**	(236,266)
Unlocked during the period	**-**	(12,427,384)
Outstanding at the end of the period	**1,060,000**	1,060,000
Exercisable at the end of the period	**1,060,000**	1,060,000

As at 30 June 2026, cumulative amount of RMB8.63 million was recognised in the capital reserve of the Company (as at 31 December 2025: RMB8.63 million). The total expenses recognised for the six months ended 30 June 2026 was nil (for the six months ended 30 June 2025: RMB4.19 million).

For the period ended 30 June 2026 the Company recognized share-based payment expense amounted to nil, for the restricted shares granted to the Company's key management personnel (for the period ended 30 June 2025: RMB1.28 million).

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date, which is RMB17.24 per share.

57 Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

Name of the shareholders	*Place of registration*	*Registered share capital*	*Percentage of equity interest (%)*	*Voting rights (%)*
Jiangsu Guoxin Investment Group Limited	Nanjing	RMB50 billion	15.22	15.22
Jiangsu Communications Holdings Co., Ltd	Nanjing	RMB16.8 billion	5.42	5.42

The detailed information of the transactions and balances with Group's major shareholders is set out in Note 57(b)(i).

(ii) Associates of the Group

The detailed information of the Group's associates is set out in Note 20.

(iii) Joint ventures of the Group

The detailed information of the Group's joint ventures is set out in Note 21.

(iv) Other related parties

Other related parties are individuals which include: members of the Board of Directors senior management, and close family members of such individuals.

(b) Related parties transactions and balances

Other than as disclosed elsewhere in these consolidated financial statements, the Group had the following related party transactions and balances:

(i) Transactions and balances between the Group and major shareholders and their subsidiaries:

	As at 30 June 2026	*As at 31 December 2025*
Balances at the end of the period/ year:		
Financial assets at FVTPL	**206,342**	20,091
Accounts payable to brokerage clients	**410,850**	239,901
Other payables and accruals	**3,211**	3,211

	Six months ended 30 June	
	2026	*2025*
Transactions during the period:		
Fee and commission income	**1,581**	4,390
Net investment gains/(losses)	**332**	(99)
Operating expense	**(3,118)**	-

For the period ended 30 June 2026, the Group has subscribed the bonds issued by major shareholders amounting to RMB166 million (for the period ended 30 June 2025: nil).

(ii) Transactions and balances between the Group and associates:

	As at 30 June 2026	*As at 31 December 2025*
Balances at the end of the period/ year:		
Cash and bank balances	**967,815**	595,264
Right-of-use assets	**49,182**	59,518
Accounts receivable	**183,276**	108,898
Other receivables	**1,891**	1,891
Accounts payable to brokerage clients	**18,449**	93,271
Other payables and accruals	**336**	673
Placements from other financial institutions	**200,039**	500,044
Short-term bank loans	**30,021**	30,025
Lease liabilities	**47,832**	57,798

	Six months ended 30 June	
	2026	*2025*
Transactions during the period:		
Fee and commission income	**176,762**	142,405
Fee and commission expenses	**(686)**	(499)
Other income and gains	**863**	1,305
Operating expense	**(17)**	-
Interest income	**9,981**	9,025
Interest expenses	**(3,320)**	(3,487)
Net investment gains/(losses)	**3,553**	(954)

For the period ended 30 June 2026, the Group has not redeemed the corporate bond issued by the associates (for the period ended 30 June 2025: RMB31 million).

For the period ended 30 June 2026, the Group has not subscribed the corporate bond issued by the associates (for the period ended 30 June 2025: RMB330 million).

For the period ended 30 June 2026, the capital injection made by the Group into the associates are RMB110 million (for the period ended 30 June 2025: nil). For the period ended 30 June 2026, the divestment made by the Group from the associates are RMB160 million (for the period ended 30 June 2025: RMB176 million).

For the six months ended 30 June 2026, the Group has made repurchase agreements with associates for the total amount of RMB22,977 million (for the period ended 30 June 2025: RMB12,802 million).

For the six months ended 30 June 2026, the Group has taken placements from other financial institutions with associates for the total amount of RMB2,700 million (for the period ended 30 June 2025: RMB1,000 million).

For the six months ended 30 June 2026, the Group has not obtained short-term bank loans from associates (for the period ended 30 June 2025: RMB30 million).

For the six months ended 30 June 2026, the net sale of bonds between the Group and associates amounted to RMB43 million (for the period ended 30 June 2025: net purchase RMB52 million).

For the six months ended 30 June 2026, the Group has made fund sell-out transactions with associates for the total amount of RMB51 million(for the period ended 30 June 2025: nil).

For the six months ended 30 June 2026, the Group has made bond lending agreement with associates for the total amount of RMB1,520 million (for the period ended 30 June 2025: RMB7,770 million).

For the six months ended 30 June 2026, the Group has made bill rediscounting agreement with associates for the total amount of RMB697 million (for the period ended 30 June 2025: RMB2,674 million).

For the six months ended 30 June 2026, the dividend received from associates are RMB1,016 million (for the period ended 30 June 2025: RMB1,704 million).

For the six months ended 30 June 2026, the Group has paid rental fee to associates for the total amounts of RMB12 million (for the period ended 30 June 2025: RMB14 million).

(iii) Transactions and balances between the Group and joint ventures :

	As at 30 June 2026	*As at 31 December 2025*
Balances at the end of the period/ year:		
Accounts receivable	**4,164**	2,359
Accounts payable to brokerage clients	**726**	50,920

	Six months ended 30 June	
	2026	*2025*
Transactions during the period:		
Fee and commission income	**4,510**	6,551

For the six months ended 30 June 2026, the capital injection made by the Group into the joint ventures is RMB98 million (for the period ended 30 June 2025: nil).

For the six months ended 30 June 2026, the divestment made by the Group from the joint ventures is RMB48 million (for the period ended 30 June 2025: RMB43 million).

(iv) Transactions and balances between the Group and other related parties :

	As at 30 June 2026	As at 31 December 2025
Balances at the end of the period/ year :		
Accounts payable to brokerage clients	**7,547**	3,919

	Six months ended 30 June	
	2026	2025
Transactions during the period :		
Fee and commission income	**264**	55

(c) Key management personnel remuneration

For the six months ended 30 June 2026, the pre-tax remuneration of current period accrued and paid to key management personnel of the Company in aggregate amounted to RMB8.10 million (for the six months ended 30 June 2025: RMB9.25 million). For the six months ended 30 June 2026, the post-employment benefits of the key management personnel in aggregate amounted to RMB1.94 million (for the six months ended 30 June 2025: RMB0.34 million).

For the six months ended 30 June 2026, the Company paid pre-tax deferred remuneration which was accrued in previous years to key management personnel amounted to RMB0.26 million (for the six months ended 30 June 2025: RMB0.42 million).

Total remuneration is included in "staff costs" (Note 11).

58 Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided, and the performance measure of business segments utilised by the Group is profit before income tax:

- The wealth management segment engages in the trading of stocks, funds, bonds and futures on behalf of clients, to provide customers with a variety of financial products sales services and asset allocation services. Moreover, the activities of providing margin financing, securities lending, securities-backed lending and selling financial products are included in this segment.

- The institutional services segment mainly provides investment banking business to clients, research and institutional sales, equity securities investments and transactions, fixed income investments and transactions, OTC financial products and transactions.

- The investment management segment mainly consists of asset management, private equity investment, alternative investments and commodities trading and arbitrage.

- The international business segment mainly includes the overseas business of overseas subsidiaries.

- Other segments include other operations of head office, mainly including interest income, share of profit of associates and joint ventures, interest expenses of working capitals, and costs and expenses of middle offices and back offices.

(a) Business segments

For the six months ended 30 June 2026

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	15,257,235	7,005,531	2,111,610	8,210,912	638,572	33,223,860
- Inter-segment	305,490	34,223	-	28,682	248,582	616,977
Other income and gains/ (losses)	70,729	137,911	51,293	(1,672,153)	(462,536)	(1,874,756)
Segment revenue and other income	15,633,454	7,177,665	2,162,903	6,567,441	424,618	31,966,081
Segment expenses	(10,541,827)	(3,671,736)	(735,507)	(3,327,013)	(1,968,290)	(20,244,373)
Segment operating profit / (loss)	5,091,627	3,505,929	1,427,396	3,240,428	(1,543,672)	11,721,708
Share of profit of associates and joint ventures	-	-	455,623	(10,029)	1,655,591	2,101,185
Profit before income tax	5,091,627	3,505,929	1,883,019	3,230,399	111,919	13,822,893
Interest income	6,235,676	754,457	20,444	800,073	750,041	8,560,691
Interest expenses	(1,802,952)	(1,607,789)	(165,574)	(2,083,688)	(636,245)	(6,296,248)
Depreciation and amortisation expenses	(277,086)	(86,989)	(39,965)	(91,403)	(235,127)	(730,570)
Net provision for impairment loss on financial assets	(1,095,174)	(452)	(83)	(10,196)	(3,987)	(1,109,892)
Additions to non-current segment assets during the period	58,529	160,838	5,227	30,678	288,986	544,258
As at 30 June 2026						
Segment assets	481,535,881	318,666,186	53,609,222	316,094,517	280,828,246	1,450,734,052
Segment liabilities	(469,649,327)	(316,720,843)	(19,678,937)	(288,604,952)	(139,865,979)	(1,234,520,038)

For the six months ended 30 June 2025

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	9,945,876	4,567,149	1,790,367	4,100,375	671,127	21,074,894
- Inter-segment	154,157	14,914	-	-	212,235	381,306
Other income and gains/ (losses)	309,787	43,744	127,284	(553,385)	(2,227)	(74,797)
Segment revenue and other income	10,409,820	4,625,807	1,917,651	3,546,990	881,135	21,381,403
Segment expenses	(6,109,409)	(3,289,683)	(606,574)	(2,273,068)	(2,248,733)	(14,527,467)
Segment operating profit / (loss)	4,300,411	1,336,124	1,311,077	1,273,922	(1,367,598)	6,853,936
Share of profit of associates and joint ventures	-	-	198,166	-	1,493,937	1,692,103
Profit before income tax	4,300,411	1,336,124	1,509,243	1,273,922	126,339	8,546,039
Interest income	4,670,050	581,546	30,087	759,567	516,633	6,557,883
Interest expenses	(1,243,553)	(1,401,426)	(187,414)	(1,191,953)	(509,465)	(4,533,811)
Depreciation and amortisation expenses	(264,868)	(75,668)	(36,187)	(87,181)	(286,818)	(750,722)
Net (provision for) / reversal of impairment loss on financial assets	(4,387)	(210)	(18)	(5,334)	9,426	(523)
Additions to non-current segment assets during the period	57,961	58,883	2,951	46,175	221,735	387,705
As at 31 December 2025						
Segment assets	439,954,441	302,540,223	45,135,652	193,175,011	180,472,262	1,161,277,589
Segment liabilities	(434,917,757)	(298,453,506)	(18,978,984)	(167,822,090)	(34,109,048)	(954,281,385)

Reconciliations of segment revenues, profit or loss, assets and liabilities :

	For the six months ended 30 June	
	2026	*2025*
Revenue		
Total revenue, gains and other income for segments	**31,966,081**	21,381,403
Elimination of inter-segment revenue	**(659,835)**	(402,278)
Consolidated revenue, gains and other income	**31,306,246**	20,979,125
Profit		
Total profit before income tax for segments	**13,822,893**	8,546,039
Elimination of inter-segment profit	**(50,684)**	(21,198)
Consolidated profit before income tax	**13,772,209**	8,524,841

	As at 30 June 2026	*As at 31 December 2025*
Assets		
Total assets for segments	**1,450,734,052**	1,161,277,589
Elimination of inter-segment assets	**(99,117,040)**	(83,930,033)
Consolidated total assets	**1,351,617,012**	1,077,347,556
Liabilities		
Total liabilities for segments	**(1,234,520,038)**	(954,281,385)
Elimination of inter-segment liabilities	**99,117,040**	83,930,033
Consolidated total liabilities	**(1,135,402,998)**	(870,351,352)

For the six months ended 30 June 2026 and 30 June 2025, the Group's customer base is diversified and no customer had transactions which exceeded 10% of the Group's revenue..

(b) Geographical information

The following table sets out information about the geographical location of: (i) the Group's revenue from external customers and (ii) the Group's property and equipment, investment properties, goodwill, land-use rights, other intangible assets, interests in associates and joint ventures, and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment and other non-current assets, the location of the operation to which they are allocated, in the case of goodwill, land-use rights and other intangible assets, and the location of operations, in the case of interests in associates and joint ventures.

	For the six months ended 30 June 2026			*For the six months ended 30 June 2025*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Revenue from external customers	**25,012,947**	**8,210,913**	**33,223,860**	16,974,519	4,100,375	21,074,894
Other income and losses	**(245,460)**	**(1,672,154)**	**(1,917,614)**	457,616	(553,385)	(95,769)
Total	**24,767,487**	**6,538,759**	**31,306,246**	17,432,135	3,546,990	20,979,125

	As at 30 June 2026			*As at 31 December 2025*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Specified non-current assets	**32,877,854**	**1,395,100**	**34,272,954**	31,696,785	1,433,889	33,130,674

59 Financial instruments and risk management

(a) Risk management policies and structure

(i) Risk management policies

In order to enhance the Group's scientific, standardised and effective management and operation, strengthen the capability of defending against risks and ensure the continuous, stable and rapid development of the Group's businesses, the Group had formulated and continuously improved the Basic System for Risk Management which had been deliberated and approved by the Board of Directors in accordance with the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines on the Internal Control of Securities Companies, the Regulation on Comprehensive Risk Management of Securities Companies and other relevant regulations in combination with the business operation and business management. The Basic System for Risk Management is underpinned by management guidelines covering specialized risk types including market risk, credit risk, operational risk, model risk, liquidity risk, reputation risk, and information technology risk, and implemented through risk management policies for each business line. Relevant systems have been revised and enhanced in accordance with regulatory requirements and internal management practices, covering the full risk management process (risk identification, measurement, monitoring, response and reporting), as well as key areas such as new business risk assessment, stress testing, and authorization management.

The principal types of risk faced by the Group in daily operation mainly include market risk, credit risk, liquidity risk, operational risk, information technology risk, reputational risk, model risk, compliance risk, legal risk, money laundering risk and integrity risk, etc. The Group had formulated corresponding policies and procedures to identify and analyse these risks, and set up risk indicators, risk limits and internal risk control processes in combination with the actual circumstances with a view to continuously manage the above risks through the support of information systems and effective mechanisms.

Risk management is a shared responsibility of all the Group's employees. The Group continuously enhances the risk management awareness and risk sensitivity of all its employees through training and assessment to cultivate the risk management culture.

(ii) Risk governance structure

The Company's risk management organizational structure comprises the Board of Directors, together with its Compliance and Risk Management Committee and Audit Committee, the management team, together with its Risk Management Committee, as well as the Chief Risk Officer, all departments, branches, subsidiaries, the Risk Management Department and the Inspection Department.

The Company's Board of Directors takes ultimate responsibilities for the Company's comprehensive risk management. It is responsible for establishing a risk management philosophy appropriate to the Company, comprehensively promoting the development of risk culture, reviewing and approving the Company's risk management strategy, basic systems for comprehensive risk management, risk appetite and risk tolerance, and reviewing the Company's regular risk assessment reports, etc. The Compliance and Risk Management Committee is set up by the Board to provide opinions for the Board's deliberation and decision-making. The Audit Committee established under the Company's Board of Directors assumes the supervision responsibility for comprehensive risk management and puts forward suggestions for the removal of directors and senior management personnel who are mainly responsible or have leadership responsibility for major risk incidents.

The Company's management team assumes primary responsibility for comprehensive risk management in accordance with the authorization and approval of the Board of Directors. The management team actively practices the Company's risk culture, and is responsible for implementing risk management work, resolving problems existing in risk management and reporting to the Board of Directors. The Company's management team has established a Risk Management Committee under it, which is responsible for coordinating the integrated comprehensive risk management work at home and abroad. The Committee also promotes the establishment and improvement of a risk management system compatible with the Company's development strategy. The Company has appointed a Chief Risk Officer who is responsible for the comprehensive risk management work.

The Company designates the Risk Management Committee and the Risk Management Department to perform risk management duties. Under the leadership of the Chief Risk Officer, they promote comprehensive risk management work, specifically organize, promote and implement various risk management work, and take the lead in managing the Company's market risk, credit risk, operational risk and model risk. The Company designates the Fund Operation Department to take the lead in managing the Company's liquidity risk, the Strategic Development Department to take the lead in managing the Company's reputation risk, and the Information Technology Department to take the lead in managing the Company's information technology risk.

The person-in-charge of each department, branch and subsidiary of the Company is the primary person responsible for risk management of their respective units, assuming direct responsibility for risk management of their units. In daily work, they promote and supervise employees to practice the Company's risk culture, organize the implementation of the Company's risk management systems, process measures and risk control requirements, and identify, analyze, assess, monitor, control, respond to and report risks from the source.

The Company's Inspection Department incorporates comprehensive risk management into the scope of internal audit, regularly conducts independent and objective review and evaluation on the sufficiency and effectiveness of comprehensive risk management, and supervises the relevant units and personnel to rectify and implement the problems found in the audit.

(b) Credit risk management

Credit risk refers to the risk of loss of the Company resulting from the default of borrowers or bond issuer or counterparty (customer). The Company has established a credit risk management system covering self-owned capital and entrusted funding business. The system is applied to all subsidiaries domestic or overseas, and also to the sub-subsidiaries managed with reference to the subsidiary's management approach, thereby achieving full credit risk management coverage.

The Group mainly faced three types of credit risks, namely (i) the risks of losses arising from customer default; (ii) the risks caused by default of the issuer in bond investment business; (iii) the risks of assets suffering from loss due to the default by the counterparty in transaction business (including guarantee settlement business).

With respect to credit risk management of financing business, the Group implemented stringent control measures through continuous monitoring for risky customers and risky assets and timely risk mitigation. The Company intensified the dynamic counter-cyclical adjustment mechanism, established a market systemic risk monitoring and handling mechanism and strengthened the post-credit management of related businesses, in order to control routine business risks, prevent bottom-line risks and flexibly adjust the business structure.

With respect to credit risk management of issuers, the Company established a unified monitoring management system for issuers to realize the unified monitoring of credit bond targets for the Company's various businesses. In the meantime, the Company deepened the credit bonds' risk management and control in the whole process, established a screening and disposal mechanism of normalization for risky securities, and continuously to strengthen the monitoring and early warning mechanism of bond positions, thereby enhancing the effectiveness of the Company's prevention and control capabilities of credit risk.

With respect to credit risk management of counterparties, the Company constantly promoted the group-level unified counterparty management system and systematic construction, implements strict counterparty credit granting and margin management mechanisms, strengthens continuous monitoring during the survival period, and continuously improves the effectiveness of risk management throughout the business process. For guaranteed settlement business, the Company continued to improve the design of risk indicators, promotes front-end control and enhances the establishment of systematic measures, as well as strengthened its risk event handling and risk transmission control capabilities.

The Company continued to optimize and improve its unified credit risk management system, in order to enhance its ability to cope with the complex external credit environment and provide strong risk control guarantee for the development of various credit businesses. During the reporting period, the Company did not experience any major credit risk events, and its businesses operated smoothly.

The Group provided credit loss allowances for securities-backed lendings of financial assets sold under repurchase agreements. The Group assessed the continuous repayment, solvency and the collateral to loan ratios of the borrowers to analyse the degree of default risk and identified the three stages of credit loss allowances of the securities-backed lendings assets. The details are as below:

Description	*Stage of credit loss allowances*	
Collateral to loan ratios above the force liquidation thresholds, with no past due days	12-month ECL	Stage 1
Collateral to loan ratios above the force liquidation thresholds, with less than 90 days past due on its contractual payments	Lifetime ECL-not credit impaired	Stage 2
Collateral to loan ratios in the liquidation zone, with no past due days		
Collateral to loan ratios in the liquidation zone, with less than 90 days past due on its contractual payments		
Collateral to loan ratios below 100%	Lifetime ECL-credit impaired	Stage 3
Collateral to loan ratios above 100%, with more than 90 days past due on its contractual payments		
Borrowers in default or lawsuit		
Borrowers in significant financial difficulties or about to bankruptcy or undertaking a financial restructuring		

The Group set different force liquidation thresholds, normally no less than 130%, for different borrowers and contracts.

For contracts classified under Stage 1 and Stage 2, the Group assessed credit loss allowances using the risk parameters modeling approach that incorporated key parameters inclusive of collateral to loan ratios and past due days. As at 30 June 2026, the average credit loss rate was 0.49% for contracts classified under Stage 1 and no contracts classified under Stage 2 (as at 31 December 2025: the average credit loss rate was 0.38% for contracts classified under Stage 1, no contracts classified under Stage 2).

For credit impaired assets classified under Stage 3, the Group assessed credit loss allowances taking into account the collateral securities under each contract and the financial situation of the borrower. The factors which the Group considered when assessing the credit loss allowances included but not limited to: the industry sector of the borrower, the stock price of the collateral securities, the average daily trading volume of the stock, the percentage of goodwill of the stock issuer, significant risk parameters of the securities, whether the borrowers are the holding shareholders, the liquidity and restriction on sales, the history of blacklist or defaults of the borrower, the total market pledged ratios of the stock, the collateral situation, and the credit enhancement measures implemented by the borrower. The Group assessed the above factors as well as collateral to loan ratios and past due days to evaluate and provide credit loss allowances, ranging from 10% to 100%.

For margin accounts receivable, the Group classified the exposures into three stages, considering the collateral coverage ratios as the main indicator, the concentration of positions as the supplementary index, and taking into account the borrowers' continuous repayment, the total balance of margin accounts, the liquidity of the collateral and other relevant information. The Group applied corresponding loss rates for assets at different stages, and calculates the expected credit loss accordingly.

As at 30 June 2026, the average credit loss rate was 1.04%, 4.61% and 99.80% for contracts classified under Stage 1, 2 and 3, respectively (as at 31 December 2025: the average credit loss rate was 0.80%, 4.87% and 92.74% for contracts classified under Stage 1, 2 and 3, respectively).

For credit business, when calculating the expected credit loss, the Group identified a number of indicators from two dimensions: macroeconomic indicators and prosperity survey, taking into account forward-looking information that can be obtained without unnecessary additional costs or efforts. By constructing the relationship between these specific indicators and the loss rate, forward-looking adjustments were made to the expected credit loss of credit business

(i) Maximum exposure to credit risk

The Group's credit risk exposure of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL :

	As at 30 June 2026			
Impairment and loss allowance	*12-month ECL*	*Lifetime ECL- not credit impaired*	*Lifetime ECL- credit impaired*	*Total*
Bank balances	**58**	**-**	**-**	**58**
Margin accounts receivable	**2,139,850**	**1,125,826**	**185,025**	**3,450,701**
Financial assets held under resale agreements	**39,396**	**-**	**594,675**	**634,071**
Accounts receivable	**-**	**87,222**	**48,283**	**135,505**
Debt instruments at amortised cost	**3,035**	**-**	**-**	**3,035**
Debt instruments at fair value through other comprehensive income	**11,485**	**-**	**-**	**11,485**
Other receivables and interest receivable	**122**	**63,358**	**700,033**	**763,513**
Total	**2,193,946**	**1,276,406**	**1,528,016**	**4,998,368**

	As at 31 December 2025			
Impairment and loss allowance	*12-month ECL*	*Lifetime ECL- not credit impaired*	*Lifetime ECL- credit impaired*	*Total*
Bank balances	91	-	-	91
Cash held on behalf of brokerage clients	13	-	-	13
Margin accounts receivable	1,370,785	829,764	169,245	2,369,794
Financial assets held under resale agreements	23,973	-	599,554	623,527
Accounts receivable	-	90,420	49,466	139,886
Debt instruments at amortised cost	2,957	-	-	2,957
Debt instruments at fair value through other comprehensive income	5,436	-	-	5,436
Other receivables and interest receivable	77	63,551	694,652	758,280
Total	1,403,332	983,735	1,512,917	3,899,984

(c) Liquidity risk management

Liquidity risk refers to the risk of the Group not being able to obtain sufficient funds at a reasonable cost in time to meet due debts, perform payment obligations and meet the capital requirements of normal businesses. The Group established a fully functional liquidity risk management system to identify, measure, monitor, control and report on its overall liquidity risk to improve the information of liquidity risk management, enhance the capabilities in the identification, measurement and monitoring of liquidity risk, and strengthen the Group ability in addressing liquidity risk. In addition, the Group also established a right-sized liquidity assets reserves based on the risk appetite and maintained sufficient liquidity assets with high quality to ensure the satisfaction of liquidity needs under stressful scenarios in a timely manner.

(d) Market risk management

Market risk refers to the risk of losses incurred by the Company arising from movements in market prices, including interest rates, exchange rates, equity prices and commodity prices. The objective of market risk management is to establish and improve a market risk management system consistent with the Company's development strategy, contain market risks within a reasonable acceptable range for the Company, and align business revenues with corresponding risk levels.

(i) Interest rate risk

Interest rate risk refers to the risk that movements in market interest rate will cause fluctuation in the Group's consolidated financial position and cash flow. The Group's interest-bearing assets mainly include bank balances, clearing settlement funds, margin accounts receivable, financial assets purchased under resale agreements, refundable deposits and bond investments; interest-bearing liabilities mainly include short-term bank loans, short-term debt instruments issued, placements from other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients, long-term bonds and long-term bank loans, amongst others.

For financial instruments held on the reporting date that expose the Group to fair value interest rate risk, the Group adopts sensitivity analysis as the primary instrument for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and potential changes to the interest rate on the net profits and shareholders' equity under the assumption that all the other variables remain constant.

(ii) Currency risk

Currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation of foreign exchange rates. Apart from the assets and liabilities held by the Group's overseas subsidiaries which use Hong Kong dollars or U.S. dollars as their functional currency, other assets and liabilities denominated in foreign currencies mainly represent foreign currency cash and bank balances held by domestic enterprises, foreign currency financial assets and liabilities arising from cross-border business, as well as foreign currency financial assets acquired by subsidiaries. In respect of assets and liabilities denominated in foreign currencies such as cash and bank balances, clearing settlement funds, refundable deposits, accounts receivable, cash held on behalf of brokerage clients, accounts payable and long-term bonds that are not accounted for with their functional currency, the Group has ensured that their net risk exposure are maintained at an acceptable level by buying or selling foreign currencies at market exchange rates where necessary to address the short-term imbalances.

(iii) Price risks

The Group is exposed to equity price changes arising from equity investments concluded in financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income. Price risk the Group facing is mainly the proportionate fluctuation in the Group's net profits due to the price fluctuation of the financial instruments at fair value through profit or loss and the proportionate fluctuation in the Group's equity due to the price fluctuation of the financial instruments measured at fair value.

(e) Operational risk management

Operational risk refers to the risk on the Company's losses caused by inadequate or problematic internal procedures, staff, system or external events, which lead to inefficient internal procedures, mistakes of staff in operation or failure to strictly enforce the established procedures. The Risk Management Department takes the lead in managing the operational risk of the Group. Each department, business department and subsidiary actively perform the operational risk management in their respective lines and are responsible for the management effect, and bear the first responsibility. The Company adopts technological measures to prevent the emergence of operational risks in different business and management procedures as well as key segments, whilst at the same time strengthens process controls, to ensure effective implementation of operational risk management policies and systems. The Group carries out self-assessment of risk and control, monitoring of key risk indicators and gathering of loss data as additional approaches to strengthen the management of operational risks.

Based on the Basic Standard for Enterprise Internal Control as well as its supporting guidelines and the relevant requirements of the regulatory authorities and the Company, the Group has developed the risk-based internal control standards and carried out relevant continuous improvement initiatives. It has combined the self-assessment of operational risk with the self-assessment of internal controls; comprehensively sorted out and evaluated the inherent risks and control activities in various business processes; tested the effectiveness of control design and implementation; rectified the internal control weaknesses; comprehensively sorted out and optimised various business segments, systems and processes of the Group, in order to ensure that the Group internal control measures are properly in place and the effectiveness of risk management. In addition, the Group has also integrated the management of operational risk and internal controls into daily operation; participated in the design of system, procedures and plan for new business throughout the entire process; fully identified and comprehensively evaluated the operational risks; and performed various pre-, middle- and post management measures such as setting up front-end controls, standardising business processes, creating monitoring indicators and conducting training and inspection in order to implement internal controls at key risk points.

(f) Capital management

The Group's objectives of capital management are:

(i) To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Group's stability and growth;

(iii) To maintain a strong capital base to support the development of their business; and

(iv) To comply with the capital requirements under the PRC, Hong Kong and the United States regulations.

On 23 January 2020 and 13 September 2024, the revised Administrative Measures for Risk Control Indicators of Securities Companies and the revised Rules on Standards for the Calculation of Risk Control Indicators of Securities Companies were issued by the CSRC ("Revised Administrative Measures"). The Company is required to meet the following standards for risk control indicators on a continual basis from 1 January 2025:

(i) The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;

(ii) The ratio of net capital divided by net assets shall be no less than 20%;

(iii) The ratio of net capital divided by liabilities shall be no less than 8%;

(iv) The ratio of net assets divided by liabilities shall be no less than 10%;

(v) The ratio of the value of equity securities and derivatives held divided by net capital shall not exceed 100%;

(vi) The ratio of the value of non-equity securities and derivatives held divided by net capital shall not exceed 500%;

(vii) The ratio of core net capital divided by on balance sheet and off balance sheet assets shall be no less than 8%;

(viii) The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days shall be no less than 100%;

(ix) The ratio of available stable funds divided by required stable funds shall be no less than 100%; and

(x) The ratio of margin financing (including securities lending) divided by net capital shall not exceed 400%.

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Administrative Measures.

During the period, the Company monitored the above ratios closely to maintain these ratios in compliance with the relevant capital requirements.

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements under the Mainland China, Hong Kong and the United States regulatory requirements, respectively. These subsidiaries comply with the capital requirements during the six-month period ended 30 June 2026 and the year ended 31 December 2025.

(g) Transfer of financial assets

The Group transferred financial assets to certain counterparties through repurchase agreements and securities lending. These securities are not derecognised from the condensed consolidated statement of financial position because the Group retains substantially all the risks and rewards of these securities.

The Group entered into repurchase agreements with certain counterparties to sell debt securities classified as financial assets at fair value through profit or loss and debt instruments at amortised cost. Sales and repurchase agreements are transactions in which the Group sell a security, and agree to repurchase it at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to significant credit risks, market risks and risk associated with generating rewards of those securities sold. These securities are not derecognised from the condensed consolidated statement of financial position because the Group retains substantially all the risks and rewards of these financial assets.

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as financial assets at fair value through profit or loss. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have obligations to return these securities to the Group at specified future dates. The Group has determined that it retains substantially all the risks and interests of these securities and therefore has not derecognised these securities in the condensed consolidated statement of financial position.

The following tables provide a summary of carrying amounts and fair values of the transferred financial assets that are not derecognised in their entirety and the associated liabilities :

As at 30 June 2026

	Financial assets at fair value through profit or loss		*Equity instruments at fair value through other comprehensive income*	
	Sales and repurchase agreements	***Securities lending***	***Securities lending***	***Total***
Carrying amount of transferred assets	**5,408,151**	**3,368,867**	**124,086**	**8,901,104**
Carrying amount of associated liabilities	**(5,096,595)**	**-**	**-**	**(5,096,595)**
Net position	**311,556**	**3,368,867**	**124,086**	**3,804,509**

As at 31 December 2025

	Financial assets at fair value through profit or loss		
	Sales and repurchase agreements	*Securities lending*	*Total*
Carrying amount of transferred assets	11,380,513	2,228,548	13,609,061
Carrying amount of associated liabilities	(9,954,422)	-	(9,954,422)
Net position	1,426,091	2,228,548	3,654,639

60 Fair value information

(a) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(i) Financial instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in Level I.

(ii) Financial instruments in Level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level II.

(iii) Financial instruments in Level III

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level III.

(b) Fair value of other financial instruments (carried at other than fair value)

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated by the active market quotation or determined in accordance with discounted cash flow method.

The main parameters used in discounted cash flow method for financial instruments held by the Group that are not measured at fair value on a recurring basis include bond interest rates, foreign exchange rates and counterparty credit spreads.

The carrying amount and fair value of debt instruments at amortised cost investments, short-term debt instruments issued and long-term bonds which are not presented at fair value are listed as below :

Carrying amount

	As at 30 June 2026	*As at 31 December 2025*
Financial assets		
- Debt instruments at amortised cost	**44,557,817**	44,518,307
Financial liabilities		
- Short-term debt instruments issued	**(49,143,622)**	(60,329,377)
- Long-term bonds	**(211,710,648)**	(183,091,799)
Total	**(260,854,270)**	(243,421,176)

Fair value

	As at 30 June 2026			
	Level I	**Level II**	**Level III**	**Total**
Financial assets				
- Debt instruments at amortised cost	**-**	**47,646,335**	**-**	**47,646,335**
Financial liabilities				
- Short-term debt instruments issued	**-**	**32,490,551**	**16,659,327**	**49,149,878**
- Long-term bonds	**-**	**158,243,328**	**55,682,649**	**213,925,977**
Total	**-**	**190,733,879**	**72,341,976**	**263,075,855**

	As at 31 December 2025			
	Level I	*Level II*	*Level III*	*Total*
Financial assets				
- Debt instruments at amortised cost	-	47,061,298	-	47,061,298
Financial liabilities				
- Short-term debt instruments issued	-	42,777,532	17,560,847	60,338,379
- Long-term bonds	-	139,437,170	45,532,775	184,969,945
Total	-	182,214,702	63,093,622	245,308,324

The fair value of the financial assets and financial liabilities included in the level II and III categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the Group's condensed consolidated statement of financial position approximate their fair value.

(c) Fair value of financial instruments carried at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 30 June 2026			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	1,520,008	188,788,665	140,803	190,449,476
- Equity securities	183,528,136	-	9,084,817	192,612,953
- Mutual funds	78,313,074	337,514	229,745	78,880,333
- Private funds	-	4,542,124	699,238	5,241,362
- Wealth management products	-	4,164,431	-	4,164,431
- Other debt instruments	-	1,013,499	220,310	1,233,809
Debt instruments at fair value through other comprehensive income	-	43,257,036	-	43,257,036
Equity instruments at fair value through other comprehensive income	17,328,875	2,052,582	302,709	19,684,166
Other investment				
- Unlisted investment in a joint venture	-	-	236,833	236,833
Derivative financial assets	954,047	22,666,291	2,907,120	26,527,458
Other current assets	-	1,626,453	-	1,626,453
Total	281,644,140	268,448,595	13,821,575	563,914,310
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(2,590,806)	(25,082,478)	-	(27,673,284)
- Financial liabilities designated at fair value through profit or loss	-	(2,989,881)	(20,081,474)	(23,071,355)
Derivative financial liabilities	(1,150,948)	(46,626,132)	(23,588,754)	(71,365,834)
Total	(3,741,754)	(74,698,491)	(43,670,228)	(122,110,473)

	As at 31 December 2025			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	139,451	169,065,162	83,432	169,288,045
- Equity securities	105,627,585	-	5,459,613	111,087,198
- Mutual funds	87,848,536	77,402	191,131	88,117,069
- Private funds	-	5,595,740	-	5,595,740
- Wealth management products	-	4,287,024	-	4,287,024
- Other debt instruments	-	-	567,253	567,253
Debt instruments at fair value through other comprehensive income	-	44,815,936	-	44,815,936
Equity instruments at fair value through other comprehensive income	14,319,599	1,400	292,479	14,613,478
Other investment				
- Unlisted investment in a joint venture	-	-	297,529	297,529
Derivative financial assets	489,133	9,673,133	1,274,764	11,437,030
Other current assets	-	2,287,704	-	2,287,704
Total	208,424,304	235,803,501	8,166,201	452,394,006
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(2,219,861)	(22,811,167)	-	(25,031,028)
- Financial liabilities designated at fair value through profit o loss	-	(3,190,654)	(8,200,236)	(11,390,890)
Derivative financial liabilities	(730,172)	(13,003,502)	(4,490,798)	(18,224,472)
Total	(2,950,033)	(39,005,323)	(12,691,034)	(54,646,390)

For the six months ended 30 June 2026, there were no financial instruments transfer between Level I and Level II (For the year ended 31 December 2025: nil).

(i) Valuation methods for financial instruments in Level II

Financial assets and liabilities	*Fair value hierarchy*	*Valuation technique(s) and key input(s)*
Debt securities at fair value through profit or loss	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Other debt instruments at fairvalue through profit or loss	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the debt instruments.
Funds at fair value throughprofit or loss	Level II	Net asset value as published by the fund managers.
Wealth management products at fair value through profit or loss	Level II	Net asset value as published by the managers of products.
Debt instruments at fair value through other comprehensive income	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Equity instruments at fair value through other comprehensive income	Level II	Recent transaction prices.
Equity instruments at fair value through other comprehensive income	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the instruments.
Derivative financial assets/ derivative financial liabilities	Level II	Future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties; or calculated based on the difference between the equity return of underlying equity securities and the fixed income agreed in the swap agreements.
Financial liabilities held for trading	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the debt instruments.
Financial liabilities designated at fair value through profit or loss	Level II	Calculated based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.

(ii) Valuation methods for financial instruments in Level III

Financial assets and liabilities	*Fair value hierarchy*	*Valuation technique(s)*	*Significant unobservable input(s)*	*Relationship of unobservable input(s) to fair value*
Other debt instruments and debt securities at fair value through profit or loss	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Unlisted equity securities at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Funds at fair value through profit or loss	Level III	Black-Scholes option pricing model	Indicators such as price volatility of comparable funds, and discount rate.	The higher the price volatility, the higher the discount rate; the higher the discount rate, the lower the fair value.
Equity instruments at fair value through other comprehensive income	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Unlisted investment in a joint venture	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Derivative financial assets/ derivative financial liabilities	Level III	Black-Scholes option pricing model/Monte-Carlo option pricing model	Price volatility of underlying assets/ liabilities.	The higher the price volatility, the greater the impact on the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability of the underlying portfolios	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Black-Scholes option pricing model/Monte-Carlo option pricing model	Price volatility of underlying liabilities	The higher the price volatility, the greater the impact on the fair value.

(iii) Financial instruments in Level III

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level III of the fair value hierarchy :

	Financial assets at fair value through profit or loss	*Other investment*	*Equity instruments at fair value through other comprehensive income*	*Derivative financial assets*	*Total*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2026	6,301,429	297,529	292,479	1,274,764	8,166,201	(8,200,236)	(4,490,798)	(12,691,034)
Transfer in	-	-	-	-	-	-	-	-
Transfer out	(51,657)	-	-	-	(51,657)	-	-	-
Gains or losses for the period	3,457,374	(31,692)	-	1,063,079	4,488,761	(1,557,867)	(23,717,155)	(25,275,022)
Changes in fair value recognised in other comprehensive income	-	-	(12,480)	-	(12,480)	-	-	-
Additions	2,564,129	-	22,710	121,880	2,708,719	(16,093,457)	(48,752)	(16,142,209)
Sales	(1,886,360)	(29,004)	-	(20,191)	(1,935,555)	-	130,540	130,540
Settlements	(10,002)	-	-	467,588	457,586	5,770,086	4,537,411	10,307,497
As at 30 June 2026	10,374,913	236,833	302,709	2,907,120	13,821,575	(20,081,474)	(23,588,754)	(43,670,228)
Total gains or losses for the period included in profit or loss for assets/ liabilities held at the end of the reporting period	4,040,399	(31,692)	-	1,632,357	5,641,064	(1,557,867)	(19,097,957)	(20,655,824)

	Financial assets at fair value through profit or loss	*Other investment*	*Equity instruments at fair value through other comprehensive income*	*Derivative financial assets*	*Total*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2025	6,634,608	208,769	104,751	2,291,342	9,239,470	(8,800,154)	(1,831,744)	(10,631,898)
Transfer in	20	-	-	-	20	-	-	-
Transfer out	(295,488)	-	-	-	(295,488)	-	-	-
Gains or losses for the year	166,169	88,760	-	(1,576,319)	(1,321,390)	(310,994)	(4,800,016)	(5,111,010)
Changes in fair value recognised in other comprehensive income		-	21,413	44,844	66,257	-	-	-
Additions	963,160	-	166,315	475,880	1,605,355	(15,186,020)	(404,151)	(15,590,171)
Sales	(1,144,598)	-	-	(445,759)	(1,590,357)	-	292,516	292,516
Settlements	(22,442)	-	-	484,776	462,334	16,096,932	2,252,597	18,349,529
As at 31 December 2025	6,301,429	297,529	292,479	1,274,764	8,166,201	(8,200,236)	(4,490,798)	(12,691,034)
Total gains or losses for the period included in profit or loss for assets/ liabilities held at the end of the reporting period	(333,178)	88,760	-	(1,016,578)	(1,260,996)	(65,941)	(2,828,135)	(2,894,076)

For the period ended 30 June 2026, the Group's investments in financial assets at fair value through profit or loss transferred from Level I to Level III was nil (for the year ended 31 December 2025: RMB20 thousand).

For the period ended 30 June 2026, the Group's investments in financial assets at fair value through profit or loss of RMB52 million were transferred from Level III to Level I, as the fair values of these securities were determined using quoted prices instead of valuation techniques, due to expiration of lock-up period (for the year ended 31 December 2025: RMB295 million).

61 Events after the reporting date

(a) Issuance of bonds

From 30 June 2026 to the date of this report, the Company has issued 7 corporate bonds with a cumulative amount of RMB26,600 million, bearing nominal interest of 1.52% to 1.65% per annum. The Group's wholly-owned overseas subsidiary, Huatai International Financial Holdings Co., Ltd., through its subsidiary Huatai International Finance Limited, issued 20 series of medium-term notes with an aggregate size of USD800 million and RMB660 million. Additionally, Pioneer Reward Limited, an indirectly wholly-owned overseas subsidiary of the Group, issued 2 series of medium-term notes with an aggregate size of USD700million and HKD1,500 million.

(b) Profit distribution plan after accounting periods

In August 2026, based on the total ordinary shares of 9,026,863,786 of the Company, the Board proposed cash dividends of RMB0.18 (tax inclusive) per ordinary share, with total cash dividend amounting to RMB1,625 million (tax inclusive), accounting for 13.90% of the consolidated profit attributable to shareholders of the Company for the six months ended 30 June 2026. The cash dividends are not recognised as a liability as at 30 June 2026.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD.

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

Opinion

We have audited the consolidated financial statements of Huatai Securities Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 287 to 436, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Valuations of financial instruments classified under the fair value hierarchy as level 3

The Key Audit Matter	How our audit addressed the key audit matter
The fair value of the Group's financial instruments is mainly based on active market quoted prices or valuation techniques. For level 3 financial instruments, including debt instruments, unlisted equity investments, private equity funds and over-the-counter derivative financial instruments, the Group uses valuation techniques to measure fair values. As disclosed in Note 62 to the consolidated financial statements, as at 31 December 2025, the fair value of the Group's level 3 financial assets and financial liabilities amounted to RMB 8,166 million and RMB 12,691 million, respectively. We identified valuation of level 3 financial instruments as a key audit matter because the amount involved was significant and the selection of valuation techniques and determination of unobservable inputs required significant judgements and estimations.	Our procedures in respect of this key audit matter included the following: • Understanding and assessing the process and key controls relating to the valuation of level 3 financial instruments and testing the operating effectiveness of these controls; • Evaluating the appropriateness of the valuation models used by the management for level 3 financial instruments; • On a sample basis, reading the investment agreements to understand the relevant investment terms, identifying any conditions that were relevant to the valuations of these financial instruments and assessing the application in the valuation; • Evaluating, on a sample basis, the appropriateness of the significant unobservable and observable inputs which were used for measuring the fair value of level 3 financial instruments; • On a sample basis, assessing the reasonableness of the valuation results for level 3 financial instruments, with the involvement of our internal valuation experts.

Measurement of expected credit losses ("ECL") for margin accounts receivable and securities-backed lendings

The Key Audit Matter	How our audit addressed the key audit matter
The Group uses an expected credit loss ("ECL") model to determine the loss allowance for margin accounts receivable and securities-backed lendings. The management exercised significant judgements and estimations in its assessment of ECL allowance of margin accounts receivable and securities-backed lendings. They included the determination of staging of the relevant financial assets whether the credit risk had increased significantly and credit impairment events had occurred; the determination of key parameters used in the ECL model, including loss rate, exposure at default and forward-looking information for Stage 1 and 2 financial assets; the determination of recoverable amount in respect of Stage 3 financial assets based on value of collateral and repayment ability of borrowers. As at 31 December 2025, the Group held margin accounts receivable of RMB 188,385 million, less impairment allowance of RMB 2,370 million as disclosed in Note 37 to the consolidated financial statements and securities-backed lendings of RMB 5,767 million, less impairment allowance of RMB 492 million as disclosed in Note 30 to the consolidated financial statements. We identified the measurement of ECL for the Group's margin accounts receivable and securities-backed lendings as a key audit matter due to the significance of these assets to the Group's consolidated financial statements and the significant management estimations and judgments required in the measurement.	Our procedures in respect of this key audit matter included the following: • Understanding and assessing the process and key controls relating to the measurement of ECL for margin accounts receivable and securities-backed lendings and testing the operating effectiveness of these controls; • Evaluating the appropriateness of the ECL model, the critical assumptions and parameters used in the model with the involvement of our internal experts; • Evaluating the appropriateness of the criteria for significant increase in credit risk ("SICR") and financial assets that were credit impaired determined by management and, on a sample basis, testing the application of such criteria to individual margin accounts receivable and securities-backed lendings; • Examining the correctness of major inputs to the ECL model for selected samples, including exposure at default and loss rate, and the mathematical accuracy of the calculation of ECL; • For credit-impaired financial assets, on a sample basis, assessing the reasonableness of expected credit losses made by management based on repayment ability of borrowers, value of collateral and other credit enhancements, as appropriate.

Consolidation of structured entities

The Key Audit Matter	How our audit addressed the key audit matter
The Group held interests as investor and/or acted as investment manager in various structured entities including asset management schemes, investment funds and partnerships. As disclosed in Note 57, as at 31 December 2025, the total assets of the consolidated structured entities amounted to RMB 62,418 million and the total assets of the unconsolidated structured entities sponsored by the Group amounted to RMB 778,286 million, respectively. The Group consolidated the structured entities which it controlled. The principle of control sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns. The Group considered its power, arising from the rights entitled directly or indirectly, over the structured entities, and assessed whether the combination of investments it held together with its remuneration created exposure to variability of returns from the structured entities that are of such significance that it indicated the Group controlled the structured entities and should consolidated these structured entities. We identified consolidation of structured entities as a key audit matter due to the significant judgments applied by the management in determining whether a structured entity was required to be consolidated by the Group and the significance of the impact arising from consolidating these structured entities to the Group's consolidated financial statements as a whole.	Our procedures in respect of this key audit matter included the following: • Understanding and assessing the process and key controls relating to the consolidation of structured entities and testing the operating effectiveness of these controls; • Selecting samples to perform the following audit procedures: - Checking agreements relating to the structured entity and understanding the purpose of its set up; assessing the appropriateness of the Group's judgement on the power the Group had over the structured entity according to the Group's rights and obligations under different transaction structures and its involvement with the structured entity; - verifying the analysis on the Group's variable return which included, but was not limited to, fixed management fees and performance fees obtained through acting as asset manager, as well as the returns obtained from holding an interest in a structured entity; - analysing the scope of the Group's decision-making power over the structured entity, the substantive rights held by other participants, the level of remuneration obtained from providing asset management services and the risk of variable return borne by holding other interests in the structured entity and, checking the Group's analysis on the magnitude and variability of variable return, assessing whether the Group acts as principal or agent in the structured entities; - assessing the management's judgment on the consolidation of structured entities through carrying out the above procedures.

Other Information

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

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

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

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

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

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

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

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chu Wai Chung.

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong

30 March 2026

ANNUAL FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Year ended 31 December 2025	2024 (Restated)
Revenue			
Fee and commission income	4	**19,564,646**	17,259,336
Interest income	5	**13,913,370**	13,560,994
Net investment gains	6	**13,828,725**	14,413,799
		47,306,741	45,234,129
Other income and (losses) / gains	7	**(87,137)**	1,104,152
Total revenue, gains and other income		**47,219,604**	46,338,281
Fee and commission expenses	8	**(5,167,934)**	(4,310,977)
Interest expenses	9	**(9,517,831)**	(10,856,424)
Staff costs	10	**(9,771,202)**	(10,074,621)
Depreciation and amortisation expenses	11	**(1,461,102)**	(1,774,611)
Tax and surcharges	12	**(218,473)**	(179,417)
Other operating expenses	13	**(5,441,604)**	(5,897,575)
Impairment losses under expected credit loss model, net of reversal	14	**(593,714)**	(246,269)
Total expenses		**(32,171,860)**	(33,339,894)
Operating profit		**15,047,744**	12,998,387
Share of profit of associates and joint ventures		**3,356,895**	2,353,953
Profit before income tax		**18,404,639**	15,352,340
Income tax expense	15	**(2,031,885)**	166,534
Profit for the year		**16,372,754**	15,518,874
Attributable to:			
Shareholders of the Company		**16,383,497**	15,351,162
Non-controlling interests		**(10,743)**	167,712
		16,372,754	15,518,874
Earnings per share (Expressed in Renminbi per share)	19		
- Basic		**1.73**	1.62
- Diluted		**1.73**	1.62

The notes on pages 297 to 436 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2025	2024
Profit for the year		**16,372,754**	15,518,874
Other comprehensive income/(expense) for the year			
Items that will not be reclassified to profit or loss:			
Equity instruments at fair value through other comprehensive income/(expense)			
- Net change in fair value		**1,149,468**	(15)
- Income tax impact		**(124,870)**	97
Items that may be reclassified subsequently to profit or loss:			
Net (loss)/gain from debt instruments at fair value through other comprehensive income		**(568,389)**	58,221
Fair value gain/(loss) on hedging instruments designated in cash flow hedges		**44,844**	(83,916)
Share of other comprehensive income of associates and joint ventures		**(178,833)**	367,987
Exchange differences on translation of financial statements in foreign currencies		**(570,295)**	267,501
Income tax impact		**142,511**	(12,120)
Other comprehensive (expense)/income for the year,net of income tax	18	**(105,564)**	597,755
Total comprehensive income for the year		**16,267,190**	16,116,629
Attributable to:			
Shareholders of the Company		**16,277,728**	15,985,388
Non-controlling interests		**(10,538)**	131,241
Total		**16,267,190**	16,116,629

The notes on pages 297 to 436 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at 31 December 2025	2024
Non-current assets			
Property and equipment	20	**6,749,551**	6,489,412
Investment properties	21	**178,018**	182,131
Goodwill	22	**249,707**	51,342
Land-use rights and other intangible assets	23	**2,135,007**	2,035,899
Interests in associates	25	**22,285,733**	21,446,915
Interests in joint ventures	26	**1,344,777**	999,113
Debt instruments at amortised cost	27	**42,557,169**	40,854,764
Financial assets held under resale agreements	30	**1,117,472**	199,610
Debt instruments at fair value through other comprehensive income	28	**38,412,576**	5,938,076
Equity instruments at fair value through other comprehensive income	29	**14,613,478**	125,860
Financial assets at fair value through profit or loss	31	**6,072,976**	5,292,149
Refundable deposits	32	**49,391,627**	33,451,298
Deferred tax assets	33	**2,413,051**	1,591,926
Other non-current assets	34	**187,881**	240,951
Total non-current assets		**187,709,023**	118,899,446
Current assets			
Accounts receivable	35	**12,589,543**	5,587,233
Other receivables, prepayments and other current assets	36	**4,093,160**	2,880,227
Margin accounts receivable	37	**186,014,825**	132,546,005
Debt instruments at amortised cost	27	**1,961,138**	6,938,958
Financial assets held under resale agreements	30	**16,491,714**	15,028,791
Debt instruments at fair value through other comprehensive income	28	**6,403,360**	4,197,477
Financial assets at fair value through profit or loss	31	**372,869,353**	296,245,608
Derivative financial assets	38	**11,437,030**	9,991,125
Clearing settlement funds	39	**8,346,763**	11,136,758
Cash held on behalf of brokerage clients	40	**221,738,092**	170,880,569
Cash and bank balances	41	**47,693,555**	39,521,458
		889,638,533	694,954,209
Assets classified as held for sale		**-**	416,839
Total current assets		**889,638,533**	695,371,048
Total assets		**1,077,347,556**	814,270,494

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

AS AT 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

		As at 31 December	
	Notes	2025	2024
Current liabilities			
Short-term bank loans	43	**21,647,664**	3,362,980
Short-term debt instruments issued	44	**60,329,377**	28,852,939
Placements from other financial institutions	45	**37,134,967**	30,113,661
Accounts payable to brokerage clients	46	**240,910,426**	184,586,976
Employee benefits payable	47	**4,502,377**	4,589,013
Other payables and accruals	48	**109,915,712**	75,436,419
Contract liabilities	49	**223,153**	104,692
Current tax liabilities		**1,450,281**	179,973
Financial assets sold under repurchase agreements	50	**148,156,522**	121,048,168
Financial liabilities at fair value through profit or loss	51	**33,370,249**	33,474,911
Derivative financial liabilities	38	**18,224,472**	10,943,785
Long-term bonds due within one year	52	**83,066,273**	41,787,436
		758,931,473	534,480,953
Liabilities associated with assets classified as held for sale		-	75,402
Total current liabilities		**758,931,473**	534,556,355
Net current assets		**130,707,060**	160,814,693
Total assets less current liabilities		**318,416,083**	279,714,139
Non-current liabilities			
Long-term bonds	53	**100,025,526**	73,671,381
Long-term bank loans	54	**170,903**	-
Non-current employee benefits payable	47	**6,901,015**	6,116,922
Deferred tax liabilities	33	**668,282**	476,548
Financial liabilities at fair value through profit or loss	51	**3,051,669**	6,973,421
Other payables and accruals	48	**602,484**	581,946
Total non-current liabilities		**111,419,879**	87,820,218
Net assets		**206,996,204**	191,893,921

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

AS AT 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

		As at 31 December	
	Notes	**2025**	2024
Equity			
Share capital	55	**9,026,864**	9,027,302
Other equity instruments	55	**33,300,000**	28,300,000
Treasury shares	55	**(7,102)**	(100,545)
Reserves	55	**108,747,265**	105,753,021
Retained profits	55	**55,872,443**	48,694,124
Total equity attributable to shareholders of the Company		**206,939,470**	191,673,902
Non-controlling interests		**56,734**	220,019
Total equity		**206,996,204**	191,893,921

The notes on pages 297 to 436 form part of these consolidated financial statements.

Approved and authorised for issue by the board of directors on 30 March 2026.

Wang Huiqing	Wang Bing
Chairman of the Board,Director	Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
				Reserves									
	Share capital (Note 55)	*Other equity instruments* (Note 55)	*Treasury shares* (Note 55)	*Capital reserve* (Note 55)	*Surplus reserve* (Note 55)	*General reserve* (Note 55)	*Fair value reserve* (Note 55)	*Cash flow hedges reserve* (Note 38)	*Translation reserve* (Note 55)	*Retained profits* (Note 55)	*Total*	*Non-controlling interests*	*Total equity*
As at 1 January 2025													
Changes in equity for 2025	9,027,302	28,300,000	(100,545)	68,838,074	9,727,061	25,485,039	556,803	(44,844)	1,190,888	48,694,124	191,673,902	220,019	191,893,921
Profit for the year	-	-	-	-	-	-	-	-	-	16,383,497	16,383,497	(10,743)	16,372,754
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	419,887	44,844	(570,500)	-	(105,769)	205	(105,564)
Total comprehensive income / (expense) for the year	-	-	-	-	-	-	419,887	44,844	(570,500)	16,383,497	16,277,728	(10,538)	16,267,190
Issue of perpetual subordinated bonds	-	5,000,000	-	(3,545)	-	-	-	-	-	-	4,996,455	-	4,996,455
Acquisition of minority shareholders' equity	-	-	-	3,335	-	-	-	-	-	-	3,335	(4,215)	(880)
Disposal of a subsidiary (Note 25)	-	-	-	-	-	-	-	-	-	-	-	(168,863)	(168,863)
Repurchase and cancellation of shares	(438)	-	3,004	(2,566)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payments	-	-	90,439	5,094	-	-	-	-	-	-	95,533	-	95,533
Appropriation to surplus reserve	-	-	-	-	1,123,051	-	-	-	-	(1,123,051)	-	-	-
Appropriation to general reserve	-	-	-	-	-	2,591,618	-	-	-	(2,591,618)	-	-	-
Dividends declared to ordinary shareholders for the year	-	-	-	-	-	-	-	-	-	(4,694,131)	(4,694,131)	(11,985)	(4,706,116)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(1,412,970)	(1,412,970)	-	(1,412,970)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	-	-	(631,110)	-	-	631,110	-	-	-
Others	-	-	-	(382)	4,839	9,679	-	-	-	(14,518)	(382)	32,316	31,934
As at 31 December 2025	9,026,864	33,300,000	(7,102)	68,840,010	10,854,951	28,086,336	345,580	-	620,388	55,872,443	206,939,470	56,734	206,996,204

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY- continued

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
				Reserves									
	Share capital (Note 55)	*Other equity instruments* (Note 55)	*Treasury shares* (Note 55)	*Capital reserve* (Note 55)	*Surplus reserve* (Note 55)	*General reserve* (Note 55)	*Fair value reserve* (Note 55)	*Cash flow hedges reserve* (Note 38)	*Translation reserve* (Note 55)	*Retained profits* (Note 55)	*Total*	*Non-controlling interests*	*Total equity*
As at 1 January 2024													
Changes in equity for 2024	9,074,663	25,700,000	(1,064,173)	69,602,190	8,838,000	23,458,335	142,633	39,072	886,916	42,430,731	179,108,367	3,109,065	182,217,432
Profit for the year	-	-	-	-	-	-	-	-	-	15,351,162	15,351,162	167,712	15,518,874
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	414,170	(83,916)	303,972	-	634,226	(36,471)	597,755
Total comprehensive income / (expense) for the year	-	-	-	-	-	-	414,170	(83,916)	303,972	15,351,162	15,985,388	131,241	16,116,629
Issue of perpetual subordinated bonds	-	2,600,000	-	(2,158)	-	-	-	-	-	-	2,597,842	-	2,597,842
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(3,025,855)	(3,025,855)
Repurchase and cancellation of shares	(47,361)	-	851,150	(803,789)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payments	-	-	112,478	75,974	-	-	-	-	-	-	188,452	20,574	209,026
Appropriation to surplus reserve	-	-	-	-	889,075	-	-	-	-	(889,075)	-	-	-
Appropriation to general reserve	-	-	-	-	-	2,026,732	-	-	-	(2,026,732)	-	-	-
Dividends declared to ordinary shareholders for the year	-	-	-	-	-	-	-	-	-	(5,236,731)	(5,236,731)	(57,747)	(5,294,478)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(935,130)	(935,130)	-	(935,130)
Others	-	-	-	(34,143)	(14)	(28)	-	-	-	(101)	(34,286)	42,741	8,455
As at 31 December 2024	9,027,302	28,300,000	(100,545)	68,838,074	9,727,061	25,485,039	556,803	(44,844)	1,190,888	48,694,124	191,673,902	220,019	191,893,921

The notes on pages 297 to 436 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

		Year ended 31 December	
	Note	**2025**	2024
Cash flows from operating activities:			
Profit before income tax		**18,404,639**	15,352,340
Adjustments for:			
Interest expenses		**9,517,831**	10,856,424
Share of profit of associates and joint ventures		**(3,356,895)**	(2,353,953)
Depreciation and amortisation expenses		**1,461,102**	1,774,611
Impairment losses under expected credit loss model,net of reversal		**593,714**	246,269
Expenses recognised from equity-settled share-based payment		**5,094**	96,548
Net gains arising from disposal of subsidiaries		**(304)**	(6,335,547)
Gains on disposal of property and equipment		**(4,237)**	(2,351)
Foreign exchange losses / (gains)		**197,731**	(197,191)
Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost		**(2,542,411)**	(1,943,376)
Net losses / (gains) arising from derecognition of financial assets at fair value through other comprehensive income		**77,941**	(101,101)
Unrealised fair value changes in financial instruments at fair value through profit or loss		**(2,147,976)**	3,873,533
Unrealised fair value changes in derivatives		**3,759,617**	891,069
Unrealised fair value changes in other assets		**(140,528)**	-
Operating cash flows before movements in working capital		**25,825,318**	22,157,275
(Increase) /decrease in refundable deposits		**(15,940,329)**	7,092,980
Increase in margin accounts receivable		**(54,072,990)**	(20,449,188)
(Increase) /decrease in accounts receivable, other receivables and prepayments		**(7,751,005)**	3,393,590
Increase in financial assets held under resale agreements		**(2,491,403)**	(3,547,957)
(Increase) /decrease in financial instruments at fair value through profit or loss		**(78,312,063)**	94,168,963
Decrease in restricted bank deposits		**309,104**	1,738,812
Increase in cash held on behalf of brokerage clients		**(50,903,823)**	(33,623,986)
Increase in accounts payable to brokerage clients		**56,323,450**	39,894,426
Increase / (decrease) in other payables and accruals		**34,175,768**	(37,148,066)

CONSOLIDATED STATEMENT OF CASH FLOWS - continued

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2025	2024
Cash flows from operating activities: - continued			
Increase in employee benefits payable		**696,244**	396,416
Increase / (decrease) in financial assets sold under repurchase agreements		**27,108,354**	(23,007,981)
Increase / (decrease) in placements from other financial institutions		**6,995,478**	(9,415,067)
Cash (used in) / generated from operations		**(58,037,897)**	41,650,217
Income taxes paid		**(1,404,862)**	(1,551,541)
Interest paid		**(4,013,366)**	(5,280,239)
Net cash (used in) / generated from operating activities		**(63,456,125)**	34,818,437
Cash flows from investing activities:			
Proceeds on disposal of property and equipment		**27,272**	15,917
Dividends received from associates		**2,346,856**	1,037,955
Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost		**2,256,443**	2,146,830
Proceeds from disposal of financial assets at fair value through other comprehensive income		**34,816,593**	9,502,848
Proceeds from disposal of debt instruments at amortised cost		**57,439,252**	11,800,022
Purchase of property and equipment, investment properties, other intangible assets and other non-current assets		**(1,221,754)**	(1,806,042)
Acquisition of interests in associates		**(515,555)**	(285,868)
Acquisition of a subsidiary, net of cash acquired		**(244,671)**	-
Divestments of associates, joint ventures and other investments		**364,864**	154,684
Proceeds on disposal of a subsidiary		**(10,109)**	10,796,229
Purchase of debt instruments at amortised cost		**(54,218,567)**	(9,547,511)
Purchase of financial assets at fair value through other comprehensive income		**(83,142,870)**	(3,318,943)
Net cash (used in) / generated from investing activities		**(42,102,246)**	20,496,121

CONSOLIDATED STATEMENT OF CASH FLOWS - continued

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2025	2024
Cash flows from financing activities:			
Proceeds from issuance of short-term debt instruments		**87,913,386**	36,075,820
Proceeds from issuance of long-term bonds		**110,721,591**	-
Proceeds from issuance of perpetual bonds		**4,996,455**	2,597,842
Proceeds from bank loans		**21,702,055**	3,355,750
Repayment of bank loans		**(3,355,750)**	(12,019,460)
Repayment of debt securities issued		**(99,784,814)**	(76,217,308)
Short-term bank loans interest paid		**(335,167)**	(314,768)
Long-term bank loans interest paid		**(8,852)**	(44,278)
Short-term debt instruments interest paid		**(439,959)**	(1,582,413)
Long-term bonds interest paid		**(4,381,692)**	(4,610,987)
Dividends paid		**(5,703,386)**	(6,280,608)
Payment of lease liabilities		**(529,728)**	(623,242)
Payment on repurchase and cancellation of shares		**(3,004)**	(15,348)
Acquisition of partial interest of a subsidiary		**(879)**	-
Cash received from Restricted Share Incentive Scheme		-	8,674
Net cash generated from / (used in) financing activities	42(b)	**110,790,256**	(59,670,326)
Net increase / (decrease) in cash and cash equivalents		**5,231,885**	(4,355,768)
Cash and cash equivalents at the beginning of the year		**56,033,209**	59,830,329
Effect of foreign exchange rate changes		**(664,378)**	558,648
Total cash and cash equivalents at the end of the year	42(a)	**60,600,716**	56,033,209

The notes on pages 297 to 436 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

1 General information

Huatai Securities Co., Ltd. (the "Company"), formerly known as Jiangsu Securities Company, was approved by the People's Bank of China ("PBOC"), and registered with the Administration for Industry and Commerce of Jiangsu Province on 9 April 1991, with a registered capital of RMB10 million. The Company was renamed as Huatai Securities Limited Liability Company on 21 December 1999 and then renamed as Huatai Securities Co., Ltd. on 7 December 2007 as a result of the conversion into a joint stock limited liability company.

The Company publicly issued RMB784,561,275 ordinary shares (the "A shares") in February 2010, and was listed on the Shanghai Stock Exchange on 26 February 2010.

In June 2015, the Company issued RMB1,562,768,800 H shares, which were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Due to the issuance and listing of H Shares, the relevant state-owned shareholders transferred 156,276,880 state owned A Shares of the Company, representing 10% of the number of H Shares issued this time, to the National Council for Social Security Fund of the PRC in the form of H Shares.

In August 2018, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) by way of "Non-Public Issuance to Specific Investors".

In June 2019, the Company issued 82,515,000 Global Deposits Receipts (the "GDRs"), representing 825,150,000 new A shares, and was listed on the London Stock Exchange plc (the "London Stock Exchange").

From September 2022 to December 2025, the Company completed the repurchase and cancellation of 49,786,214 restricted A shares, and the Company's registered capital has been reduced by RMB 49,786,214.

As at 31 December 2025, the Company's registered capital was RMB 9,026,863,786 and the Company has a total of 9,026,863,786 issued shares of RMB1 each.

As at 31 December 2025, the Company has 27 branches and 243 securities business offices. Please refer to Note 24 for details of subsidiaries of the Company.

The Company and its subsidiaries (the "Group") are principally engaged in securities business, securities underwriting and sponsorship, securities investment advisory, asset management, agency sale of financial products, intermediary introduction business for the futures companies, agency sale and custody of securities investment fund, mutual fund management, direct investment business, alternative investment business, futures brokerage business and other business activities as approved by the China Securities Regulatory Commission (the "CSRC").

2 Material accounting policy information

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance. A summary of the material accounting policy information adopted by the Group are set out below.

(2) Application of amendments to IFRS Accounting Standards

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

In the current year, the Group has applied the following amendments to an IFRS Accounting Standards issued by IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation

of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

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

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

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

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

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

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

3 Effective for annual periods beginning on or after 1 January 2027.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures(MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

Except as described above, the directors of the Company anticipate that the application of other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

(3) Change in an accounting policy - Recognition of revenue arising from contracts to sell non-financial items

In July 2025, the Ministry of Finance issued an implementation Q&A on China Accounting Standards for Business Enterprises, addressing the accounting treatment of transactions involving standard warehouse receipts.

According to the implementation Q&A above, for enterprises frequently buy and sell standard warehouse receipts in futures trading exchanges in order to make profit from short-term price fluctuations, without physically delivery of the underlying commodities corresponding to the standard warehouse receipts, the contracts of the standard warehouse receipts are within the scope of accounting standard on financial instruments, and the transaction should not be recognised as revenue with the corresponding cost in the statement of profit or loss. The difference between the carrying amount of the standard warehouse receipts derecognised and the gross sales consideration of those contracts should be recognised in net investment gain/loss. As a result of assessing the implementation Q&A, the Group decided to change its relevant accounting policy under IFRS for sales contracts involving warehouse receipts since January 1, 2025, and has retrospectively adjusted the comparative financial statements for 2024. The management believes that this change results in consolidated financial statements providing reliable and more relevant information about the effects of these transactions on the Group's financial performance.

The impact of the change in the accounting policy on the consolidated statement of profit or loss are set out as below, and the change in the accounting policy has had no impact on the Group's consolidated statement of financial position as of 31 December 2025 and 31 December 2024, and other comprehensive income and cash flow statement for the years ended 31 December 2025 and 31 December 2024.

	Years ended 31 December	
	2025	*2024*
Impact on consolidated statement of profit or loss for the period		
Decrease in net investment gains - net realised losses from trading of non-financial items	**36,160**	(86,959)
Decrease in other income and gains - income from commodity sales	**(7,866,286)**	(7,860,243)
Decrease in other operating expenses - cost of commodity sales	**7,830,126**	7,947,202
Net impact on profits for the period	**-**	-

(4) Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except that the following assets and liabilities are measured at their fair value: financial derivatives, non-derivative financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income. The methods used to measure fair value are discussed further in Note 2(9).

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company. All financial information presented in RMB has been rounded to the nearest thousand, except when otherwise indicated. The Group translates the consolidated financial statements of subsidiaries from their respective functional currencies into the Group's functional currency if the subsidiaries' functional currencies are not the same as that of the Group.

(5) Basis of consolidation

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 2(31).

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2(5)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

(ii) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the reporting period between non-controlling interests and the shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(9)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(5)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(16)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

Investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the

Group's share of the acquisition-date fair value of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(16)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund and similar entities, such investment is measured at fair value through profit or loss in the Group's consolidated statement of financial position.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(9)).

In the Company's statement of financial position, investments in associates and joint venture of the Company are accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss.

(6) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(16)).

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(7) Foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the PBOC, the State Administrative of Foreign Exchange or a cross rate

determined based on quoted exchange rates. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the end of the reporting period. The resulting exchange differences are recognised in profit or loss, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to RMB using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the translation of equity securities investment designated as at fair value through other comprehensive income (FVOCI) (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which are recognised as OCI in reserve.

The assets and liabilities of foreign operation are translated to RMB at the spot exchange rate at the end of reporting period. The equity items, excluding "retained profits", are translated to RMB at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognised in shareholders' equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

(8) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, short term deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to insignificant risk of change in value.

(9) Financial instruments

(i) Recognition and initial measurement

Financial instruments are recognised/derecognised on the date the Group commits to purchase/sell the investment. Financial instruments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVTPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 2(9)(iv). Financial instruments are subsequently accounted for as follows, depending on their classification.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk is to be recognised in OCI (without reclassification to profit or loss). Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI;
- financial guarantee contracts;
- contract assets;and
- lease receivables.

Debt instruments at fair value, FVTPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

- an actual or expected significant deterioration in the operating results of the debtor; and

- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is probable that the borrower will enter bankruptcy or other financial reorganisations; or

- the disappearance of an active market for a security because of financial difficulties.

- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written-off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iv) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted market price without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. Quoted prices from an active market are prices that are readily and regularly available from an exchange, dealer, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the reporting period. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

In estimating the fair value of a financial asset and financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

(v) Derecognition of financial assets and financial liabilities

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

- the contractual rights to the cash flows from the financial asset expire; or

- the Group transfers substantially all the risks and rewards of ownership of the financial assets or where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Group continues to recognise the financial asset and relevant liability to the extent of its continuing involvement in the financial asset.

The financial liability (or part of it) is derecognised only when the underlying present obligation (or part of it) specified in the contracts is discharged, cancelled or expired. An agreement between the Group and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the

terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis, or by realising the asset and settling the liability simultaneously.

(vii) Equity instruments

An equity instrument is a contract that proves the ownership interest of the residual assets after deducting all liabilities of the Group. Considerations received from issuance of equity instruments net of transaction costs are recognised in equity. Considerations and transaction costs paid by the Group for repurchasing its own equity instruments are deducted from equity.

(viii) Perpetual bonds

At initial recognition, the Group classifies the perpetual bonds issued 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 that should be classified as equity instruments are recognised in equity based on the actual amount received. 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.

(ix) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(x) Hedge accounting

At the inception of a hedging relationship, the Group formally designates the hedge instruments and the hedged items, and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group would rebalance the hedging relationship.

The Group designates such hedged items as debt securities issued with floating interest that expose the Group to the risk of variability of its cash flows.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss. Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or

an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVOCI. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss or other comprehensive income.

For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction or a component of any such item, and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument recognised directly in other comprehensive income is recycled in the corresponding income or expense line of the statement of profit or loss. When the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income until the hedged forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

Net investment hedges

Net investment hedge is a hedge of the currency risk of a net investment in a foreign institution operation.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in other comprehensive income; the gain or loss relating to the ineffective portion is recognised in profit or loss immediately. Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of as part of the gain or loss on the disposal.

(xi) Non-financial items

The Group accounts for contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

(10) Margin financing and securities lending

Margin financing and securities lending refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers for securities selling, for which the customers provide the Group with collateral.

The classification, subsequent measurement and impairment of margin financing receivables is based on policies in Note

2(9). Securities lent are not derecognised when the risk and rewards are not transferred, and interest income from margin financing receivables and securities lent is recognised accordingly.

The collateral is not recognised on the statement of financial position, the transfer of the collateral from counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

(11) Financial assets held under resale and sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under repurchase agreements in the consolidated statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the consolidated statement of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses, respectively.

(12) Investments in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 2(5).

In the Company's statement of financial position, investments in subsidiaries are accounted for using the cost method. The investment is stated at cost less impairment loss (Note 2(16)) in the statements of financial position. Except for declared but not yet distributed cash dividends or profits distribution that have been included in the price or consideration paid in obtaining the investments, the Group recognises its share of the cash dividends or profit distribution declared by the investees as investment income.

(13) Property and equipment and construction in progress

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(16)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;

- any other costs directly attributable to bringing the assets to a working condition for their intended use;

- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and

- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Costs of construction in progress are determined based on the actual expenditures incurred which include all necessary

expenditures incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write-off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

Types of assets	*Estimated useful lives*	*Estimated residual values*	*Depreciation rates*
Buildings	30 - 40 years	3%	2.43% - 3.23%
Motor vehicles	5 - 8 years	3%	12.13% - 19.40%
Electronic equipment	5 years	3%	19.40%
Furniture and fixtures	5 years	3%	19.40%

No depreciation is provided in respect of construction in progress. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(14) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is accounted for using the cost model and stated in the financial statements at cost less accumulated depreciation, and impairment losses (see Note 2(16)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

	Estimated useful lives	*Estimated residual values*	*Depreciation rates*
Investment property	30 - 40 years	3%	2.43% - 3.23%

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

(15) Land-use rights and other intangible asset

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment loss (see Note 2(16)). For an intangible asset with finite useful life, its cost less impairment loss is amortised on the straight-line method over its estimated useful life.

The respective amortisation periods for intangible assets are as follows:

Types of assets	*Estimated useful lives*
Enterprise distribution channel customer relationships	5 years
Trading seat fee	Indefinite
Land-use rights	40 - 50 years
Trade names	Indefinite
Software and others	2 - 14 years

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

(16) Impairment of non-financial assets

The carrying amounts of the following assets are reviewed at each reporting date to determine whether there is any indication of impairment:

- property and equipment
- construction in progress
- investment property
- land-use rights and other intangible assets
- equity investment in subsidiaries, associates and joint ventures
- goodwill
- leasehold improvements and long-term deferred expenses

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(17) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for financial assets within the scope of IFRS 9 which continue to be measured in accordance with the accounting policies as set out in respective sections.

(18) Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. Contract assets are assessed for ECL in accordance with the policy set out in Note 2(9)(iii) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(19) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds, which have a credit rating of at least AA from rating agency, that have maturity dates

approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(20) Share-based payments

(i) Accounting treatment of cash-settled share-based payments

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If a cash-settled share-based payment do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the Group will remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognised in profit or loss for the current period.

When the Group receives services and has the obligation to settle the transaction, but the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group classifies the transaction as cash-settled.

(ii) Accounting treatment of equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to the newly obtained subsequent information of the changes of the number of the employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

When the Group receives services, but the Group has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

(21) Income tax

Income tax expense comprises current and deferred income tax expense. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(22) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is

initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'other payables and accruals' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not

with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 2(9)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income and gains'.

(23) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(24) Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

(25) Revenue recognition

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Commission income from brokerage business

Brokerage commission income is recognised on a trade date basis when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business is recognised when the related services are rendered.

(ii) Underwriting and sponsor fees

Underwriting fee is recognised when the Group has fulfilled its obligations under the underwriting contract.

Depending on contract terms, sponsor fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

(iii) Advisory fees

Depending on the nature of the advisory services and the contract terms, advisory fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the advisory service is completed.

(iv) Asset management fees

Asset management fees include periodic management fees calculated based on assets under management and performance-based fees. The fees are recognised progressively over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(v) Other income

Other income is recognised on an accrual basis.

(26) Expenses recognition

(i) Commission expenses

Commission expenses relate mainly to transactions, which are recognised as expenses when the services are received.

(ii) Interest expenses

Interest expenses are recognised based on the principal outstanding and at the effective interest rate applicable.

(iii) Other expenses

Other expenses are recognised on an accrual basis.

(27) Dividend distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the end of the reporting period, are not recognised as a liability at the end of the reporting period but disclosed in the notes to the financial statements separately.

(28) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income and gains".

(29) Related partie

(i) A person, or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) 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).

(8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(30) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics and are similar in respect of the nature of each products and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements".

(31) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Fair value of financial instruments

If the market for a financial instrument is not active, the Group determines the fair value by using valuation technique. Valuation technique makes maximum use of observable market input. However, where observable market inputs are not available, management makes estimates on such unobservable market inputs.

(ii) Measurement of ECL

The following significant judgements are required in applying the accounting requirements for measuring the ECL.

Significant increase of credit risk

As explained in Note 2(9)(iii), ECL are measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Assets move from 12-month to lifetime ECLs when there is a significant increase in credit risk, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used

The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Forward-looking information

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movements of different economic drivers and how these drivers will affect each other.

Probability of default (PD)

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss given default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Loss rate (LR)

LR represents the Group's expectation of the likelihood and extent of loss on exposure based on the relevant loan to collateral ratio. The Group uses historical loss rates based on publicly available information and assesses their appropriateness.

(iii) Impairment of non-financial assets

At the end of the reporting period, the carrying amount of non-financial assets are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, an impairment loss is provided. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

Since the market price of an asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing the present value of future cash flows, significant judgements are exercised over the future cash flows and discounting rates, based on all relevant materials which can be obtained together with reasonable and supportable assumptions.

(iv) Income taxes

Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax

treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(v) Determination scope of consolidation

All facts and circumstances must be taken into consideration in the assessment of whether the Group, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investors' returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

3 Taxation

The Group's main applicable taxes and tax rates are as follows:

Tax type	*Tax basis*	*Tax rate*
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	3% - 13%
City maintenance and construction tax	Based on VAT payable	1% - 7%
Education surcharge	Based on VAT payable	2% - 3%
Local Education surcharge	Based on VAT payable	1% - 2%
Income tax	Based on taxable profits	25%[(i)]

(i) The income tax rate applicable to the Company and its subsidiaries in the Mainland China is 25% (2024: 25%). The income tax rate applicable to subsidiaries in Hong Kong is 16.5% (2024: 16.5%). Taxes of other overseas subsidiaries are charged at the relevant local rates.

4 Fee and commission income

	Year ended 31 December	
	2025	*2024*
Income from securities brokerage and advisory business	**12,683,437**	8,549,351
Income from asset management business	**1,801,663**	4,810,453
Income from underwriting and sponsorship business	**2,733,445**	1,891,474
Income from futures brokerage business	**1,712,244**	1,561,096
Income from financial advisory business	**425,052**	252,241
Other commission income	**208,805**	194,721
Total	**19,564,646**	17,259,336

5 Interest income

	Year ended 31 December	
	2025	2024
Interest income from margin financing and securities lending	**7,800,222**	6,773,051
Interest income from financial institutions	**3,519,679**	4,417,006
Interest income from debt instruments at amortised cost	**1,361,320**	1,455,189
Interest income from securities-backed lendings	**138,318**	146,181
Interest income from debt instruments at fair value through other comprehensive income	**753,562**	479,387
Interest income from other financial assets held under resale agreements	**323,900**	274,953
Others	**16,369**	15,227
Total	**13,913,370**	13,560,994

6 Net investment gains

	Year ended 31 December	
	2025	2024 (Restated)
Dividend income and interest income from financial instruments at fair value through profit or loss	**7,526,066**	8,976,586
Net realised gains from disposal of subsidiaries	**304**	6,335,547
Net realised (losses)/gains from disposal of derivative financial instruments	**(16,701,663)**	2,249,924
Net realised gains from disposal of financial instruments at fair value through profit or loss	**25,650,536**	1,690,391
Net realised (losses)/gains from disposal of debt instruments at fair value through other comprehensive income	**(77,941)**	101,101
Dividend income from financial instruments at fair value through other comprehensive income	**427,529**	8,800
Unrealised fair value changes of derivative financial instruments	**(5,297,090)**	(988,058)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**2,147,976**	(3,873,533)
Other investment gains/(losses)	**153,008**	(86,959)
Total	**13,828,725**	14,413,799

7 Other income and (losses) / gains

	Year ended 31 December	
	2025	2024 (Restated)
Income from commodity sales	325,428	-
Government grants[(i)]	130,129	193,172
Rental income	34,881	23,335
Gains on disposal of property and equipment	6,463	3,930
Foreign exchange (losses)/gain	(1,051,664)	750,297
Others	467,626	133,418
Total	(87,137)	1,104,152

(i) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.

8 Fee and commission expenses

	Year ended 31 December	
	2025	2024
Expenses for securities brokerage and advisory business	3,936,668	2,512,392
Expenses for futures brokerage business	1,166,471	1,084,258
Expenses for asset management business	3,951	664,112
Expenses for underwriting and sponsorship business	58,843	46,564
Expenses for financial advisory business	512	330
Other commission expenses	1,489	3,321
Total	5,167,934	4,310,977

9 Interest expenses

	Year ended 31 December	
	2025	2024
Interest expenses on long-term bonds	4,090,404	4,752,586
Interest expenses on financial assets sold under repurchase agreements	2,771,562	3,411,098
Interest expenses on placements from banks and other financial institutions	487,375	777,410
Interest expenses on short-term debt instruments issued	901,669	525,412
Interest expenses of accounts payable to brokerage clients	426,051	830,502
Interest expenses on short-term bank loans	444,449	220,685
Interest expenses on lease liabilities	33,263	50,632
Interest expenses on long-term bank loans	8,852	34,669
Others	354,206	253,430
Total	9,517,831	10,856,424

10 Staff costs

	Note	Year ended 31 December 2025	2024
Salaries, bonuses and allowances		**7,736,275**	8,025,434
Contribution to pension schemes		**936,316**	899,117
Share-based payment expense	63	**5,094**	101,204
Other social welfare		**1,093,517**	1,048,866
Total		**9,771,202**	10,074,621

The domestic employees of the Group in the PRC participate in social welfare plans, including pension, medical, housing, and other welfare benefits, organised and administered by the governmental authorities. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on a regular basis and paid to the labour and social welfare authorities. The contributions to the social security plans are expensed as incurred.

The Group provides its full-time employees in Mainland China and certain countries or jurisdictions outside Mainland China with relevant pension plans as required by the governments or by local labour laws, including the basic pension plan in Mainland China, the Mandatory Provident Funds in Hong Kong and other statutory plans in certain countries outside Mainland China. The Group did not have any forfeited contributions under these pension plans.

The Group also provides an enterprise annuity plan to employees in Mainland China. According to the plan, when an employee resigns, part of the contributed amount may be returned to the Company's enterprise annuity account based on his/her actual working time. Such returned contributions had no impact on the level of annuity contributions for existing employees. The Group did not utilise any of such forfeited contributions to reduce the existing level of contributions.

11 Depreciation and amortisation expenses

	Year ended 31 December 2025	2024
Amortisation of land-use rights and other intangible assets	**379,042**	556,849
Depreciation of property and equipment	**955,135**	1,073,402
- Right-of-use assets	**482,156**	547,296
- Other property and equipment	**472,979**	526,106
Amortisation of leasehold improvements and long-term deferred expenses	**118,184**	136,768
Depreciation of investment properties	**8,741**	7,592
Total	**1,461,102**	1,774,611

12 Tax and surcharges

	Year ended 31 December	
	2025	2024
City maintenance and construction tax	**97,672**	67,642
Education surcharges	**71,518**	49,472
Others	**49,283**	62,303
Total	**218,473**	179,417

13 Other operating expenses

	Year ended 31 December	
	2025	2024 (Restated)
IT expenses	**2,179,558**	2,025,726
Stock exchange fees	**458,970**	366,592
Postal and communication expenses	**329,177**	326,875
Cost of commodity sales	**321,501**	-
Travel expenses	**300,460**	318,539
Marketing, advertising and promotion expenses	**273,878**	423,647
Consulting fees	**135,181**	490,561
Securities investor protection funds	**121,297**	106,242
Products distribution expenses	**119,650**	54,924
Utilities	**62,680**	65,681
Rental expenses	**48,502**	31,234
Litigation and regulatory matters	**18,563**	176,067
Auditors' remuneration	**9,123**	12,578
Others	**1,063,064**	1,498,909
Total	**5,441,604**	5,897,575

14 Impairment losses under expected credit loss model, net of reversal

	Year ended 31 December	
	2025	2024
Reversal of impairment losses against cash and bank balances	**(261)**	(190)
(Reversal of) /provision for impairment losses against cash held on behalf of brokerage clients	**(2)**	15
Provision for impairment losses against margin accounts receivable	**605,598**	242,700
(Reversal of) /provision for impairment losses against other receivables and interest receivable	**(12,676)**	4,453
Reversal of impairment losses against debt instruments at amortised cost	**(2,416)**	(125)
Provision for /(reversal of) impairment losses against financial assets at fair value through other comprehensive income	**4,617**	(32,659)
Provision for /(reversal of) impairment losses against financial assets held under resale agreements	**7,506**	(36,155)
(Reversal of) /provision for impairment losses against accounts receivable	**(8,652)**	68,230
Total	**593,714**	246,269

15 Income tax expense

(a) Taxation in the consolidated income statements represents:

	Year ended 31 December	
	2025	2024
Current income tax	**2,143,820**	882,656
- Mainland China	**415,177**	73,273
- Hong Kong	**62,359**	-
- Income taxes under Pillar Two Rules	**31,053**	309,284
- Overseas	**2,652,409**	1,265,213
Adjustment in respect of prior years		
- Mainland China	**22,761**	(27,219)
Deferred tax	**(643,285)**	(1,404,528)
Total	**2,031,885**	(166,534)

(1) According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Group's subsidiaries in the Mainland China are subject to CIT at the statutory tax rate of 25%.

(2) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits. The federal income tax of subsidiaries in the United States were provided at the rate of 21%, whereas the states' income tax are charged at the applicable local tax rates.

(3) The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong, Singapore and New Zealand, in which the Group's subsidiaries are incorporated. The Group has applied the temporary mandatory exception for recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rate:

	Year ended 31 December	
	2025	2024
Profit before income tax	**18,404,639**	15,352,340
Notional tax calculated using the PRC statutory tax rate	**4,601,160**	3,838,085
Tax effect of non-deductible expenses	**167,653**	190,172
Tax effect of non-taxable income	**(2,254,345)**	(2,522,090)
Tax effect of deductible temporary differences or unused tax losses not recognised	**6,819**	9,214
Effect of using the deductible tax losses for which no deferred tax asset was recognised in previous period	**-**	(5,054)
Effect of different tax rates of the subsidiaries	**(324,192)**	(1,420,405)
Adjustment in respect of prior years	**22,761**	(27,219)
Effect of Pillar Two Rules	**62,359**	-
Others (Note)	**(250,330)**	(229,237)
Income tax expense for the year	**2,031,885**	(166,534)

Note: The balance of others mainly represents tax impact of dividends to perpetual subordinated bonds.

16 Directors' and supervisors' remuneration

The remuneration of directors and supervisors for current year who held office is as follows:

	Year ended 31 December 2025				
Name	*Directors' fees*	*Salaries, allowances and benefits in kind*	*Contribution to pension schemes*	*Annuity plan*	*Total*
Executive directors					
Zhang Wei[10]	-	814	48	178	1,040
Zhou Yi	-	1,440	48	155	1,643
Yin lihong[3]	-	122	8	-	130
Wang Ying[2]	-	428	28	157	613
Non-executive directors					
Ding Feng[1]	-	-	-	-	-
Chen Zhongyang[1][11]	-	-	-	-	-
Ke Xiang[1]	-	-	-	-	-
Zhang Jin Xin[1][11]	-	-	-	-	-
Liu Changchun[1][4]	-	-	-	-	-
Jin Yongfu[1][5]	-	-	-	-	-
Independent non-executive directors					
Wang Jianwen	240	-	-	-	240
Wang Quansheng	240	-	-	-	240
Peng Bing	240	-	-	-	240
Wang Bing	240	-	-	-	240
Lo Kin Wing Terry[7]	240	-	-	-	240
Supervisors[9]					
Gu Chengzhong	-	912	48	162	1,122
Lv Wei[1]	-	-	-	-	-
Yu Lanying[1]	-	-	-	-	-
Zhang Xiaohong[1]	-	-	-	-	-
Zhou Hongrong[1]	-	-	-	-	-
Wang Ying[2]	-	395	20	-	415
Wang Juan	-	543	48	76	667
Yu Wei[6]	-	446	48	80	574
Total	1,200	5,100	296	808	7,404

	Year ended 31 December 2024				
Name	Directors' fees	Salaries, allowances and benefits in kind	Contribution to pension schemes	Annuity plan	Total
Executive directors					
Zhang Wei[(10)]	-	812	47	219	1,078
Zhou Yi	-	1,440	47	151	1,638
Yin Lihong[(3)]	-	731	47	153	931
Non-executive directors					
Ding Feng[(1)]	-	-	-	-	-
Chen Zhongyang[(1)(11)]	-	-	-	-	-
Ke Xiang[(1)]	-	-	-	-	-
Zhang Jin Xin[(1)(11)]	-	-	-	-	-
Liu Changchun[(1)(4)]	-	-	-	-	-
Independent non-executive directors					
Wang Jianwen	240	-	-	-	240
Wang Quansheng	240	-	-	-	240
Peng Bing	240	-	-	-	240
Wang Bing	240	-	-	-	240
Tse Yung Hoi[(8)]	120	-	-	-	120
Lo Kin Wing Terry[(7)]	140	-	-	-	140
Supervisors[(9)]					
Gu Chengzhong	-	1,094	47	158	1,299
Li Chongqi[(1)(8)]	-	-	-	-	-
Lv Wei[(1)]	-	-	-	-	-
Yu Lanying[(1)(11)]	-	-	-	-	-
Zhang Xiaohong[(1)]	-	-	-	-	-
Zhou Hongrong[(1)]	-	-	-	-	-
Wang Ying[(2)]	-	1,003	47	83	1,133
Wang Juan	-	652	47	73	772
Total	1,220	5,732	282	837	8,071

(1) The remunerations of these non-executive directors and supervisors of the Company were borne by its shareholders and other related parties including Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holdings Co., Ltd., Jiangsu SOHO Holdings Group Co., Ltd. and Jiangsu Govtor Capital Group Co., Ltd., etc. No allocation of the remunerations between these shareholders and the Group has been made during the reporting period.

(2) Resigned as supervisor on 7 May 2025, appointed as executive director on 20 June 2025.

(3) Resigned as executive director on 13 March 2025.

(4) Resigned as non-executive director on 20 June 2025.

(5) Appointed as non-executive director on 20 June 2025.

(6) Appointed as supervisor on 7 May 2025.

(7) Appointed as independent non-executive director or supervisor on 20 June 2024.

(8) Resigned as independent non-executive director or supervisor on 20 June 2024.

(9) Pursuant to the Shareholders' General Meeting resolution dated 18 October 2025, the Company no longer maintains a Board of Supervisors, with the Audit Committee of the Board of Directors assuming the statutory powers and duties

previously held by the Board of Supervisors.

(10) Resigned as executive director on 23 January 2026. Wang Huiqing was appointed as executive director on 23 January 2026.

(11) Resigned as non-executive director on 23 January 2026. Yu Lanying and Chen Jianwei were appointed as non-executive director on 23 January 2026.

(12) For the year ended 31 December 2025, in addition to remuneration of directors and supervisors as disclosed above, the Company recognised share-based payment expense amounted to RMB1,299 thousand, for the restricted shares granted to Zhou Yi under Restricted Share Incentive Scheme of A Shares (for the year ended 31 December 2024: RMB663 thousand).

The total pre-tax remuneration in the table represents the compensation accrued and paid during the year 2025 and 2024, respectively, which was received by the directors or supervisors during their tenure in the relevant positions. The total compensation packages of the directors and supervisors for the fiscal year 2025 have not been finalised and will be further disclosed when they are confirmed.

There were no amounts paid during the year ended 31 December 2025 to the directors and supervisors in connection with their retirement from employment or compensation for loss of office with the Company, or inducement to join. During the year, there was no arrangement under which a director or a supervisor who had resigned waived or agreed to waive any remuneration.

17 Individuals with highest emoluments

Of the five individuals with the highest emoluments, none are directors or supervisors whose emoluments are disclosed in Note 16. The aggregate of the emoluments are as follows:

	Year ended 31 December	
	2025	*2024*
Salaries and allowances	**12,617**	12,768
Discretionary bonuses	**29,293**	37,928
Employer's contribution to pension schemes	**267**	262
Share-based payments	**79**	525
Total	**42,256**	51,483

The emoluments with the highest emoluments are within the following bands:

	Year ended 31 December	
	2025	*2024*
	Number of individuals	*Number of individuals*
RMB7,000,001 to RMB8,000,000	**2**	-
RMB8,000,001 to RMB9,000,000	**2**	2
RMB9,000,001 to RMB10,000,000	**1**	1
RMB10,000,001 to RMB11,000,000	**-**	1
Over RMB11,000,000	**-**	1
Total	**5**	5

No emoluments are paid or payable to these individuals as retirement from employment or as an inducement to join or upon joining the Company or as compensation for loss of office during the reporting period.

18 Other comprehensive income

	Year ended 31 December 2025		
	Before tax	*Tax expense*	*Net of tax*
Net (losses)/gain from debt instruments at FVOCI	**(568,389)**	**142,511**	**(425,878)**
Equity instruments at FVOCI:			
- Net movements in fair value reserve (non-recycling)	**1,149,468**	**(124,870)**	**1,024,598**
Reserve from cash flow hedging instruments	**44,844**	**-**	**44,844**
Share of other comprehensive income of associates and joint ventures	**(178,833)**	**-**	**(178,833)**
Exchange differences on translation of financial statements in foreign currencies	**(570,295)**	**-**	**(570,295)**
Total	**(123,205)**	**17,641**	**(105,564)**

	Year ended 31 December 2024		
	Before tax	*Tax expense*	*Net of tax*
Net gain from debt instruments at FVOCI	58,221	(12,120)	46,101
Equity instruments at FVOCI:			
- Net movements in fair value reserve (non-recycling)	(15)	97	82
Reserve from cash flow hedging instruments	(83,916)	-	(83,916)
Share of other comprehensive income of associates and joint ventures	367,987	-	367,987
Exchange differences on translation of financial statements in foreign currencies	267,501	-	267,501
Total	609,778	(12,023)	597,755

19 Basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

		Year ended 31 December	
	Notes	**2025**	2024
Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)	19(1)(a)	**15,587,076**	14,635,336
Weighted average number of ordinary shares (in thousands)	19(1)(b)	**9,021,752**	9,009,279
Basic earnings per share attributable to ordinary shareholders (in RMB per share)		**1.73**	1.62

(a) Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)

	Year ended 31 December	
	2025	2024
Consolidated net profit attributable to equity shareholders of the Company	**16,383,497**	15,351,162
Dividends declared under Restricted Share Incentive Scheme of A Shares	**(551)**	(7,960)
Profit attributable to perpetual subordinated bonds holders of the Company (i)	**(795,870)**	(707,866)
Consolidated net profit attributable to ordinary shareholders of the Company (Adjusted)	**15,587,076**	14,635,336

(i) For the purpose of calculating basic earnings per ordinary share in respect of the year ended 31 December 2025, RMB 796 million (2024: RMB 708million) attributable to perpetual subordinated bonds were deducted from profits attributable to shareholders of the Company.

(b) Weighted average number of ordinary shares (in thousands)

	Year ended 31 December	
	2025	2024
Number of ordinary shares as at 1 January	**9,027,302**	9,074,663
Decrease in weighted average number of ordinary shares	**(5,550)**	(65,384)
Weighted average number of ordinary shares	**9,021,752**	9,009,279

(2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding:

		Year ended 31 December	
	Notes	**2025**	2024
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	19(2)(a)	**15,587,627**	14,638,263
Weighted average number of ordinary shares outstanding(diluted) (in thousands)	19(2)(b)	**9,022,455**	9,016,227
Diluted earnings per share attributable to ordinary shareholders (in Renminbi per share)		**1.73**	1.62

(a) Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows:

	Year ended 31 December	
	2025	2024
Consolidated net profit attributable to ordinary shareholders of the Company (Adjusted)	**15,587,076**	14,635,336
Diluted adjustments:		
Effect of dividends declared under Restricted Stock Incentive Scheme of A Shares[(i)]	**551**	7,960
Assumed vesting of shares granted to employees of a subsidiary[(ii)]	**-**	(5,033)
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	**15,587,627**	14,638,263

(i) The Group granted Restricted Stock Incentive Scheme of A shares to certain employees in 2021. Diluted earnings per share should take into account both the impact of the cash dividend of the current period distributed to the holders of restricted shares who are expected to reach the unlocking conditions and estimate number of restricted shares which will be unlocked. After considering the abovementioned impact, the Restricted Stock Incentive Scheme has a dilutive effect for the year ended 31 December 2025 (2024: dilutive).

(ii) The dilutive effect is due to the share-based payment schemes of AssetMark Financial Holdings, Inc., a former subsidiary of the Company.

(b) Weighted average number of ordinary shares outstanding (diluted) is calculated as follows:

	Year ended 31 December	
	2025	2024
Weighted average number of ordinary shares at 31 December	**9,021,752**	9,009,279
Diluted adjustments:		
Effect of Restricted Stock Incentive Scheme of A shares	**703**	6,948
Weighted average number of ordinary shares(diluted)	**9,022,455**	9,016,227

20 Property and equipment

	Buildings	*Motor vehicles*	*Electronic equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2025	4,851,019	154,475	2,149,778	428,367	1,275,114	2,350,883	11,209,636
Additions	3,311	32,175	231,214	15,980	489,626	543,344	1,315,650
Transfer during the year	1,906	701	722	355	(40,114)	-	(36,430)
Acquisition of a subsidiary	-	1,075	-	11,373	-	128	12,576
Transfer in from investment properties (Note 21)	10,711	-	-	-	-	-	10,711
Disposals	-	(29,337)	(85,367)	(137,066)	-	(754,644)	(1,006,414)
Transfer to investment properties	(18,686)	-	-	-	(2,426)	-	(21,112)
As at 31 December 2025	4,848,261	159,089	2,296,347	319,009	1,722,200	2,139,711	11,484,617
Accumulated depreciation							
As at 1 January 2025	(1,532,929)	(110,600)	(1,404,835)	(318,980)	-	(1,352,880)	(4,720,224)
Charge for the year	(140,539)	(12,236)	(271,886)	(48,318)	-	(482,156)	(955,135)
Transfer in from investment properties (Note 21)	(5,933)	-	-	-	-	-	(5,933)
Disposals	-	28,482	80,757	120,012	-	705,269	934,520
Transfer to investment properties (Note 21)	11,706	-	-	-	-	-	11,706
As at 31 December 2025	(1,667,695)	(94,354)	(1,595,964)	(247,286)	-	(1,129,767)	(4,735,066)
Carrying amount							
As at 31 December 2025	3,180,566	64,735	700,383	71,723	1,722,200	1,009,944	6,749,551

	Buildings	*Motor vehicles*	*Electronic equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2024	4,848,570	156,796	2,118,972	487,843	565,790	2,618,734	10,796,705
Additions	286	686	182,403	41,811	764,068	358,395	1,347,649
Transfer during the year	-	-	518	4,259	(54,744)	-	(49,967)
Transfer in from investment properties (Note 21)	2,163	-	-	-	-	-	2,163
Disposals	-	(1,790)	(65,211)	(4,524)	-	(289,773)	(361,298)
Disposal of subsidiaries	-	-	(82,966)	(100,278)	-	(328,811)	(512,055)
Reclassified as held for sale	-	(1,217)	(3,938)	(744)	-	(7,662)	(13,561)
As at 31 December 2024	4,851,019	154,475	2,149,778	428,367	1,275,114	2,350,883	11,209,636
Accumulated depreciation							
As at 1 January 2024	(1,392,980)	(102,062)	(1,219,878)	(311,593)	-	(1,250,482)	(4,276,995)
Charge for the year	(138,159)	(10,752)	(312,865)	(64,330)	-	(547,296)	(1,073,402)
Transfer in from investment properties (Note 21)	(1,790)	-	-	-	-	-	(1,790)
Disposals	-	1,375	56,517	1,412	-	277,395	336,699
Disposal of subsidiaries	-	-	68,203	54,999	-	164,956	288,158
Reclassified as held for sale	-	839	3,188	532	-	2,547	7,106
As at 31 December 2024	(1,532,929)	(110,600)	(1,404,835)	(318,980)	-	(1,352,880)	(4,720,224)
Carrying amount							
As at 31 December 2024	3,318,090	43,875	744,943	109,387	1,275,114	998,003	6,489,412

As at 31 December 2025, included in buildings, there is a carrying amount of RMB 38.67 million for which the Group has yet to obtain the relevant land or building certificates (as at 31 December 2024: RMB35.27 million).

21 Investment properties

	As at 31 December	
	2025	2024
Cost		
As at 1 January	**340,234**	262,472
Transfer in from property and equipment (Note 20)	**21,112**	-
Transfer in from other current assets	**-**	79,925
Transfer to property and equipment (Note 20)	**(10,711)**	(2,163)
As at 31 December	**350,635**	340,234
Accumulated depreciation		
As at 1 January	**(127,443)**	(121,641)
Charge for the year	**(8,741)**	(7,592)
Transfer in from property and equipment (Note 20)	**(11,706)**	-
Transfer to property and equipment (Note 20)	**5,933**	1,790
As at 31 December	**(141,957)**	(127,443)
Impairment		
As at 1 January	**(30,660)**	(4,547)
Transfer in from other current assets	**-**	(26,113)
As at 31 December	**(30,660)**	(30,660)
Carrying amount	**178,018**	182,131

As at 31 December 2025, included in investment properties, there is a carrying amount of RMB 0.17 million, for which the Group has yet to obtain the relevant land or building certificates (as at 31 December 2024: RMB4.00 million).

22 Goodwill

Cost	
As at 1 January 2025	**51,342**
Acquisition through business combination (Note 24)	**201,433**
Effect of movements in exchange rates	**(3,068)**
As at 31 December 2025	**249,707**
Impairment losses	
As at 1 January 2025	**-**
Impairment losses	**-**
As at 31 December 2025	**-**
Carrying amounts	
As at 1 January 2025	**51,342**
As at 31 December 2025	**249,707**

Cost	
As at 1 January 2024	3,419,332
Disposal of subsidiaries	(3,367,990)
As at 31 December 2024	51,342
Impairment losses	
As at 1 January 2024	-
Impairment losses	-
As at 31 December 2024	-
Carrying amounts	
As at 1 January 2024	3,419,332
As at 31 December 2024	51,342

The Group acquired the investment banking business together with the relevant assets and liabilities, and the interest in Huatai United Securities Co., Ltd. in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

The Group acquired the futures brokerage business together with the relevant assets and liabilities, and the interest in Huatai Futures Co., Ltd. (previously known as Great Wall Futures Co., Ltd.) in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

The Group acquired the overseas business together with the relevant assets and liabilities, and the interest in Egmont Honey Holdings Limited in 2025. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

Impairment testing on goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to operating segment as follows:

	As at 31 December	
	2025	2023
Investment banking	**51,090**	51,090
Futures brokerage	**252**	252
Overseas business	**198,365**	-
Total	**249,707**	51,342

The cash flows generated from each subsidiary acquired are independent. Therefore, each of these acquired subsidiaries is a separate CGU. The Group performed the impairment test for the goodwill generated from each CGU.

The recoverable amounts of each CGU are determined based on value-in-use calculations, respectively. These calculations use cash flow projections with reference to financial budgets approved by management covering certain period. Cash-flows beyond the certain period are extrapolated using an estimated weighted average growth rate, which does not exceed the long-term average growth rate. As at 31 December 2025, the discount rate used by the investment banking, futures brokerage and overseas business CGUs were 16.00%,13.33% and 16.00%, respectively (16.00% and 13.33% for the investment banking and futures brokerage CGUs, respectively, as at 31 December 2024), and the weighted average growth rate were 5.00%, 4.94%, and 2.00%, respectively (5.00% and 6.60% for the investment banking and futures brokerage CGUs, respectively, as at 31 December 2024). The discount rate and weighted average growth rate reflected the risks and growth expectations of the relevant CGUs.

Other major assumptions for the recoverable amount estimation relate to the estimation of cash inflows / outflows which include budgeted income and profit margins. Such estimation is based on the CGU's past performance and management's expectations for the market development.

23 Land-use rights and other intangible assets

	Land-use rights	*Existing relationships with broker-dealers*	*Enterprise distribution channel customer relationships*	*Trade names*	*Software and others*	*Total*
Cost						
As at 1 January 2025	1,768,330	-	-	-	2,718,476	4,486,806
Additions	-	-	-	-	348,426	348,426
Acquisition of a subsidiary	-	-	57,659	111,200	-	168,859
Disposal	-	-	-	-	(85)	(85)
Exchange differences	-	-	(942)	(1,757)	(3,345)	(6,044)
As at 31 December 2025	1,768,330		56,717	109,443	3,063,472	4,997,962
Accumulated amortisation						
As at 1 January 2025	(241,860)	-	-	-	(2,209,047)	(2,450,907)
Charge for the year	(41,772)	-	(8,572)	-	(363,209)	(413,553)
Disposals	-	-	-	-	85	85
Exchange differences	-	-	282	-	1,138	1,420
As at 31 December 2025	(283,632)	-	(8,290)	-	(2,571,033)	(2,862,955)
Carrying amount						
As at 31 December 2025	1,484,698	-	48,427	109,443	492,439	2,135,007

	Land-use rights	*Existing relationships with broker-dealers*	*Enterprise distribution channel customer relationships*	*Trade names*	*Software and others*	*Total*
Cost						
As at 1 January 2024	1,768,330	4,011,405	195,859	355,792	4,696,188	11,027,574
Additions	-	-	-	-	601,230	601,230
Disposals	-	-	-	-	(1,228)	(1,228)
Disposal of subsidiaries	-	(4,102,171)	(201,988)	(364,190)	(2,631,825)	(7,300,174)
Reclassified as held for sale	-	-	-	-	(6,122)	(6,122)
Exchange differences	-	90,766	6,129	8,398	60,233	165,526
As at 31 December 2024	1,768,330	-	-	-	2,718,476	4,486,806
Accumulated amortisation						
As at 1 January 2024	(200,089)	-	-	(203,590)	(3,108,635)	(3,512,314)
Charge for the year	(41,771)	-	-	(2,950)	(546,639)	(591,360)
Disposals	-	-	-	-	1,228	1,228
Disposal of subsidiaries	-	-	-	211,481	1,479,708	1,691,189
Reclassified as held for sale	-	-	-	-	5,297	5,297
Exchange differences	-	-	-	(4,941)	(40,006)	(44,947)
As at 31 December 2024	(241,860)	-	-	-	(2,209,047)	(2,450,907)
Carrying amount						
As at 31 December 2024	1,526,470	-	-	-	509,429	2,035,899

During the year of 2025, trade names are not amortised while their useful lives are assessed to be indefinite because there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group (during the year of 2024: existing relationships with brokers-dealers and enterprise distribution channel customer relationships are not amortised while their useful lives are assessed to be indefinite because there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group).

24 Investments in subsidiaries

(a) Details of principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. Unless otherwise stated, the class of shares hold is ordinary, and the issued and fully paid-up capital is expressed in Renminbi Yuan:

Name of company	*Place and date of incorporation / establishment and business*	*Issued and fully paid-up capital*	*Equity interest held by the Company as at 31 December*		*Principal activity*	*Auditor[1] GAAP*	
			2025	2024		**2025**	2024
Huatai United Securities Co., Ltd.[4]	PRC 5 September 1997	RMB 997,480,000	**100.00%**	100.00%	Investment banking	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Futures Co., Ltd.[4]	PRC 10 July 1995	RMB 3,939,000,000	**100.00%**	100.00%	Futures brokerage	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Purple Gold Investment Co., Ltd.[4]	PRC 12 August 2008	RMB 5,200,000,000	**100.00%**	100.00%	Equity investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Financial Holdings (Hong Kong) Limited[2]	Hong Kong 23 November 2006	HKD 8,800,000,000	**100.00%**	100.00%	Securities and futures brokerage	**Deloitte HKFRSs**	Deloitte HKFRSs
Huatai International Financial Holdings Co., Ltd.	Hong Kong 5 April 2017	HKD 10,200,000,002	**100.00%**	100.00%	Holding company	**Deloitte HKFRSs**	Deloitte HKFRSs
Huatai Innovative Investment Co., Ltd.[4]	PRC 21 November 2013	RMB 2,600,000,000	**100.00%**	100.00%	Alternative investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Securities (Shanghai) Assets Management Co., Ltd.[4]	PRC 16 October 2014	RMB 2,600,000,000	**100.00%**	100.00%	Asset management	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) [2][3][5]	PRC 1 June 2015	RMB -	**45.00%**	45.00%	Equity investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Yili Suxin Investment Fund (Limited Partnership) [2][3][5]	PRC 19 February 2016	RMB 1,348,088,000	**24.73%**	24.73%	Equity investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP

Name of company	*Place and date of incorporation / establishment and business*	*Issued and fully paid-up capital*	*Equity interest held by the Company as at 31 December*		*Principal activity*	*Auditor[1] GAAP*	
			2025	2024		**2025**	2024
Huatai Great Wall Capital Management Co., Ltd.[2][4]	PRC 6 December 2013	RMB 650,000,000	**100.00%**	100.00%	Spread trading and commodity warrant trading	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Great Wall Investment Management Co, Ltd.[2][4]	PRC 3 August 2017	RMB 550,000,000	**100.00%**	100.00%	Investment management	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP

(1) Auditors of the respective subsidiaries of the Group are as follows:

- Deloitte PRC represents Deloitte Touche Tohmatsu Certified Public Accountants LLP, a firm of certified public accountants registered in PRC;

- Deloitte represents Deloitte Touche Tohmatsu in Hong Kong, a firm of certified public accountants registered in Hong Kong;

(2) These subsidiaries are indirectly controlled by the Company.

(3) As at 31 December 2025, the Company indirectly held less than 50% of the equity of Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) and Yili Suxin Investment Fund (Limited Partnership). According to the articles of partnership agreement, the Company has the power to control these funds and has the ability to use the power to affect the Company's variable return amount. Therefore, they are included in the scope of the consolidated financial statements.

(4) Company with limited liability in Mainland China.

(5) Limited partnership in Mainland China.

(b) Acquisition of a subsidiary

The Group holds 90.04% interest of New Zealand Nutrifoods Investment Group Limited through a consolidated structured entity, which acquired 100.00% interest of Egmont Honey Holdings Limited in March 2025. The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	RMB'000
Cash	286,103
Payable to original shareholders of Egmont Honey Holdings Limited	31,554
Total acquisition cost	317,657
Less: share of fair value of identifiable net assets acquired	(116,224)
Goodwill	201,433

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Assets acquired and liabilities recognised at the date of acquisition

	Assets acquired and liabilities recognised at the date of acquisition (provisional amounts)
	RMB'000
Cash and bank balances	*41,432*
Property and equipment	*12,448*
Right-of-use assets	*128*
Land-use rights and other intangible assets	*168,859*
Other assets	*219,084*
Other payables and accruals	*(294,192)*
Deferred tax liabilities	*(31,535)*
Total	116,224

If there's adjustment on the provisional value of the assets acquired and liabilities assumed at the date of acquisition since one year from the acquisition date, the amounts of deferred tax liabilities and goodwill may be adjusted accordingly.

25 Interests in associates

	As at 31 December	
	2025	2024
Share of net assets	**22,285,733**	21,446,915

Following the approval at the 14th meeting of the sixth session of the Board of Directors on December 20, 2024, the Company agreed to transfer its 20% equity interest in Jiangsu Equity Exchange Center Co., Ltd. ("Jiangsu Equity Exchange Center") to Jiangsu Jincai Investment Co., Ltd. The equity transfer was completed in January 2025. Consequently, the Company's shareholding in Jiangsu Equity Exchange Center was reduced to 32%, resulting in the loss of control over the entity. Jiangsu Equity Exchange Center became an associate of the Company. The investment gain generated from the disposal of the subsidiary was RMB304 thousand.

As at 31 December 2025, the Group has pledged the shares of interest in associates with a total book value of RMB3,898million to the People's Bank of China for securities, funds, and insurance company swap facilities (as at 31 December 2024: Nil).

As at 31 December 2025, the Group has pledged the shares of interest in an associate with a total book value of RMB1,745 million to China Securities Finance Corporation Limited ("CSF") for refinancing and supporting the Group's securities lending business (as at 31 December 2024: RMB5,214 million).

The following list contains only the particulars of material associates, all of which (except that Bank of Jiangsu has been listed on the Shanghai Stock Exchange) are unlisted corporate entities whose quoted market price is not available:

				Proportion of owner ship interest						
Name of associate	*Registered place*	*Registered capital*		*Group's effective interest*		*Held by the Company*		*Held by a subsidiary*		*Principal activity*
		31/12/2025	31/12/2024	**2025/12/31**	2024/12/31	**2025/12/31**	2024/12/31	**2025/12/31**	2024/12/31	
Bank of Jiangsu[(i)]	Nanjing	**18,351,324**	18,351,324	**5.03%**	5.03%	**5.03%**	5.03%	**-**	-	Commercial banking
China Southern Asset Management Co., Ltd.	Shenzhen	**361,720**	361,720	**41.16%**	41.16%	**41.16%**	41.16%	**-**	-	Fund management

Both the above associates are accounted for using the equity method in the consolidated financial statements.

(i) The Company has appointed one director in the board of directors of Bank of Jiangsu. The Company exercises significant influence over Bank of Jiangsu by participating in the formulation of financial and operational policies through the director it has appointed.

Summarised financial information of Bank of Jiangsu and China Southern Asset Management Co., Ltd. which are individually significant associates to the Group are disclosed below:

Bank of Jiangsu

	As at 30 September	*As at 31 December*
	2025	*2024*
Gross amounts of the associate		
Assets	**4,927,496,856**	3,951,814,000
Liabilities	**(4,581,228,628)**	(3,638,475,403)
Net assets	**346,268,228**	313,338,597

	Period ended 30 September	*Year ended 31 December*
	2025	*2024*
Revenue	**67,182,801**	80,815,000
Profit for the year	**31,894,651**	33,258,161
Other comprehensive income	**(3,632,623)**	6,872,626
Total comprehensive income	**28,262,028**	40,130,787

	Year ended 31 December	
	2025	*2024*
Dividend received from the associate	**197,989**	716,787

	As at 31 December	
	2025	*2024*
Carrying amount in the consolidated financial statements	**12,995,122**	11,744,260

Note: Bank of Jiangsu is a joint-stock bank listed on the Shanghai Stock Exchange. The annual financial information of Bank of Jiangsu is usually announced after the announcement of the Group's financial results. The financial information presented above is extracted from the Third Quarterly Report of Bank of Jiangsu Co., Ltd. 2025. The Group measured the carrying amount of its investment in Bank of Jiangsu based on the financial information of the first three quarters of 2025 and took into account the impact of adjustments in the fourth quarter of 2025.

China Southern Asset Management Co., Ltd.

	As at 31 December	
	2025	2024
Gross amounts of the associate		
Assets	**17,922,163**	17,598,335
Liabilities	**(6,391,218)**	(4,923,657)
Net assets	**11,530,945**	12,674,678

	Year ended 31 December	
	2025	2024
Revenue	**8,767,422**	7,522,605
Profit for the year	**2,705,484**	2,351,599
Other comprehensive (expense)/income	**(20,402)**	12,028
Total comprehensive income	**2,685,082**	2,363,627
Other adjustment	**-**	806,170
Dividend received from the associate	**1,516,451**	-
Reconciled to the Group's interest in the associate:		
Net assets of the associate attributable to the parent company	**11,125,553**	12,334,396
The Group's effective interest	**41.16%**	41.16%
The Group's share of net assets of the associate	**4,579,278**	5,076,837
Carrying amount in the consolidated financial statements	**4,579,278**	5,076,837

Aggregate information of associates that are not individually material:

	2025	2024
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**4,711,333**	4,625,818
Aggregate amounts of the Group's share of those associates' gains	**719,643**	(231,374)
Other comprehensive income	**(1,570)**	-
Total comprehensive income	**718,073**	(231,374)

26 Interests in joint ventures

	As at 31 December	
	2025	2024
Unlisted investment in a joint venture at fair value through profit or losss (i)	**297,529**	208,769
Unlisted investment in joint ventures	**1,047,248**	790,344
Total	**1,344,777**	999,113

(i) As at 31 December 2025, the Group elected to measure its investment in Huatai International Greater Bay Area Investment Fund, L.P. of RMB298 million held through Huatai Financial Holdings (Hong Kong) Limited, a wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this joint venture on a fair value basis.

The following list contains only the particulars of unlisted joint venture, which is accounted for using the equity method in the consolidated financial statements, and details of the joint venture as at 31 December 2025 and 31 December 2024 are as follows:

			Proportion of ownership interest			
Name of joint venture	*Registered place*	*Registered capital*	*Group's effective interest*	*Held by the Company*	*Held by a subsidiary*	*Principal activity*
Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership)(i)	Nanjing	10,001,000	10.00%	-	10.00%	Equity investment

(i) As at 31 December 2025, the Group held 10.00% equity interest of Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership). Pursuant to the limited partnership agreement, the Group and a third party contractually agree to share control of the fund, and have rights to the net assets of the fund. The directors of the Group consider the fund is jointly controlled by the Group and the third party, and it is therefore accounted for as a joint venture of the Group.

27 Debt instruments at amortised cost

(a) Analysed by nature:

Non-current

	As at 31 December	
	2025	2024
Debt securities	**42,560,006**	40,859,525
Less: impairment losses	**(2,837)**	(4,761)
Total	**42,557,169**	40,854,764
Analysed as:		
Listed outside Hong Kong	**23,202,809**	19,315,669
Listed inside Hong Kong	**109,921**	180,622
Unlisted	**19,244,439**	21,358,473
Total	**42,557,169**	40,854,764

Current

	As at 31 December	
	2025	2024
Debt securities	**1,961,258**	6,939,588
Less: impairment losses	**(120)**	(630)
Total	**1,961,138**	6,938,958
Analysed as:		
Listed outside Hong Kong	**244,324**	3,867,704
Unlisted	**1,716,814**	3,071,254
Total	**1,961,138**	6,938,958

As at 31 December 2025, the Group has pledged debt instruments at amortised cost with a total fair value of RMB41,621 million and carrying amount of RMB39,548 million for the purpose of repurchase agreement business and derivative business (as at 31 December 2024: a total fair value of RMB33,578 million and carrying amount of RMB30,930 million).

(b) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2025	2024
At the beginning of the year	**5,391**	5,499
Reversal for the year, net	**(2,416)**	(125)
Other changes	**(18)**	17
At the end of the year	**2,957**	5,391

28 Debt instruments at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

	As at 31 December	
	2025	2024
Debt securities	**38,412,576**	5,938,076
Total	**38,412,576**	5,938,076
Analysed as:		
Listed outside Hong Kong	**5,439,272**	271,247
Listed inside Hong Kong	**123,127**	360,543
Unlisted	**32,850,177**	5,306,286
Total	**38,412,576**	5,938,076

Current

	As at 31 December	
	2025	2024
Debt securities	**6,403,360**	4,197,477
Total	**6,403,360**	4,197,477
Analysed as:		
Listed outside Hong Kong	**561,136**	845,668
Unlisted	**5,842,224**	3,351,809
Total	**6,403,360**	4,197,477

As at 31 December 2025, the Group has pledged debt instruments at fair value through other comprehensive income with a total fair value of RMB 28,007 million for the purpose of repurchase agreement business and bond lending business (as at 31 December 2024: RMB1,342 million).

As at 31 December 2025, the fair value of debt instruments at fair value through other comprehensive income with commitment were RMB1,086 million (as at 31 December 2024: RMB1,023 million).

29 Equity instruments at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

	As at 31 December	
	2025	2024
Equity securities designated at financial assets at fair value through other comprehensive income		
- Listed equity securities	**14,517,414**	-
- Unlisted equity securities	**96,064**	125,860
Total	**14,613,478**	125,860
Analysed as:		
Listed outside Hong Kong	**9,177,694**	-
Listed in Hong Kong	**5,339,720**	-
Unlisted	**96,064**	125,860
Total	**14,613,478**	125,860

Equity instruments at FVOCI include non-traded equity instruments held by the Group. As the equity instruments are not held for trading purpose, the Group has designated these investments as equity instruments at FVOCI.

During the year ended 31 December 2025, the fair value gains from the equity instruments at FVOCI recognised in other comprehensive income amounted to RMB1,149,468 thousand (During the year ended 31 December 2024: the losses amounted to RMB15 thousand).

As a result of the change of investment strategies, the Group disposed certain equity instrument at FVOCI and the corresponding gains amounted to RMB631,110 thousand was reclassified from fair value reserve to retained profits (During the year ended 31 December 2024: the losses amounted to RMB143 thousand).

30 Financial assets held under resale agreements

(a) Analysed by collateral type:

Non-current

	As at 31 December	
	2025	2024
Equity securities	**1,121,103**	200,110
Less: impairment losses	**(3,631)**	(500)
Total	**1,117,472**	199,610

Current

	As at 31 December	
	2025	2024
Debt securities	**12,465,779**	12,308,144
Equity securities	**4,645,831**	3,339,156
Less: impairment losses	**(619,896)**	(618,509)
Total	**16,491,714**	15,028,791

(b) Analysed by market:

Non-current

	As at 31 December	
	2025	2024
Shanghai stock exchange	**901,035**	200,110
Others	**220,068**	-
Less: impairment losses	**(3,631)**	(500)
Total	**1,117,472**	199,610

Current

	As at 31 December	
	2025	2024
Inter-bank market	**7,356,016**	8,520,557
Shenzhen stock exchange	**4,968,673**	2,760,201
Shanghai stock exchange	**3,451,518**	787,717
Others	**1,335,403**	3,578,825
Less: impairment losses	**(619,896)**	(618,509)
Total	**16,491,714**	15,028,791

(c) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2025	2024
At the beginning of the year	**619,009**	653,126
Charge/(reversal) for the year, net	**7,506**	(36,155)
Other	**(2,988)**	2,038
Total	**623,527**	619,009

(d) Analysed by remaining contractual maturities of securities-backed lendings:

	As at 31 December	
	2025	2024
Within 1 month	**675,473**	823,232
1 to 3 months	**922,646**	251,808
3 months to 1 year	**3,047,712**	2,264,116
Over 1 year	**1,121,103**	200,110
Less: impairment losses	**(492,469)**	(487,960)
Total	**5,274,465**	3,051,306

(e) Analysed by the stage of ECL of securities-backed lendings:

	As at 31 December 2025			
	12-month ECL	***Lifetime ECL-not credit impaired***	***Lifetime ECL-credit impaired***	***Total***
Amortised cost	**5,294,500**	**-**	**472,434**	**5,766,934**
Impairment losses	**(20,035)**	**-**	**(472,434)**	**(492,469)**
Carrying amount	**5,274,465**	**-**	**-**	**5,274,465**
Collateral	**14,969,792**	**-**	**-**	**14,969,792**

	As at 31 December 2024			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	3,060,224	-	479,042	3,539,266
Impairment losses	(8,918)	-	(479,042)	(487,960)
Carrying amount	3,051,306	-	-	3,051,306
Collateral	8,030,573	-	-	8,030,573

As at 31 December 2025, the fair value of the collateral of the Group's financial assets held under resale agreements was RMB25,408,601 thousand (31 December 2024: RMB21,431,864 thousand).

31 Financial assets at fair value through profit or loss

Non-current

(a) Analysed by type:

	As at 31 December	
	2025	2024
Equity securities	**4,938,291**	4,387,352
Mutual funds	**754,473**	528,732
Other debt instruments	**380,212**	376,065
Total	**6,072,976**	5,292,149

(b) Analysed as:

	As at 31 December	
	2025	2024
Listed outside Hong Kong	**494,486**	493,753
Unlisted	**5,578,490**	4,798,396
Total	**6,072,976**	5,292,149

Current

(a) Analysed by type:

	As at 31 December	
	2025	2024
Equity securities	**106,148,907**	56,974,351
Debt securities	**169,288,045**	171,564,677
Mutual funds	**87,362,596**	60,547,525
Private funds	**5,595,740**	3,548,647
Wealth management products	**4,287,024**	3,280,955
Other debt instruments	**187,041**	329,453
Total	**372,869,353**	296,245,608

(b) Analysed as:

	As at 31 December	
	2025	2024
Listed outside Hong Kong	**173,987,041**	119,442,341
Listed inside Hong Kong	**28,176,956**	17,830,773
Unlisted	**170,705,356**	158,972,494
Total	**372,869,353**	296,245,608

As at 31 December 2025, the fund investments with lock-up periods in its investment portfolio held by the Group are RMB 969 million (as at 31 December 2024: RMB880 million).

As at 31 December 2025, the listed equity securities held by the Group included approximately RMB777 million of restricted shares (as at 31 December 2024: RMB710 million). The restricted shares are listed in the PRC with a legally enforceable restriction on these securities that prevents the Group to dispose of within the specified period.

The equity interest in unlisted securities held by the Group are issued by private companies. The value of the securities is measured by comparing with comparable companies that are listed and in the same sector or measured by using other valuation techniques.

Non-current financial assets at fair value through profit or loss investments are expected to be realised or restricted for sale beyond one year from the end of the respective reporting periods. The fair value of the Group's investments in unlisted funds, which mainly invest in publicly traded equities listed in the PRC, are valued based on the net asset values of the funds calculated by the respective fund managers by reference to their underlying assets and liabilities' fair values.

The fair value of the Group's investments in equity securities without restriction, exchange-listed funds and debt securities are determined with reference to their quoted prices as at reporting date.

As at 31 December 2025, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through profit or loss investments with total fair value of RMB2,229 million to external clients (as at 31 December 2024: RMB1,275 million), which did not result in derecognition of the financial assets. The fair value of collateral for the securities lending business is analysed in Note 37(c) together with the fair value of collateral of margin financing business.

As at 31 December 2025, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB 136,127 million for the purpose of repurchase agreement business, bond lending business and derivative business (as at 31 December 2024: RMB136,355 million).

As at 31 December 2025, the wealth management products held by the Group included approximately RMB40 million of restricted products(as at 31 December 2024: RMB70 million). The restricted products are subscribed by the Group as the fund manager with a legally enforceable restriction on these products that prevents the Group to dispose of within the specified period.

32 Refundable deposits

	As at 31 December	
	2025	2024
Deposits with stock exchanges		
- Hong Kong Securities Clearing Company Limited	**22,620**	16,684
- China Securities Depository and Clearing Corporation Limited	**2,322,297**	1,682,104
- Hong Kong Stock Exchange	**88,033**	71,420
- Hong Kong Exchanges and Clearing Limited	**146,292**	44,028
	2,579,242	1,814,236
Deposits with futures and commodity exchanges		
- China Financial Futures Exchange	**19,035,587**	10,401,127
- Shanghai Futures Exchange	**7,906,399**	4,385,920
- Dalian Commodity Exchange	**2,807,295**	3,098,634
- Zhengzhou Commodity Exchange	**2,456,620**	2,698,887
- Shanghai International Energy Exchange	**594,352**	965,577
- Other domestic commodity exchange	**1,942,996**	537,815
- Overseas commodity exchange	**8,710**	52,110
	34,751,959	22,140,070
Deposits with other institutions		
- China Securities Finance Corporation Limited	**9,691**	1,218
- Shanghai Clearing House	**1,125,959**	814,963
- Shanghai Gold Exchange	**-**	200
- Others financial institutions	**10,924,776**	8,680,611
	12,060,426	9,496,992
Total	**49,391,627**	33,451,298

33 Deferred taxation

(a) The components of deferred tax assets / (liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	*Provision for impairment losses*	*Employee benefits payable*	*Changes in fair value of financial instruments measured at FVTPL*	*Changes in fair value of derivative financial instruments*	*Changes in fair value of financial instruments measured at FVOCI*	*Asset appraisal increments from non-common control business combinations*	*Others*	*Total*
As at 1 January 2025	**765,016**	**1,785,665**	**(713,194)**	**172,836**	**(48,429)**	**-**	**(846,516)**	**1,115,378**
Recognised in profit or loss	**145,848**	**49,112**	**(37,514)**	**355,322**	**-**	**470**	**130,047**	**643,285**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**(29,061)**	**(2,474)**	**(31,535)**
Recognised in reserves	**(36)**	**-**	**-**	**-**	**17,677**	**-**	**-**	**17,641**
As at 31 December 2025	**910,828**	**1,834,777**	**(750,708)**	**528,158**	**(30,752)**	**(28,591)**	**(718,943)**	**1,744,769**
As at 1 January 2024	712,946	1,593,378	(735,042)	(206,845)	(30,969)	(1,193,296)	(1,398,113)	(1,257,941)
Recognised in profit or loss	46,919	255,301	20,766	379,681	-	11,359	690,502	1,404,528
Disposal of subsidiaries	(286)	(49,267)	321	-	-	1,181,937	(138,990)	993,715
Reclassified as held for sale	-	(13,747)	761	-	-	-	85	(12,901)
Recognised in reserves	5,437	-	-	-	(17,460)	-	-	(12,023)
As at 31 December 2024	765,016	1,785,665	(713,194)	172,836	(48,429)	-	(846,516)	1,115,378

(b) Reconciliation to the consolidated statements of financial position

	As at 31 December	
	2025	2024
Net deferred tax assets recognised in the consolidated statement of financial position	**2,413,051**	1,591,926
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(668,282)**	(476,548)
Total	**1,744,769**	1,115,378

(c) Deferred tax assets not recognised

As at 31 December 2025 , in accordance with the accounting policy set out in Note 2(21)(ii), the Group has not recognised unused tax losses of RMB161 million (as at 31 December 2024: RMB123 million), as deferred tax assets, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Most of the tax losses will not expire under current tax legislation.

34 Other non-current assets

(a) Analysed by nature:

	As at 31 December	
	2025	2024
Leasehold improvements and long-term deferred expenses	**187,881**	240,951

(b) The movements of leasehold improvements and long-term deferred expenses are as below:

	As at 31 December	
	2025	2024
At the beginning of the year	**240,951**	311,789
Additions	**28,941**	17,440
Transfer in from property and equipment(Note 20)	**36,430**	49,834
Amortisation	**(118,184)**	(136,768)
Other decrease	**(257)**	(1,344)
At the end of the year	**187,881**	240,951

35 Accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2025	2024
Accounts receivable of:		
- Brokers, dealers and clearing house	**7,978,586**	1,961,690
- Fee and commission	**2,006,414**	1,610,627
- Return swap and OTC options	**1,138,553**	872,561
- Settlement	**542,425**	395,144
- Redemption of open-ended fund	**958,967**	892,370
- Subscription receivable	**11,370**	1,540
- Others	**93,114**	33,525
Less: impairment losses	**(139,886)**	(180,224)
Total	**12,589,543**	5,587,233

(b) Analysed by ageing:

As at the end of the reporting period, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 31 December	
	2025	2024
Within 1 month	**11,021,602**	4,036,738
1 to 3 months	**122,879**	125,483
Over 3 months	**1,445,062**	1,425,012
Total	**12,589,543**	5,587,233

(c) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2025	2024
At the beginning of the year	**180,224**	115,458
(Reversal)/charge for the year, net	**(8,652)**	68,230
Derecognition and transfer out	**(21,970)**	-
Other	**(9,716)**	(3,464)
At the end of the year	**139,886**	180,224

(d) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired were relate to a wide range of customers for whom there was no recent history of default.

The receivables from securities-backed lendings business are not included in accounts receivable.

36 Other receivables, prepayments and other current assets

(a) Analysed by nature:

	As at 31 December	
	2025	2024
Inventory	**2,500,583**	1,147,499
Other receivables[1]	**387,095**	210,805
Prepayments	**348,508**	427,547
Deductable VAT	**330,633**	221,388
Dividends receivable	**327,631**	292,700
Interest receivable[2]	**17,589**	8,390
Others	**181,121**	571,898
Total	**4,093,160**	2,880,227

The balance of others mainly represents prepaid tax and other current assets arising from normal course of business.

As at 31 December 2025, the Group has pledged inventory with a total amount of RMB1,808 million for the purpose of derivative business (as at 31 December 2024: RMB966 million).

(1) Other receivables:

	As at 31 December	
	2025	2024
Other receivables	**1,099,876**	933,170
Less: impairment losses	**(712,781)**	(722,365)
Total	**387,095**	210,805

Analysis of the movements of provision for other receivables impairment losses:

	As at 31 December	
	2025	2024
At the beginning of the year	**722,365**	718,194
(Reversal)/charge for the year, net	**(12,676)**	4,225
Written-off	**(1)**	(37)
Other	**3,093**	(17)
Total	**712,781**	722,365

(2) Interest receivable:

	As at 31 December	
	2025	2024
Interest receivable	63,088	53,889
Less: impairment losses	(45,499)	(45,499)
Total	17,589	8,390

Analysis of the movements of provision for impairment losses of interest receivable:

	As at 31 December	
	2025	2024
At the beginning of the year	45,499	45,271
Charge for the year, net	-	228
At the end of the year	45,499	45,499

37 Margin accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2025	2024
Individuals	158,754,247	115,911,970
Institutions	29,630,372	18,399,659
Less: impairment losses	(2,369,794)	(1,765,624)
Total	186,014,825	132,546,005

(b) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2025	2024
At the beginning of the year	1,765,624	1,521,347
Charge for the year, net	605,598	242,700
Other	(1,428)	1,577
At the end of the year	2,369,794	1,765,624

(c) The fair value of collateral for margin financing and securities lending business is analysed as follows:

	As at 31 December	
	2025	2024
Fair value of collateral:		
Equity securities	**503,380,244**	329,724,873
Funds	**21,331,802**	16,087,915
Cash	**13,940,272**	9,636,977
Debt securities	**741,046**	1,247,809
Total	**539,393,364**	356,697,574

The Group evaluates the collectability of receivable from margin clients based on management's assessment on the credit rating, collateral value and the past collection history of each margin client.

(d) Analysed by the stage of ECL of margin accounts receivable:

	As at 31 December 2025			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	**171,164,725**	**17,037,408**	**182,486**	**188,384,619**
Impairment losses	**(1,370,785)**	**(829,764)**	**(169,245)**	**(2,369,794)**
Carrying amount	**169,793,940**	**16,207,644**	**13,241**	**186,014,825**
Collateral	**489,344,976**	**50,025,977**	**22,411**	**539,393,364**

	As at 31 December 2024			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	122,541,806	11,575,523	194,300	134,311,629
Impairment losses	(640,003)	(964,367)	(161,254)	(1,765,624)
Carrying amount	121,901,803	10,611,156	33,046	132,546,005
Collateral	318,540,485	37,983,652	173,437	356,697,574

38 Derivative financial instruments

	As at 31 December 2025		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,915,215,462	727,671	(414,131)
Currency derivatives	245,609,865	333,092	(1,134,756)
Equity derivatives	229,489,078	5,791,775	(13,388,372)
Credit derivatives	8,836,697	8,865	(35,088)
Commodity derivatives and others	413,131,528	5,586,868	(5,417,113)
Total	2,812,282,630	12,448,271	(20,389,460)
Less: settlement		(1,011,241)	2,164,988
Net position		11,437,030	(18,224,472)

	As at 31 December 2024		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,460,855,341	697,426	(814,414)
Currency derivatives	174,069,967	1,851,589	(1,337,738)
Equity derivatives	204,986,804	6,262,677	(5,899,597)
Credit derivatives	4,374,717	13,841	(10,264)
Commodity derivatives and others	368,218,063	1,633,079	(2,965,533)
Total	2,212,504,892	10,458,612	(11,027,546)
Less: settlement		(467,487)	83,761
Net position		9,991,125	(10,943,785)

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in Shanghai Clearing House, stock index futures and treasury futures settled in China Financial Futures Exchange and certain commodity futures traded through futures companies, were settled daily and the corresponding receipts and payments were included in "clearing settlement funds". Accordingly, the net position of the above contracts was nil as at 31 December 2025 and 31 December 2024.

Cash flow hedges

The Group's cash flow hedges consist of cross currency swap contracts that are used to protect against exposures to variability of future cash flows.

As at 31 December 2025, the Group had no designated hedging instruments for cash flow hedges.As at 31 December 2024, the designated hedging instruments for cash flow hedges included in the above derivative financial instruments are presented below:

	As at 31 December 2024						
	Notional amount					*Fair value*	
	Within 3 months	*Over 3 months but within 1 year*	*Over 1 year but within 5 years*	*Over 5 years*	*Total*	*Assets*	*Liabilities*
Currency derivatives	-	3,025,000	-	-	3,025,000	-	(169,081)

During the year ended 31 December 2025, the amounts reclassified from cash flow hedges reserve to profit or loss amounted to RMB 44,844 thousand (during the year ended 31 December 2024: nil). Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equities are as follows:

	As at 31 December 2024				
	Carrying amount of hedged items		*Effect of hedging instruments on other comprehensive income during the year*	*Accumulated effect of hedging instruments on other comprehensive income*	*Line items in the statement of financial position*
	Assets	*Liabilities*			
Bonds	-	(3,048,491)	(83,916)	(44,844)	Long-term bonds

There was no hedge ineffectiveness for the year ended 31 December 2025 (during the year ended 31 December 2024: nil).

39 Clearing settlement funds

	As at 31 December	
	2025	*2024*
Deposits with stock exchanges		
- China Securities Depository and Clearing Corporation Limited	**4,631,338**	8,627,103
- Hong Kong Securities Clearing Company Limited	**85,864**	120,296
Deposits with other institutions	**3,629,561**	2,389,359
Total	**8,346,763**	11,136,758

40 Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognised the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. In the Mainland China, the use of cash held on behalf of brokerage clients for their transaction and settlement funds is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the use of cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

41 Cash and Bank balances

(a) Analysed by nature:

	As at 31 December	
	2025	2024
Cash on hand	**258**	186
Bank balances	**47,693,388**	39,521,623
Less: impairment losses	**(91)**	(351)
Total	**47,693,555**	39,521,458

Bank balances mainly comprise time and demand deposits which bear interest at the prevailing market rates.

(b) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2025	2024
At the beginning of the year	**351**	512
Reversal of impairment for the year	**(261)**	(190)
Other Changes	**1**	29
At the end of the year	**91**	351

42 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	As at 31 December	
	2025	2024
Cash on hand	**258**	186
Bank balances	**47,666,255**	39,425,490
Clearing settlement funds	**8,346,763**	11,136,758
Financial assets held under resale agreements within 3 months original maturity	**6,442,891**	6,538,630
Bond investment within 3 months original maturity	**219,560**	1,279,718
Less: restricted bank deposits and bank deposits with original maturity of more than three months	**(2,075,011)**	(2,347,573)
Total	**60,600,716**	56,033,209

As at 31 December 2025, the total bank balances did not include cash and bank balances classified as held for sale (as at 31 December 2024: RMB10,109 thousand).

The restricted bank deposits mainly include deposits reserved for guarantees, VAT payable of asset management plans and risk reserve deposits.

(b) Reconciliation of liabilities arising from financing activities:

The following table details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Short-term debt instruments	*Long-term bonds*	*Short-term bank loans*	*Long-term bank loans*	*Lease liabilities*	*Dividends payable to ordinary shareholders and perpetural subordinated bonds*	*Total*
At 1 January 2025	28,852,939	115,458,817	3,362,980	-	1,014,615	94,230	148,783,581
Changes from financing cash flows							
Proceeds from issuance	87,913,386	110,721,591	21,531,152	170,903	-	-	220,337,032
Repayment of borrowings	(56,699,511)	(43,085,303)	(3,355,750)	-	-	-	(103,140,564)
Interest paid	(439,959)	(4,381,692)	(335,167)	(8,852)	-	-	(5,165,670)
Payment of lease liabilities	-	-	-	-	(529,728)	-	(529,728)
Dividend paid	-	-	-	-	-	(5,703,386)	(5,703,386)
Total changes from financing cash flows	30,773,916	63,254,596	17,840,235	162,051	(529,728)	(5,703,386)	105,797,684
Other changes							
Interest expenses	901,669	4,090,404	444,449	8,852	33,263	-	5,478,637
New leases	-	-	-	-	494,111	-	494,111
Dividends declared	-	-	-	-	-	6,119,086	6,119,086
Exchange differences	(199,147)	287,982	-	-	-	-	88,835
Total other changes	702,522	4,378,386	444,449	8,852	527,374	6,119,086	12,180,669
At 31 December 2025	60,329,377	183,091,799	21,647,664	170,903	1,012,261	509,930	266,761,934

	Short-term debt instruments	*Long-term bonds*	*Short-term bank loans*	*Long-term bank loans*	*Lease liabilities*	*Dividends payable to ordinary shareholders and perpetural subordinated bonds*	*Total*
At 1 January 2024	25,475,507	159,816,001	11,478,573	647,052	1,468,161	145,230	199,030,524
Changes from financing cash flows							
Proceeds from issuance	36,075,820	-	3,355,750	-	-	-	39,431,570
Repayment of borrowings	(31,906,954)	(44,310,354)	(11,377,260)	(642,200)	-	-	(88,236,768)
Interest paid	(1,582,413)	(4,610,987)	(314,768)	(44,278)	-	-	(6,552,446)
Payment of lease liabilities	-	-	-	-	(623,242)	-	(623,242)
Dividend paid	-	-	-	-	-	(6,280,608)	(6,280,608)
Total changes from financing cash flows	2,586,453	(48,921,341)	(8,336,278)	(686,478)	(623,242)	(6,280,608)	(62,261,494)
Other changes							
Interest expenses	525,412	4,752,586	220,685	34,669	50,632	-	5,583,984
New leases	-	-	-	-	346,016	-	346,016
Dividends declared	-	-	-	-	-	6,229,608	6,229,608
Exchange differences	265,567	(188,429)	-	4,757	-	-	81,895
Others	-	-	-	-	(226,952)	-	(226,952)
Total other changes	790,979	4,564,157	220,685	39,426	169,696	6,229,608	12,014,551
At 31 December 2024	28,852,939	115,458,817	3,362,980	-	1,014,615	94,230	148,783,581

43 Short-term bank loans

	As at 31 December	
	2025	2024
Credit loans	20,879,927	2,983,239
Pledged loans	767,737	379,741
Total	21,647,664	3,362,980

As of 31 December 2025, the interest rates for short-term loans were in the range of 2.70% - 5.13% per annum (as of 31 December 2024: 3.30% - 6.30% per annum).

44 Short-term debt instruments issued

As at 31 December 2025

Name	Par value	Issuance date	Due date	Issue amount	Nominal interest rate
	Original currency			Original currency	
24 HUATAI S1	RMB2,000,000	18/10/2024	18/3/2025	RMB2,000,000	1.96%
24 HUATAI S2	RMB4,800,000	13/11/2024	13/5/2025	RMB4,800,000	1.90%
24 HUATAI S3	RMB1,000,000	13/11/2024	13/11/2025	RMB1,000,000	1.92%
24 HUATAI S4	RMB6,000,000	10/12/2024	10/6/2025	RMB6,000,000	1.75%
24 HUATAI S6	RMB3,000,000	24/12/2024	24/8/2025	RMB3,000,000	1.67%
25 HUATAI S1	RMB3,200,000	8/1/2025	16/10/2025	RMB3,200,000	1.60%
25 HUATAI S2	RMB5,000,000	15/4/2025	15/10/2025	RMB5,000,000	1.78%
25 HUATAI S3	RMB3,000,000	23/4/2025	23/3/2026	RMB3,000,000	1.77%
25 HUATAI S3 (reopen)	RMB1,000,000	23/4/2025	23/3/2026	RMB1,000,000	1.77%
25 HUATAI S4	RMB5,000,000	23/7/2025	23/7/2026	RMB5,000,000	1.64%
25 HUATAI S5	RMB5,000,000	28/7/2025	28/6/2026	RMB5,000,000	1.72%
25 HUATAI S5 (reopen)	RMB1,300,000	28/7/2025	28/6/2026	RMB1,300,000	1.72%
25 HUATAI S6	RMB5,000,000	5/8/2025	5/3/2026	RMB5,000,000	1.63%
25 HUATAI S7	RMB2,500,000	7/8/2025	7/11/2025	RMB2,500,000	1.56%
25 HUATAI S8	RMB2,500,000	7/8/2025	7/7/2026	RMB2,500,000	1.65%
25 HUATAI S8(reopen)	RMB5,000,000	7/8/2025	7/7/2026	RMB5,000,000	1.65%
25 HUATAI S9	RMB3,500,000	19/8/2025	19/2/2026	RMB3,500,000	1.72%
25 HUA S10	RMB1,200,000	19/8/2025	19/8/2026	RMB1,200,000	1.70%
25 HUATAI D1	RMB3,000,000	12/9/2025	12/5/2026	RMB3,000,000	1.76%
25 HUATAI D2	RMB2,000,000	9/10/2025	9/6/2026	RMB2,000,000	1.80%
25 HUA S11	RMB5,000,000	23/12/2025	23/12/2026	RMB5,000,000	1.71%
HUATAI B2601a	USD20,000	23/10/2025	22/1/2026	USD20,000	4.26%
HUATAI B2601b	USD30,000	23/10/2025	27/1/2026	USD30,000	4.26%
HUATAI B2601c	USD80,000	23/10/2025	27/1/2026	USD80,000	4.28%
HUATAI B2602a	USD50,000	4/11/2025	3/2/2026	USD50,000	4.23%
HUATAI B2602b	USD50,000	4/11/2025	4/2/2026	USD50,000	4.23%
HUATAI B2602c	USD50,000	10/11/2025	10/2/2026	USD50,000	4.23%
HUATAI B2602d	USD50,000	10/11/2025	11/2/2026	USD50,000	4.23%
HUATAI B2602e	USD30,000	19/8/2025	12/2/2026	USD30,000	0.00%
HUATAI B2602f	USD54,000	12/11/2025	12/2/2026	USD54,000	4.26%
HUATAI B2602g	USD50,000	10/11/2025	12/2/2026	USD50,000	4.23%
HUATAI B2602h	USD25,000	13/8/2025	13/2/2026	USD25,000	4.55%
HUATAI B2602i	USD30,000	27/8/2025	27/2/2026	USD30,000	0.00%

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
HUATAI B2603a	USD25,800	2/12/2025	3/3/2026	USD25,800	4.17%
HUATAI B2603b	USD40,000	27/8/2025	4/3/2026	USD40,000	4.43%
HUATAI B2603c	USD25,000	9/12/2025	10/3/2026	USD25,000	4.21%
HUATAI B2603d	USD31,000	9/12/2025	10/3/2026	USD31,000	4.15%
HUATAI B2603e	USD25,000	12/12/2025	11/3/2026	USD25,000	4.15%
HUATAI B2603f	USD30,000	12/12/2025	12/3/2026	USD30,000	4.21%
HUATAI B2603g	USD50,000	16/12/2025	17/3/2026	USD50,000	4.00%
HUATAI B2603h	USD50,000	25/11/2025	25/3/2026	USD50,000	4.28%
HUATAI B2603i	USD50,000	25/11/2025	26/3/2026	USD50,000	4.25%
HUATAI B2603j	USD50,000	25/11/2025	26/3/2026	USD50,000	4.28%
HUATAI B2604a	HKD385,000	22/10/2025	22/4/2026	HKD385,000	0.00%
HUATAI B2605a	USD50,000	10/11/2025	12/5/2026	USD50,000	4.18%
HUATAI B2605b	USD80,000	18/11/2025	19/5/2026	USD80,000	SOFR Compounded Index + 0.43%
HUATAI B2605c	USD40,000	20/11/2025	20/5/2026	USD40,000	SOFR Compounded Index + 0.43%
HUATAI B2605d	USD80,000	25/11/2025	27/5/2026	USD80,000	SOFR Compounded Index + 0.44%
HUATAI B2606a	USD66,000	3/12/2025	3/6/2026	USD66,000	0.00%
HUATAI B2606b	USD20,000	10/12/2025	10/6/2026	USD20,000	4.15%
HUATAI B2606c	USD55,000	15/12/2025	10/6/2026	USD55,000	SOFR Compounded Index + 0.53%
HUATAI B2606d	USD55,000	16/12/2025	11/6/2026	USD55,000	SOFR Compounded Index + 0.53%
HUATAI B2612a	USD80,000	17/12/2025	10/12/2026	USD80,000	SOFR Compounded Index + 0.57%
HUATAI B2612b	HKD430,000	29/12/2025	17/12/2026	HKD430,000	3.09%
HUATAI B2612c	HKD620,000	29/12/2025	18/12/2026	HKD620,000	3.09%
Structured notes [1]	RMB6,222,520	Note(1)	Note(1)	RMB6,222,520	Note(1)

Name	*Book value as at 1 January 2025*	*Increase*	*Decrease*	*Book value as at 31 December 2025*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
24 HUATAI S1	2,008,009	8,207	(2,016,216)	-
24 HUATAI S2	4,812,160	33,066	(4,845,226)	-
24 HUATAI S3	1,002,560	16,640	(1,019,200)	-
24 HUATAI S4	6,006,210	46,146	(6,052,356)	-
24 HUATAI S6	3,001,077	32,277	(3,033,354)	-
25 HUATAI S1	-	3,239,418	(3,239,418)	-
25 HUATAI S2	-	5,044,620	(5,044,620)	-
25 HUATAI S3	-	3,036,580	-	3,036,580
25 HUATAI S3(reopen)	-	1,012,292	-	1,012,292
25 HUATAI S4	-	5,036,151	-	5,036,151
25 HUATAI S5	-	5,036,758	-	5,036,758
25 HUATAI S5(reopen)	-	1,309,627	-	1,309,627
25 HUATAI S6	-	5,033,082	-	5,033,082
25 HUATAI S7	-	2,509,830	(2,509,830)	-
25 HUATAI S8	-	2,516,522	-	2,516,522
25 HUATAI S8(reopen)	-	5,033,229	-	5,033,229
25 HUATAI S9	-	3,522,170	-	3,522,170
25 HUA S10	-	1,207,513	-	1,207,513
25 HUATAI D1	-	3,015,987	-	3,015,987
25 HUATAI D2	-	2,008,300	-	2,008,300
25 HUA S11	-	5,000,319	-	5,000,319
HUATAI B2601a	-	141,754	-	141,754
HUATAI B2601b	-	212,631	-	212,631
HUATAI B2601c	-	567,037	-	567,037
HUATAI B2602a	-	353,869	-	353,869
HUATAI B2602b	-	353,869	-	353,869
HUATAI B2602c	-	353,622	-	353,622
HUATAI B2602d	-	353,622	-	353,622
HUATAI B2602e	-	209,923	-	209,923
HUATAI B2602f	-	381,838	-	381,838
HUATAI B2602g	-	353,622	-	353,622
HUATAI B2602h	-	175,758	-	175,758
HUATAI B2602i	-	209,515	-	209,515
HUATAI B2603a	-	181,979	-	181,979
HUATAI B2603b	-	281,212	-	281,212
HUATAI B2603c	-	176,210	-	176,210
HUATAI B2603d	-	218,468	-	218,468
HUATAI B2603e	-	176,122	-	176,122
HUATAI B2603f	-	211,378	-	211,378
HUATAI B2603g	-	351,961	-	351,961
HUATAI B2603h	-	353,020	-	353,020
HUATAI B2603i	-	353,009	-	353,009
HUATAI B2603j	-	353,020	-	353,020
HUATAI B2604a	-	344,227	-	344,227
HUATAI B2605a	-	353,597	-	353,597
HUATAI B2605b	-	565,205	-	565,205
HUATAI B2605c	-	282,538	-	282,538
HUATAI B2605d	-	564,758	-	564,758

Name	*Book value as at 1 January 2025*	*Increase*	*Decrease*	*Book value as at 31 December 2025*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
HUATAI B2606a	-	455,751	-	455,751
HUATAI B2606b	-	140,946	-	140,946
HUATAI B2606c	-	387,395	-	387,395
HUATAI B2606d	-	387,350	-	387,350
HUATAI B2612a	-	563,360	-	563,360
HUATAI B2612b	-	388,440	-	388,440
HUATAI B2612c	-	560,076	-	560,076
Structured notes [1]	12,022,923	23,600,094	(29,379,252)	6,243,765
Total	28,852,939	88,615,910	(57,139,472)	60,329,377

As at 31 December 2024

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
23 HUATAI S3	RMB3,000,000	13/11/2023	13/9/2024	RMB3,000,000	2.67%
23 HUATAI S4	RMB4,000,000	20/11/2023	20/9/2024	RMB4,000,000	2.65%
23 HUATAI S5	RMB2,000,000	8/12/2023	8/7/2024	RMB2,000,000	2.81%
23 HUATAI S6	RMB5,000,000	19/12/2023	19/3/2024	RMB5,000,000	2.75%
24 HUATAI S1	RMB2,000,000	18/10/2024	18/3/2025	RMB2,000,000	1.96%
24 HUATAI S2	RMB4,800,000	13/11/2024	13/5/2025	RMB4,800,000	1.90%
24 HUATAI S3	RMB1,000,000	13/11/2024	13/11/2025	RMB1,000,000	1.92%
24 HUATAI S4	RMB6,000,000	10/12/2024	10/6/2025	RMB6,000,000	1.75%
24 HUATAI S6	RMB3,000,000	24/12/2024	24/8/2025	RMB3,000,000	1.67%
HUATAI B2401a	USD25,800	13/1/2023	12/1/2024	USD25,800	5.00%
HUATAI B2401b	USD20,000	19/1/2023	19/1/2024	USD20,000	5.75%
HUATAI B2402a	USD15,000	3/2/2023	2/2/2024	USD15,000	0.00%
HUATAI B2402b	USD20,600	6/2/2023	5/2/2024	USD20,600	0.00%
HUATAI B2403a	USD30,000	27/3/2023	27/3/2024	USD30,000	5.60%
HUATAI B2405b	HKD475,000	5/5/2023	3/5/2024	HKD475,000	4.60%
HUATAI B2406c	USD50,000	13/6/2023	13/6/2024	USD50,000	5.95%
HUATAI B2401c	USD27,500	18/7/2023	18/1/2024	USD27,500	6.17%
HUATAI B2407a	USD11,000	19/7/2023	19/7/2024	USD11,000	6.17%
HUATAI B2401d	HKD100,000	19/7/2023	19/1/2024	HKD100,000	5.36%
HUATAI B2401e	USD20,000	24/7/2023	24/1/2024	USD20,000	6.07%
HUATAI B2407b	USD19,000	27/7/2023	26/7/2024	USD19,000	0.00%
HUATAI B2401h	USD15,000	31/7/2023	31/1/2024	USD15,000	6.15%
HUATAI B2401i	HKD100,000	31/7/2023	31/1/2024	HKD100,000	5.55%
HUATAI B2407c	USD10,000	2/8/2023	31/7/2024	USD10,000	SOFR + 0.95%
HUATAI B2408a	USD15,000	3/8/2023	1/8/2024	USD15,000	SOFR + 0.95%
HUATAI B2408b	USD15,000	4/8/2023	2/8/2024	USD15,000	SOFR + 0.95%
HUATAI B2408c	USD10,000	4/8/2023	2/8/2024	USD10,000	SOFR + 0.95%
HUATAI B2408d	USD15,000	10/8/2023	9/8/2024	USD15,000	6.05%
HUATAI B2402j	USD30,000	18/8/2023	21/2/2024	USD30,000	6.14%
HUATAI B2402k	HKD29,000	22/8/2023	22/2/2024	HKD29,000	5.50%
HUATAI B2402l	USD5,800	22/8/2023	22/2/2024	USD5,800	6.10%
HUATAI B2409a	USD65,000	12/9/2023	11/9/2024	USD65,000	6.00%
HUATAI B2403b	USD18,050	22/9/2023	22/3/2024	USD18,050	0.00%

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
HUATAI B2409b	USD13,150	22/9/2023	20/9/2024	USD13,150	0.00%
HUATAI B2403c	USD60,000	27/9/2023	26/3/2024	USD60,000	6.00%
HUATAI B2409c	RMB400,000	28/9/2023	24/9/2024	RMB400,000	3.78%
HUATAI B2404	USD10,000	17/10/2023	17/4/2024	USD10,000	6.31%
HUATAI B2410a	RMB650,000	20/10/2023	16/10/2024	RMB650,000	3.80%
HUATAI B2401f	USD16,750	25/10/2023	25/1/2024	USD16,750	0.00%
HUATAI B2405c	USD14,500	25/10/2023	2/5/2024	USD14,500	0.00%
HUATAI B2407d	USD15,000	27/10/2023	27/7/2024	USD15,000	6.36%
HUATAI B2401g	USD10,000	27/10/2023	27/1/2024	USD10,000	6.27%
HUATAI B2407e	USD10,000	27/10/2023	27/7/2024	USD10,000	6.36%
HUATAI B2411a	USD30,000	6/11/2023	4/11/2024	USD30,000	0.00%
HUATAI B2402c	USD18,000	7/11/2023	7/2/2024	USD18,000	6.30%
HUATAI B2402g	USD17,000	9/11/2023	15/2/2024	USD17,000	6.30%
HUATAI B2402h	USD15,000	10/11/2023	15/2/2024	USD15,000	6.30%
HUATAI B2402e	USD10,000	10/11/2023	9/2/2024	USD10,000	5.87%
HUATAI B2411b	USD35,000	13/11/2023	8/11/2024	USD35,000	0.00%
HUATAI B2402d	USD18,200	13/11/2023	8/2/2024	USD18,200	0.00%
HUATAI B2402f	USD20,000	14/11/2023	14/2/2024	USD20,000	0.00%
HUATAI B2402i	USD15,460	15/11/2023	15/2/2024	USD15,460	0.00%
HUATAI B2405d	USD10,000	21/11/2023	21/5/2024	USD10,000	6.46%
HUATAI B2405e	HKD200,000	28/11/2023	28/5/2024	HKD200,000	6.04%
HUATAI B2409d	USD95,000	6/12/2023	6/9/2024	USD95,000	6.00%
HUATAI B2406d	USD25,000	7/12/2023	7/6/2024	USD25,000	6.40%
HUATAI B2406e	USD10,000	7/12/2023	7/6/2024	USD10,000	6.36%
HUATAI B2403d	USD40,000	8/12/2023	8/3/2024	USD40,000	0.00%
HUATAI B2406f	USD20,000	8/12/2023	7/6/2024	USD20,000	0.00%
HUATAI B2407f	USD35,000	22/1/2024	22/7/2024	USD35,000	5.85%
HUATAI B2407g	HKD100,000	22/1/2024	22/7/2024	HKD100,000	5.09%
HUATAI B2407h	USD60,000	25/1/2024	25/7/2024	USD60,000	0.00%
HUATAI B2405f	USD35,000	26/1/2024	14/5/2024	USD35,000	0.00%
HUATAI B2405g	RMB100,000	1/2/2024	10/5/2024	RMB100,000	0.00%
HUATAI B2405h	HKD81,000	2/2/2024	16/5/2024	HKD81,000	5.04%
HUATAI B2405i	USD10,000	6/2/2024	21/5/2024	USD10,000	5.99%
HUATAI B2405j	RMB300,000	6/2/2024	21/5/2024	RMB300,000	3.00%
HUATAI B2406g	USD20,000	7/2/2024	7/6/2024	USD20,000	5.97%
HUATAI B2408e	USD10,000	7/2/2024	7/8/2024	USD10,000	5.89%
HUATAI B2408f	RMB200,000	8/2/2024	8/8/2024	RMB200,000	3.10%
HUATAI B2408g	USD34,300	15/2/2024	15/8/2024	USD34,300	5.96%
HUATAI B2408h	USD20,000	15/2/2024	15/8/2024	USD20,000	5.85%
HUATAI B2405k	USD10,000	16/2/2024	30/5/2024	USD10,000	5.97%
HUATAI B2411c	USD50,000	9/5/2024	7/11/2024	USD50,000	6.00%
HUATAI B2411d	USD50,000	10/5/2024	8/11/2024	USD50,000	6.00%
HUATAI B2409e	USD20,000	6/6/2024	6/9/2024	USD20,000	5.00%
HUATAI B2409f	USD30,000	6/6/2024	6/9/2024	USD30,000	5.85%
HUATAI B2412a	USD42,000	11/6/2024	11/12/2024	USD42,000	5.81%
HUATAI B2410b	USD30,000	11/7/2024	11/10/2024	USD30,000	5.72%
HUATAI B2410c	USD30,000	15/7/2024	15/10/2024	USD30,000	5.71%
Structured notes [1]	RMB12,788,986	Note (1)	Note (1)	RMB12,788,986	Note (1)

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
23 HUATAI S3	3,010,680	53,400	(3,064,080)	-
23 HUATAI S4	4,012,072	70,667	(4,082,739)	-
23 HUATAI S5	2,003,626	28,100	(2,031,726)	-
23 HUATAI S6	5,004,805	22,917	(5,027,722)	-
24 HUATAI S1	-	2,008,009	-	2,008,009
24 HUATAI S2	-	4,812,160	-	4,812,160
24 HUATAI S3	-	1,002,560	-	1,002,560
24 HUATAI S4	-	6,006,210	-	6,006,210
24 HUATAI S6	-	3,001,077	-	3,001,077
HUATAI B2401a	191,563	3,331	(194,894)	-
HUATAI B2401b	149,401	2,678	(152,079)	-
HUATAI B2402a	105,865	1,992	(107,857)	-
HUATAI B2402b	145,320	2,804	(148,124)	-
HUATAI B2403a	215,457	6,365	(221,822)	-
HUATAI B2405b	442,864	14,550	(457,414)	-
HUATAI B2406c	365,627	15,646	(381,273)	-
HUATAI B2401c	200,207	3,767	(203,974)	-
HUATAI B2407a	80,069	3,907	(83,976)	-
HUATAI B2401d	92,848	2,258	(95,106)	-
HUATAI B2401e	143,770	2,222	(145,992)	-
HUATAI B2407b	130,051	6,568	(136,619)	-
HUATAI B2401h	108,958	2,216	(111,174)	-
HUATAI B2401i	92,760	2,435	(95,195)	-
HUATAI B2407c	71,515	3,797	(75,312)	-
HUATAI B2408a	107,254	5,715	(112,969)	-
HUATAI B2408b	107,235	5,696	(112,931)	-
HUATAI B2408c	71,490	3,797	(75,287)	-
HUATAI B2408d	108,645	5,720	(114,365)	-
HUATAI B2402j	217,250	5,198	(222,448)	-
HUATAI B2402k	491	27,109	(27,600)	-
HUATAI B2402l	851	42,154	(43,005)	-
HUATAI B2409a	467,832	27,983	(495,815)	-
HUATAI B2403b	126,129	3,659	(129,788)	-
HUATAI B2409b	89,161	5,394	(94,555)	-
HUATAI B2403c	431,221	13,080	(444,301)	-
HUATAI B2409c	403,780	11,216	(414,996)	-
HUATAI B2404	71,719	2,455	(74,174)	-
HUATAI B2410a	654,445	20,052	(674,497)	-
HUATAI B2401f	118,128	2,313	(120,441)	-
HUATAI B2405c	100,618	3,644	(104,262)	-
HUATAI B2407d	107,402	5,600	(113,002)	-
HUATAI B2401g	71,590	1,442	(73,032)	-
HUATAI B2407e	71,601	3,734	(75,335)	-
HUATAI B2411a	201,570	14,145	(215,715)	-
HUATAI B2402c	128,623	2,844	(131,467)	-

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
HUATAI B2402g	121,435	2,857	(124,292)	-
HUATAI B2402h	107,130	2,521	(109,651)	-
HUATAI B2402e	71,365	1,583	(72,948)	-
HUATAI B2411b	235,040	16,627	(251,667)	-
HUATAI B2402d	128,016	2,851	(130,867)	-
HUATAI B2402f	140,531	3,279	(143,810)	-
HUATAI B2402i	108,628	2,537	(111,165)	-
HUATAI B2405d	71,297	2,930	(74,227)	-
HUATAI B2405e	182,247	8,538	(190,785)	-
HUATAI B2409d	673,468	40,368	(713,836)	-
HUATAI B2406d	177,726	7,789	(185,515)	-
HUATAI B2406e	71,086	3,144	(74,230)	-
HUATAI B2403d	279,875	7,745	(287,620)	-
HUATAI B2406f	137,712	6,098	(143,810)	-
HUATAI B2407f	-	259,029	(259,029)	-
HUATAI B2407g	-	94,954	(94,954)	-
HUATAI B2407h	-	431,430	(431,430)	-
HUATAI B2405f	-	251,667	(251,667)	-
HUATAI B2405g	-	100,000	(100,000)	-
HUATAI B2405h	-	76,086	(76,086)	-
HUATAI B2405i	-	73,161	(73,161)	-
HUATAI B2405j	-	302,589	(302,589)	-
HUATAI B2406g	-	146,672	(146,672)	-
HUATAI B2408e	-	74,023	(74,023)	-
HUATAI B2408f	-	203,092	(203,092)	-
HUATAI B2408g	-	254,065	(254,065)	-
HUATAI B2408h	-	148,016	(148,016)	-
HUATAI B2405k	-	73,144	(73,144)	-
HUATAI B2411c	-	370,192	(370,192)	-
HUATAI B2411d	-	370,249	(370,249)	-
HUATAI B2409e	-	145,647	(145,647)	-
HUATAI B2409f	-	218,871	(218,871)	-
HUATAI B2412a	-	310,774	(310,774)	-
HUATAI B2410b	-	218,800	(218,800)	-
HUATAI B2410c	-	218,862	(218,862)	-
Structured notes [(1)]	2,745,458	15,124,024	(5,846,559)	12,022,923
Total	25,475,507	36,866,800	(33,489,368)	28,852,939

(1) During the year ended 31 December 2025, the Company issued 137 tranches of structured notes classified as short-term financing payables and repayable within 1 year, with the outstanding notes bearing interest ranging from 1.55% to 2.05% per annum. Structured notes repayable more than 1 year are classified as "Long-term bonds" (Note 53). (During the year ended 31 December 2024, the Company issued 186 tranches of structured notes classified as short-term financing payables, with the outstanding notes bearing interest ranging from 1.78% to 6.58% per annum).

45 Placements from other financial institutions

Current

	As at 31 December	
	2025	2024
Placements from banks	**36,052,947**	30,113,661
Placements from refinancing business	**1,082,020**	-
Total	**37,134,967**	30,113,661

As at 31 December 2025, the placements from banks are unsecured, bearing interest of 1.30% - 4.00% per annum, with maturities within 173 days (as at 31 December 2024, the placements from banks are unsecured, bearing interest of 1.40% - 5.17% per annum, with maturities within 114 days), and the placements from CSF are secured by the securities and refundable deposits held by the Group, bearing interest of 1.82%per annum, with maturities within 146 days (as at 31 December 2024: the placements from CSF is nil).

46 Accounts payable to brokerage clients

Current

	As at 31 December	
	2025	2024
Clients' deposits for brokerage trading	**214,764,655**	162,456,364
Clients' deposits for margin financing and securities lending	**26,145,771**	22,130,612
Total	**240,910,426**	184,586,976

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of these businesses.

47 Employee benefits payable

Non-current

	As at 31 December	
	2025	2024
Salaries, bonuses and allowance	**6,901,015**	6,116,922

Current

	As at 31 December	
	2025	2024
Salaries, bonuses and allowance	**4,066,419**	4,194,639
Contribution to pension scheme	**306**	203
Other social welfare	**435,652**	394,171
Total	**4,502,377**	4,589,013

48 Other payables and accruals

Non-current

	As at 31 December	
	2025	2024
Lease liabilities		
1 to 2 years (inclusive)	**299,145**	296,568
2 to 5 years (inclusive)	**270,432**	251,721
After 5 years	**32,907**	33,657
Total	**602,484**	581,946

The Group's leases are mainly land and buildings for operations. Most lease contracts are entered into terms from 1 year to 5 years.

(1) During year of 2025, the expenses related to short-term leases and low-value leases of RMB49 million (2024: RMB31 million) were recognised in profit or loss.

(2) As at 31 December 2025, the cash flows of lease contracts signed by the Group but lease not yet commenced are insignificant.

Current

	As at 31 December	
	2025	2024
Trade payable	**91,600,769**	67,027,191
Payable to brokers, dealers and clearing house	**9,104,084**	3,967,684
Payable to open-ended funds	**5,016,231**	1,008,569
Other tax payable	**601,936**	344,952
Restrictive repurchase obligation	**7,102**	100,545
Lease liabilities	**409,777**	432,669
Fee and commission payable	**104,135**	42,640
Futures risk reserve	**286,834**	261,750
Payable to outsourcing service	**131,908**	115,275
Payable to the securities investor protection fund	**64,931**	66,545
Funds payable to securities issuers	**59,892**	69,650
Payable for office building construction	**1,170**	20,635
Dividend payable	**13,097**	13,097
Accrued liabilities[(1)]	**693,794**	746,108
Interest payable on perpetual bonds	**509,930**	94,230
Others[(2)]	**1,310,122**	1,124,879
Total	**109,915,712**	75,436,419

(1) The balance of accrued liabilities mainly represents the provisions accrued for the outstanding litigations amounting to RMB694 million. (Note 58).

(2) The balance of others mainly represents payable to brokerage agents and sundry payables arising from normal course of business.

49 Contract liabilities

	As at 31 December	
	2025	2024
Advance fee and commission	**223,153**	104,280
Advance consideration from commodity trading	**-**	412
Total	**223,153**	104,692

50 Financial assets sold under repurchase agreements

(a) Analysed by collateral type:

	As at 31 December	
	2025	2024
Debt securities	**141,066,211**	113,398,845
Equity securities	**7,090,311**	7,649,323
Total	**148,156,522**	121,048,168

As at 31 December 2025, the Group's pledged collateral in connection with financial assets sold under repurchase agreements amounted to RMB187,866 million (as at 31 December 2024: RMB154,418 million).

(b) Analysed by market:

	As at 31 December	
	2025	2024
Inter-bank market	**106,502,625**	73,799,904
Shanghai stock exchange	**27,138,152**	33,351,190
Shenzhen stock exchange	**14,515,745**	13,897,074
Total	**148,156,522**	121,048,168

51 Financial liabilities at fair value through profit or loss

Non-current

	As at 31 December	
	2025	2024
Financial liabilities designated at fair value through profit or loss	**3,051,669**	6,973,421

Current

	As at 31 December	
	2025	2024
Financial liabilities held for trading	**25,031,028**	26,585,600
Financial liabilities designated at fair value through profit or loss	**8,339,221**	6,889,311
Total	**33,370,249**	33,474,911

In the consolidated financial statements, the financial liabilities arising from consolidation of structured entities and private funds with the underlying investments related to listed equity investments in active markets and unlisted equity investments are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon maturity dates of the structured entities based on net book value and related terms of those consolidated asset management schemes or private equity funds.

In the consolidated financial statements, certain structured notes are designated at fair value through profit or loss by the Group, as the host contracts of structured notes contains embedded derivatives.

In the consolidated financial statements, certain bonds are designated at fair value through profit or loss by the Group, as the designation can significantly reduce the accounting mismatch.

As at 31 December 2025, there were no significant fair value changes related to changes in the credit risk of the Group (as at 31 December 2024: nil).

52 Long-term bonds due within one year

As at 31 December 2025

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
22 HUATAI G4	RMB2,000,000	5/9/2022	5/9/2025	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	13/9/2022	13/9/2025	RMB3,000,000	2.50%
22 HUATAI 10	RMB2,000,000	12/12/2022	12/12/2025	RMB2,000,000	3.35%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G8	RMB1,700,000	10/5/2023	10/7/2025	RMB1,700,000	2.82%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 13	RMB1,000,000	16/10/2023	16/10/2025	RMB1,000,000	2.80%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
25 HUATAI G1	RMB1,800,000	5/2/2025	5/4/2026	RMB1,800,000	1.85%
25 HUATAI G5	RMB2,000,000	6/3/2025	6/6/2026	RMB2,000,000	2.05%
25 HUATAI G7	RMB5,000,000	17/3/2025	17/4/2026	RMB5,000,000	2.03%
25 HUATAI G8	RMB3,600,000	24/3/2025	24/8/2026	RMB3,600,000	2.02%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	14/9/2022	14/9/2025	RMB3,025,000	2.85%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR Compounded Index + 0.9%
Structured notes [1]	RMB22,500,000	Note (1)	Note (1)	RMB22,500,000	Note (1)

Name	*Book value as at 1 January 2025*	*Increase*	*Decrease*	*Book value as at 31 December 2025*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
20 HUATAI G3	3,568,003	33,497	(3,601,500)	-
20 HUATAI G4	3,058,606	37,394	(3,096,000)	-
20 HUATAI C1	5,029,184	194,816	(5,224,000)	-
21 HUATAI C1	-	9,779,371	(405,000)	9,374,371
21 HUATAI G4	-	6,360,951	(222,600)	6,138,351
21 HUATAI G6	-	2,116,347	(72,600)	2,043,747
22 HUATAI G1	5,122,256	17,244	(5,139,500)	-
22 HUATAI G4	2,015,855	34,545	(2,050,400)	-
22 HUATAI G5	3,021,831	53,169	(3,075,000)	-
22 HUATAI 10	2,003,097	63,903	(2,067,000)	-
23 HUATAI G1	4,114,609	2,191	(4,116,800)	-
23 HUATAI G2	823,152	848	(824,000)	-
23 HUATAI G4	-	4,776,326	(145,350)	4,630,976
23 HUATAI G6	-	1,586,587	(47,100)	1,539,487
23 HUATAI G8	1,730,847	17,093	(1,747,940)	-
23 HUATAI 10	-	2,071,237	(52,800)	2,018,437
23 HUATAI 11	-	2,591,997	(72,250)	2,519,747
23 HUATAI 13	1,005,674	22,326	(1,028,000)	-
23 HUATAI 15	-	1,032,564	(28,300)	1,004,264
23 HUATAI F2	-	2,894,078	(85,960)	2,808,118
23 HUATAI F4	-	3,714,856	(110,880)	3,603,976
25 HUATAI G1	-	1,829,978	-	1,829,978
25 HUATAI G5	-	2,033,319	-	2,033,319
25 HUATAI G7	-	5,079,242	-	5,079,242
25 HUATAI G8	-	3,655,422	-	3,655,422
HUATAI B2604	-	3,683,495	(152,528)	3,530,967
HUATAI B2503	7,245,831	30,432	(7,276,263)	-
HUATAI B2509	3,048,491	64,761	(3,113,252)	-
HUATAI B2608	-	3,083,935	(215,873)	2,868,062
HUATAI B2611	-	6,075,289	(428,321)	5,646,968
Structured notes [(i)]	-	24,970,373	(2,229,532)	22,740,841
Total	41,787,436	87,907,586	(46,628,749)	83,066,273

As at 31 December 2024

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
21 HUATAI G1	RMB4,000,000	2021/01/20	2024/01/20	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	2021/04/26	2024/04/26	RMB5,000,000	3.42%
21 HUATAI G5	RMB4,000,000	2021/05/24	2024/05/24	RMB4,000,000	3.28%
21 HUATAI G7	RMB2,000,000	2021/06/15	2024/06/15	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	2021/06/21	2024/06/21	RMB2,500,000	3.45%
21 HUATAI 11	RMB1,500,000	2021/09/07	2024/09/07	RMB1,500,000	3.03%
21 HUATAI 13	RMB2,100,000	2021/10/18	2024/10/18	RMB2,100,000	3.25%
21 HUATAI 15	RMB2,200,000	2021/10/25	2024/10/25	RMB2,200,000	3.22%
22 HUATAI G2	RMB2,000,000	2022/08/15	2024/08/15	RMB2,000,000	2.43%
22 HUATAI G3	RMB3,000,000	2022/08/26	2024/08/26	RMB3,000,000	2.33%
22 HUATAI G6	RMB3,600,000	2022/11/21	2024/11/21	RMB3,600,000	2.87%
22 HUATAI G8	RMB1,500,000	2022/12/05	2024/12/05	RMB1,500,000	2.87%
22 HUATAI 12	RMB4,000,000	2022/12/22	2024/12/22	RMB4,000,000	3.24%
20 HUATAI G3	RMB3,500,000	2020/04/29	2025/04/29	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	2020/05/21	2025/05/21	RMB3,000,000	3.20%
22 HUATAI G1	RMB5,000,000	2022/02/14	2025/02/14	RMB5,000,000	2.79%
22 HUATAI G4	RMB2,000,000	2022/09/05	2025/09/05	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	2022/09/13	2025/09/13	RMB3,000,000	2.50%
22 HUATAI 10	RMB2,000,000	2022/12/12	2025/12/12	RMB2,000,000	3.35%
23 HUATAI G1	RMB4,000,000	2023/01/10	2025/01/10	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	2023/01/16	2025/01/16	RMB800,000	3.00%
23 HUATAI G8	RMB1,700,000	2023/05/10	2025/07/10	RMB1,700,000	2.82%
23 HUATAI 13	RMB1,000,000	2023/10/16	2025/10/16	RMB1,000,000	2.80%
20 HUATAI C1	RMB5,000,000	2020/11/13	2025/11/13	RMB5,000,000	4.48%
HUATAI B2404	USD900,000	2021/04/09	2024/04/09	USD900,000	1.30%
HUATAI B2503	USD1,000,000	2022/03/03	2025/03/03	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	2022/09/14	2025/09/14	RMB3,025,000	2.85%
Structured notes [(1)]	RMB500,843	Note (1)	Note (1)	RMB500,843	Note (1)

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
21 HUATAI G1	4,135,816	7,384	(4,143,200)	-
21 HUATAI G3	5,115,842	55,158	(5,171,000)	-
21 HUATAI G5	4,078,828	52,372	(4,131,200)	-
21 HUATAI G7	2,036,717	31,283	(2,068,000)	-
21 HUATAI 09	2,545,126	41,124	(2,586,250)	-
21 HUATAI 11	1,514,151	31,299	(1,545,450)	-
21 HUATAI 13	2,113,824	54,426	(2,168,250)	-
21 HUATAI 15	2,213,012	57,828	(2,270,840)	-
22 HUATAI G2	2,017,898	30,702	(2,048,600)	-
22 HUATAI G3	3,023,508	46,392	(3,069,900)	-
22 HUATAI G6	3,611,143	92,177	(3,703,320)	-
22 HUATAI G8	1,502,580	40,470	(1,543,050)	-
22 HUATAI 12	4,001,636	127,964	(4,129,600)	-
20 HUATAI G3	-	3,669,503	(101,500)	3,568,003
20 HUATAI G4	-	3,154,606	(96,000)	3,058,606
22 HUATAI G1	-	5,261,756	(139,500)	5,122,256
22 HUATAI G4	-	2,066,255	(50,400)	2,015,855
22 HUATAI G5	-	3,096,831	(75,000)	3,021,831
22 HUATAI 10	-	2,070,097	(67,000)	2,003,097
23 HUATAI G1	-	4,231,409	(116,800)	4,114,609
23 HUATAI G2	-	847,152	(24,000)	823,152
23 HUATAI G8	-	1,778,787	(47,940)	1,730,847
23 HUATAI 13	-	1,033,674	(28,000)	1,005,674
20 HUATAI C1	-	5,253,184	(224,000)	5,029,184
HUATAI B2404	6,388,692	67,244	(6,455,936)	-
HUATAI B2503	-	7,416,677	(170,846)	7,245,831
HUATAI B2509	-	3,135,411	(86,920)	3,048,491
Structured notes (1)	504,716	-	(504,716)	-
Total	44,803,489	43,751,165	(46,767,218)	41,787,436

(1) As at 31 December 2025, 9 tranches structured notes would mature within one year (as at 31 December 2024: nil).

53 Long-term bonds

As at 31 December 2025

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G9(reopen)	RMB5,100,000	10/5/2023	10/5/2028	RMB5,100,000	3.07%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 14	RMB1,600,000	16/10/2023	16/10/2033	RMB1,600,000	3.35%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI 16	RMB2,500,000	6/11/2023	6/11/2033	RMB2,500,000	3.30%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
25 HUATAI G1	RMB1,800,000	5/2/2025	5/4/2026	RMB1,800,000	1.85%
25 HUATAI G3	RMB3,000,000	27/2/2025	27/2/2027	RMB3,000,000	2.05%
25 HUATAI G4	RMB1,900,000	27/2/2025	27/2/2028	RMB1,900,000	2.05%
25 HUATAI G3(reopen)	RMB5,000,000	27/2/2025	27/2/2027	RMB5,000,000	2.05%
25 HUATAI G5	RMB2,000,000	6/3/2025	6/6/2026	RMB2,000,000	2.05%
25 HUATAI G6	RMB2,700,000	6/3/2025	6/9/2027	RMB2,700,000	2.05%
25 HUATAI G6(reopen)	RMB6,000,000	6/3/2025	6/9/2027	RMB6,000,000	2.05%
25 HUATAI G7	RMB5,000,000	17/3/2025	17/4/2026	RMB5,000,000	2.03%
25 HUATAI G8	RMB3,600,000	24/3/2025	24/8/2026	RMB3,600,000	2.02%
HUATAI KC01	RMB700,000	13/5/2025	13/5/2028	RMB700,000	1.71%
25 HUATAI C1	RMB1,200,000	15/8/2025	15/8/2030	RMB1,200,000	2.13%
25 HUATAI F1	RMB2,600,000	8/9/2025	8/4/2027	RMB2,600,000	1.92%
25 HUATAI C2	RMB2,000,000	10/9/2025	10/9/2030	RMB2,000,000	2.19%
25 HUATAI F2	RMB1,000,000	12/9/2025	12/4/2027	RMB1,000,000	1.95%
25 HUATAI G9	RMB4,000,000	18/9/2025	18/9/2027	RMB4,000,000	1.91%
25 HUATAI C3	RMB1,000,000	22/9/2025	22/9/2030	RMB1,000,000	2.24%
25 HUATAI F3	RMB1,400,000	9/10/2025	9/5/2027	RMB1,400,000	1.95%
25 HUATAI 12	RMB1,000,000	13/10/2025	13/8/2030	RMB1,000,000	2.20%
25 HUATAI 11	RMB6,300,000	13/10/2025	13/10/2028	RMB6,300,000	2.06%
25 HUATAI C4	RMB4,100,000	14/10/2025	14/10/2028	RMB4,100,000	2.26%

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
25 HUATAI C5	RMB900,000	14/10/2025	14/10/2030	RMB900,000	2.38%
25 HUATAI 14	RMB2,000,000	16/10/2025	16/9/2030	RMB2,000,000	2.20%
25 HUATAI 13	RMB2,000,000	16/10/2025	16/11/2028	RMB2,000,000	2.02%
25 HUATAI 15	RMB3,200,000	7/11/2025	7/12/2028	RMB3,200,000	1.85%
25 HUATAI 16	RMB1,700,000	7/11/2025	7/10/2030	RMB1,700,000	2.00%
25 HUATAI C6	RMB1,500,000	11/11/2025	11/11/2028	RMB1,500,000	2.03%
25 HUATAI C7	RMB1,100,000	11/11/2025	11/11/2030	RMB1,100,000	2.20%
25 HUATAI 17	RMB2,830,000	24/11/2025	24/11/2028	RMB2,830,000	1.88%
25 HUATAI 18	RMB870,000	24/11/2025	24/11/2030	RMB870,000	1.99%
25 HUATAI STIB01A	RMB300,000	22/12/2025	22/12/2028	RMB300,000	1.76%
25 HUATAI STIB01B	RMB700,000	22/12/2025	22/12/2030	RMB700,000	1.85%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR Compounded Index + 0.9%
HUATAI B2809a	HKD2,000,000	22/9/2025	22/9/2028	HKD2,000,000	3.00%
HUATAI B2809b	RMB1,700,000	22/9/2025	22/9/2028	RMB1,700,000	3.09%
HUATAI B2809c	USD500,000	25/9/2025	25/9/2028	USD500,000	SOFR Compounded Index + 0.57%
Structured notes [1]	RMB3,700,000	Note (1)	Note (1)	RMB3,700,000	Note (1)

Name	*Book value as at 1 January 2025*	*Increase*	*Decrease*	*Book value as at 31 December 2025*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
21 HUATAI C1	9,372,484	-	(9,372,484)	-
21 HUATAI G4	6,137,126	-	(6,137,126)	-
21 HUATAI G6	2,043,339	-	(2,043,339)	-
21 HUATAI 12	2,731,010	102,236	(102,060)	2,731,186
21 HUATAI 14	3,427,207	135,726	(135,660)	3,427,273
21 HUATAI 16	1,107,874	43,362	(43,340)	1,107,896
22 HUATAI G7	1,404,773	44,578	(44,520)	1,404,831
22 HUATAI 11	500,702	17,525	(17,450)	500,777
23 HUATAI G3	2,066,135	69,725	(69,600)	2,066,260
23 HUATAI G4	4,630,454	-	(4,630,454)	-
23 HUATAI G5	4,118,397	135,738	(135,600)	4,118,535
23 HUATAI G6	1,539,390	-	(1,539,390)	-
23 HUATAI G7	2,261,440	74,004	(73,920)	2,261,524
23 HUATAI G9(reopen)	-	5,329,180	-	5,329,180
23 HUATAI G9	713,590	21,529	(21,490)	713,629
23 HUATAI 10	2,018,026	-	(2,018,026)	-
23 HUATAI 11	2,519,358	-	(2,519,358)	-
23 HUATAI 14	1,610,498	53,671	(53,600)	1,610,569
23 HUATAI 15	1,004,212	-	(1,004,212)	-
23 HUATAI 16	2,512,149	82,534	(82,500)	2,512,183
23 HUATAI F2	2,808,118	-	(2,808,118)	-
23 HUATAI F4	3,602,869	-	(3,602,869)	-
25 HUATAI G1	-	1,829,978	(1,829,978)	-
25 HUATAI G3	-	3,050,159	-	3,050,159
25 HUATAI G4	-	1,931,545	-	1,931,545
25 HUATAI G3(reopen)	-	5,096,786	-	5,096,786
25 HUATAI G5	-	2,033,319	(2,033,319)	-
25 HUATAI G6	-	2,744,050	-	2,744,050
25 HUATAI G6(reopen)	-	6,116,412	-	6,116,412
25 HUATAI G7	-	5,079,242	(5,079,242)	-
25 HUATAI G8	-	3,655,422	(3,655,422)	-
HUATAI KC01	-	707,101	-	707,101
25 HUATAI C1	-	1,208,880	-	1,208,880
25 HUATAI F1	-	2,614,088	-	2,614,088
25 HUATAI C2	-	2,011,708	-	2,011,708
25 HUATAI F2	-	1,005,295	-	1,005,295
25 HUATAI G9	-	4,018,384	-	4,018,384
25 HUATAI C3	-	1,005,255	-	1,005,255
25 HUATAI F3	-	1,405,393	-	1,405,393
25 HUATAI 12	-	1,003,817	-	1,003,817
25 HUATAI 11	-	6,324,216	-	6,324,216
25 HUATAI C4	-	4,116,760	-	4,116,760
25 HUATAI C5	-	903,891	-	903,891
25 HUATAI 14	-	2,007,270	-	2,007,270
25 HUATAI 13	-	2,006,560	-	2,006,560

Name	*Book value as at 1 January 2025*	*Increase*	*Decrease*	*Book value as at 31 December 2025*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
25 HUATAI 15	-	3,205,654	-	3,205,654
25 HUATAI 16	-	1,703,355	-	1,703,355
25 HUATAI C6	-	1,503,462	-	1,503,462
25 HUATAI C7	-	1,102,786	-	1,102,786
25 HUATAI 17	-	2,832,614	-	2,832,614
25 HUATAI 18	-	870,889	-	870,889
25 HUATAI STIB01A	-	299,821	-	299,821
25 HUATAI STIB01B	-	699,597	-	699,597
HUATAI B2604	3,609,339	-	(3,609,339)	-
HUATAI B2608	2,927,397	-	(2,927,397)	-
HUATAI B2611	5,777,948	-	(5,777,948)	-
HUATAI B2809a	-	1,821,494	-	1,821,494
HUATAI B2809b	-	1,714,592	-	1,714,592
HUATAI B2809c	-	3,559,958	(51,613)	3,508,345
Structured notes [1]	3,227,546	3,701,504	(3,227,546)	3,701,504
Total	73,671,381	91,001,065	(64,646,920)	100,025,526

As at 31 December 2024

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
22 HUATAI G4	RMB2,000,000	5/9/2022	5/9/2025	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	13/9/2022	13/9/2025	RMB3,000,000	2.50%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI 10	RMB2,000,000	12/12/2022	12/12/2025	RMB2,000,000	3.35%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G8	RMB1,700,000	10/5/2023	10/7/2025	RMB1,700,000	2.82%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 13	RMB1,000,000	16/10/2023	16/10/2025	RMB1,000,000	2.80%
23 HUATAI 14	RMB1,600,000	16/10/2023	16/10/2033	RMB1,600,000	3.35%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI 16	RMB2,500,000	6/11/2023	6/11/2033	RMB2,500,000	3.30%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	14/9/2022	14/9/2025	RMB3,025,000	2.85%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR Compounded Index + 0.9%
Structured notes [(1)]	RMB3,030,000	Note (1)	Note (1)	RMB3,030,000	Note (1)

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
20 HUATAI G3	3,567,318	-	(3,567,318)	-
20 HUATAI G4	3,058,017	-	(3,058,017)	-
21 HUATAI G4	6,135,944	223,782	(222,600)	6,137,126
21 HUATAI G6	2,042,945	72,994	(72,600)	2,043,339
21 HUATAI 12	2,730,840	102,230	(102,060)	2,731,010
21 HUATAI 14	3,427,143	135,724	(135,660)	3,427,207
21 HUATAI 16	1,107,853	43,361	(43,340)	1,107,874
22 HUATAI G1	5,120,528	-	(5,120,528)	-
22 HUATAI G4	2,015,297	-	(2,015,297)	-
22 HUATAI G5	3,020,889	-	(3,020,889)	-
22 HUATAI G7	1,404,717	44,576	(44,520)	1,404,773
22 HUATAI 10	2,002,581	-	(2,002,581)	-
22 HUATAI 11	500,628	17,524	(17,450)	500,702
23 HUATAI G1	4,113,345	-	(4,113,345)	-
23 HUATAI G2	822,900	-	(822,900)	-
23 HUATAI G3	2,065,894	69,841	(69,600)	2,066,135
23 HUATAI G4	4,629,523	146,281	(145,350)	4,630,454
23 HUATAI G5	4,117,997	136,000	(135,600)	4,118,397
23 HUATAI G6	1,539,132	47,358	(47,100)	1,539,390
23 HUATAI G7	2,261,221	74,139	(73,920)	2,261,440
23 HUATAI G8	1,730,405	-	(1,730,405)	-
23 HUATAI G9	713,520	21,560	(21,490)	713,590
23 HUATAI 10	2,017,583	53,243	(52,800)	2,018,026
23 HUATAI 11	2,518,935	72,673	(72,250)	2,519,358
23 HUATAI 13	1,005,417	-	(1,005,417)	-
23 HUATAI 14	1,610,427	53,671	(53,600)	1,610,498
23 HUATAI 15	1,003,315	29,197	(28,300)	1,004,212
23 HUATAI 16	2,510,029	84,620	(82,500)	2,512,149
23 HUATAI F2	2,808,118	85,960	(85,960)	2,808,118
23 HUATAI F4	3,601,796	111,953	(110,880)	3,602,869
20 HUATAI C1	5,028,420	-	(5,028,420)	-
21 HUATAI C1	9,370,679	406,805	(405,000)	9,372,484
HUATAI B2604	3,550,894	130,349	(71,904)	3,609,339
HUATAI B2503	7,123,519	-	(7,123,519)	-
HUATAI B2509	3,044,890	-	(3,044,890)	-
HUATAI B2608	2,876,402	201,996	(151,001)	2,927,397
HUATAI B2611	5,685,678	452,832	(360,562)	5,777,948
Structured notes [(1)]	3,127,773	99,773	-	3,227,546
Total	115,012,512	2,918,442	(44,259,573)	73,671,381

(1) The Company has issued 9 tranches of long-term structured notes for the year ended 31 December 2025 (for the year ended 31 December 2024: nil). As at 31 December 2025, 9 tranches of long-term structured notes due within one year is classified as "Long-term bonds due within one year" (as at 31 December 2024: nil) (Note 52).

54 Long-term bank loans

(a) Analysed by nature:

	As at 31 December	
	2025	2024
Unsecured bank loans	**170,903**	-
Less: credit bank loans due within one year	**-**	-
Total	**170,903**	-

(b) Analysed by maturity:

	As at 31 December	
	2025	2024
Maturity within five years	**170,903**	-

55 Share capital, reserves and retained profits

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

					Reserves						
	Note	*Share capital*	*Other equity instruments*	*Treasury shares*	*Capital reserve*	*Surplus reserve*	*General reserve*	*Fair value reserve*	*Translation reserve*	*Retained profits*	*Total*
As at 31 December 2024		9,027,302	28,300,000	(100,545)	67,224,708	9,727,062	19,668,929	408,439	18,981	26,611,439	160,886,315
Other		-	-	-	-	4,839	9,679	-	-	33,875	48,393
As at 1 January 2025		9,027,302	28,300,000	(100,545)	67,224,708	9,731,901	19,678,608	408,439	18,981	26,645,314	160,934,708
Changes in equity for 2025											
Profit for the year		-	-	-	-	-	-	-	-	10,525,066	10,525,066
Other comprehensive income		-	-	-	-	-	-	454,595	-	-	454,595
Total comprehensive income		-	-	-	-	-	-	454,595	-	10,525,066	10,979,661
Issue of perpetual subordinated bonds		-	5,000,000	-	(5,189)	-	-	-	-	-	4,994,811
Equity-settled share-based payments		-	-	90,439	5,094	-	-	-	-	-	95,533
Acquisition of treasury shares		(438)	-	3,004	(2,566)	-	-	-	-	-	-
Appropriation to surplus reserve		-	-	-	-	1,123,051	-	-	-	(1,123,051)	-
Appropriation to general reserve		-	-	-	-	-	2,247,440	-	-	(2,247,440)	-
Dividends declared to ordinary shareholders for the year		-	-	-	-	-	-	-	-	(4,694,131)	(4,694,131)
Dividends payable to perpetual subordinated bonds		-	-	-	-	-	-	-	-	(1,412,970)	(1,412,970)
Other comprehensive income that has been reclassified to retained profits		-	-	-	-	-	-	(705,443)	-	705,443	-
Others		-	-	-	788	-	-	-	-	-	788
As at 31 December 2025	64	9,026,864	33,300,000	(7,102)	67,222,835	10,854,952	21,926,048	157,591	18,981	28,398,231	170,898,400

	Note	Share capital	Other equity instruments	Treasury shares	Reserves					Retained profits	Total
					Capital reserve	Surplus reserve	General reserve	Fair value reserve	Translation reserve		
As at 1 January 2024		9,074,663	25,700,000	(1,064,173)	67,999,460	8,838,000	17,889,908	35,605	18,981	26,560,769	155,053,213
Changes in equity for 2024											
Profit for the year		-	-	-	-	-	-	-	-	8,890,757	8,890,757
Other comprehensive income		-	-	-	-	-	-	372,834	-	-	372,834
Total comprehensive income		-	-	-	-	-	-	372,834	-	8,890,757	9,263,591
Issue of perpetual subordinated bonds		-	2,600,000	-	(2,698)	-	-	-	-	-	2,597,302
Equity-settled share-based payments		-	-	112,478	31,852	-	-	-	-	-	144,330
Acquisition of treasury shares		(47,361)	-	851,150	(803,789)	-	-	-	-	-	-
Appropriation to surplus reserve		-	-	-	-	889,076	-	-	-	(889,076)	-
Appropriation to general reserve		-	-	-	-	-	1,779,050	-	-	(1,779,050)	-
Dividends declared to ordinary shareholders for the year		-	-	-	-	-	-	-	-	(5,236,731)	(5,236,731)
Dividends payable to perpetual subordinated bonds		-	-	-	-	-	-	-	-	(935,130)	(935,130)
Others		-	-	-	(117)	(14)	(29)	-	-	(100)	(260)
As at 31 December 2024	64	9,027,302	28,300,000	(100,545)	67,224,708	9,727,062	19,668,929	408,439	18,981	26,611,439	160,886,315

(b) Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	As at 31 December 2025		As at 31 December 2024	
	Number of shares (Thousand)	Nominal value	Number of shares (Thousand)	Nominal value
Registered, issued and fully paid:				
A shares of RMB1 each	**7,307,818**	**7,307,818**	7,308,256	7,308,256
H shares of RMB1 each	**1,719,046**	**1,719,046**	1,719,046	1,719,046
Total	**9,026,864**	**9,026,864**	9,027,302	9,027,302

On 1 June 2015, the Company completed its initial public offering of 1,400,000,000 H shares on the Main Board of the Hong Kong Stock Exchange. On 19 June 2015, the Company partially exercised the over-allotment option and issued 162,768,800 H shares.

According to the relevant requirements of PRC regulators, existing shareholders of the state-owned shares of the Company have transferred an aggregate number of 156,276,880 state-owned shares of the Company to the National Social Security Fund of the PRC, and such shares were then converted into H shares on a one-for-one basis.

In July 2018, the Company completed private placement of issuance of 1,088,731,200 new A shares.

On 20 June 2019, the Company completed its issuance of 75,013,636 GDRs, representing 750,136,360 underlying A shares, and listed on the London Stock Exchange. On 27 June 2019, the Company exercised the over-allotment option and issued additional 7,501,364 GDRs, representing 75,013,640 underlying A shares. In total, the Company has issued 82,515,000 GDRs, representing 825,150,000 new A shares with nominal value of RMB1.00 each. The total paid-up share capital of the Company after the change was RMB9,076,650,000.

In 2022, the Company completed the repurchase and cancellation of 1,060,973 restricted A Shares, after which the Company's registered capital was RMB9,075,589,027 and the total share capital of the Company was 9,075,589,027 shares of RMB1 each.

In 2023, the Company completed the repurchase and cancellation of 925,692 restricted A Share, after which the Company's registered capital was RMB9,074,663,335 and the total share capital of the Company was 9,074,663,335 shares of RMB1 each.

In January 2024, the Company completed the repurchase and cancellation of 45,278,495 A-share shares stored in the Company's special securities account, after which the Company's registered capital was RMB 9,029,384,840 and the total share capital of the Company was 9,029,384,840 shares of RMB1 each.

In September 2024, the Company completed the repurchase and cancellation of 2,082,559 restricted A Share, after which the Company's registered capital was RMB 9,027,302,281 and the total share capital of the Company was 9,027,302,281 shares of RMB1 each.

In September 2025, the Company completed the repurchase and cancellation of 438,495 restricted A-share stocks, after which the Company's registered capital was RMB 9,026,863,786 and the total share capital of the Company was 9,026,863,786 shares of RMB 1 each.

The H shares and GDRs representing A shares rank pari passu in all respects with the existing A shares including the right to receive all dividends and distributions declared or made.

(c) Other equity instruments

	As at 31 December	
	2025	2024
Perpetual subordinated bonds	**33,300,000**	28,300,000

As approved by the CSRC, the Company issued nine batches of perpetual subordinated bonds ("21 Huatai Y1", "21 Huatai Y2", "21 Huatai Y3", "22 Huatai Y1", "22 Huatai Y2", "22 Huatai Y3","23 Huatai Y1","23 Huatai Y2" , "24 Huatai Y1" and"25 Huatai Y1") with an initial interest rate of 3.85%, 4.00%, 3.80%, 3.49%, 3.59%, 3.20%, 3.46%, 3.58%, 2.39% and 2.12% on 15 September 2021, 26 October 2021, 16 November 2021, 26 January 2022, 11 July 2022, 21 October 2022, 8 September 2023, 20 October 2023, 26 November 2024 and 26 May 2025, respectively. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 200 or 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

For the year ended 31 December 2025, the Company recognised interest payable to the perpetual subordinated bonds amounted to RMB 1,412,970 thousand (for the year ended 31 December 2024: RMB 935,130 thousand).

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the Group's statement of financial position.

(d) Treasury shares

	As at 1 January 2025	Increase for the year	Decrease for the year	As at 31 December 2025
Restricted Share Incentive Scheme of A Shares	100,545	-	(93,443)	7,102

On 29 April 2025, the Board and the Supervisory Committee of the Company respectively considered and approved the proposal on the achievement of the conditions of unlocking third lock-up period of Restricted Share Incentive Scheme of A Shares. Based on the achievement of performance conditions at the company level and individual level, the total number of restricted shares that could be unlocked this time was 12,427,384 shares, and the restricted shares that were unlocked for sale would be listed and circulated on 20 May 2025, and shares subject to selling restrictions was reduced to 1,498,495 Shares in total. According to the Restricted Share Incentive Scheme of A Shares Plan, the share repurchase's obligation was reduced accordingly by RMB 89.73 million.

On 20 June 2025, in accordance with the resolution of the 2024 Annual General Meeting of Shareholders of the Company, the "Proposal on the 2024 Annual Profit Distribution of the Company" was adopted. It was confirmed that the 2024 annual profit distribution of the Company will be in the form of cash dividends, with a cash dividend of RMB 0.37 per share (inclusive of tax) to be distributed to shareholders. The 2024 annual cash dividends of the Company would be paid on 15 August 2025. According to the Restricted Share Incentive Scheme of A Shares Plan, dividends were distributed on the remaining 1,498,495 restricted shares that have been granted, and the corresponding share repurchase obligation was reduced by RMB 0.55 million.

On 29 April 2025, the Board and the Supervisory Committee of the Company respectively considered and approved the "Proposal on the Company's Repurchase and Cancellation of Part of A Share Restricted Shares". On 20 June 2025, the 2024 Annual General Meeting of Shareholders, the First A Share Class Meeting in 2025 and the First H Share Class Meeting in 2025 were held, which respectively considered and approved the aforesaid proposal. It was confirmed that a total of 438,495 A share restricted shares that had been granted but not yet unlocked held by 143 incentive participants would be repurchased and cancelled at a repurchase price of RMB 7.22 per share. On 29 August 2025, the Board and the Supervisory Committee of the Company respectively considered and approved the "Proposal on the Adjustment of the Repurchase Price under the Company's Restricted Share Incentive Scheme of A Shares", adjusting the repurchase price from RMB 7.22 per share to RMB 6.85 per share. On 11 September 2025, the Company completed the repurchase and cancellation of the aforesaid 438,495 restricted shares, and the corresponding share repurchase obligation was reduced accordingly by RMB 3.00 million.

On 17 October 2025, the First Extraordinary General Meeting of Shareholders in 2025 was held, which considered and approved the "Proposal on the Company's 2025 Interim Profit Distribution". It was confirmed that the 2025 interim profit distribution of the Company will be in the form of cash dividends, with a cash dividend of RMB 0.15 per share (inclusive of tax) to be distributed to shareholders. The 2025 interim cash dividends of the Company were paid on 12 December 2025. According to the Restricted Share Incentive Scheme of A Shares Plan, dividends were distributed on the remaining 1,060,000 restricted shares that have been granted, and the corresponding share repurchase obligation was reduced by RMB 0.16 million.

(e) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

(f) Surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

(g) General reserve

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates 10% from its annual net profit to the transaction risk reserve.

In accordance with the requirements of the CSRC No. 94 Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds, the Company appropriates 2.5% from its fund custody fee income to the general risk reserve.

The Company's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

(h) Fair value reserve

The fair value reserve comprises:

- The cumulative net changes in the fair value of equity securities designated at FVOCI; and

- The cumulative net changes in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

(i) Cash flow hedges reserve

The cash flow hedges reserve comprises the effective portion of the gain or loss on the hedging instrument.

(j) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

(k) Dividends

Pursuant to the resolution of the general meeting of the shareholders dated 20 June 2025, the Company was approved to distribute cash dividends of RMB3.70 (tax inclusive) per 10 shares to the shareholders based on 9,027,302,281 shares, with total cash dividends amounting to RMB3,340 million(tax inclusive). The cash dividends of the Company were paid on 15 August 2025(For the year ended 31 December 2024: RMB4.30 (tax inclusive) per 10 shares total cash dividends amounting to RMB3,883 million(tax inclusive)).

Pursuant to the resolution of the general meeting of the shareholders dated 17 October 2025, the Company resolved to distribute an interim cash dividend for 2025. Based on 9,026,863,786 shares outstanding, calculated by deducting 438,495 A-shares proposed for repurchase and cancellation from the Company's total share capital of 9,027,302,281 shares as of 30 June 2025, a cash dividend of RMB0.15 per share (tax inclusive) will be distributed, total cash dividends amounting to RMB1,354 million (tax inclusive). The interim cash dividends of the Company were paid on 12 December 2025(For the year ended 2024: RMB0.15 (tax inclusive) per share total cash dividends amounting to RMB1,354 million(tax inclusive)).

56 Commitments

(a) Capital commitments

Capital commitments outstanding not provided for in the consolidated financial statements were as follows:

	As at 31 December	
	2025	2024
Contracted, but not provided for	**8,554,035**	7,174,588

The aforementioned capital commitments mainly represent securities underwriting commitments, subscribed capital contributions to funds, construction of properties and purchase of equipment of the Group.

57 Interests in structured entities

(a) Interests in structured entities consolidated by the Group

Structured entities consolidated by the Group mainly stand for the asset management schemes where the Group involves as manager and / or as investor. The Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the asset management schemes to a level of such significance that it indicates that the Group is a principal.

As at 31 December 2025, the Group consolidates 78 structured entities (as at 31 December 2024: 55 structured entities), which are mainly asset management schemes. As at 31 December 2025, the total assets of the consolidated structured entities are RMB 62,418million (as at 31 December 2024: RMB35,723 million), and the carrying amount of interests held by the Group in the consolidated structured entities are RMB 55,249 million (as at 31 December 2024: RMB32,309 million). For the year ended 31 December 2025, the Group did not provide financial support to these structured entities (for the year ended 31 December 2024: nil).

(b) Interests in structured entities sponsored by the Group but not consolidated

Structured entities for which the Group served as general partner or manager, therefore has power over them during the reporting periods are asset management schemes. Except for the structured entities that the Group has consolidated as set out in Note 57(a), the Group's exposure to the variable returns in the remaining structured entities in which the Group has interests is not significant. Besides, the Group did not provide financial support to these structured entities. The Group therefore did not consolidate these structured entities.

As at 31 December 2025, the total assets of these unconsolidated structured entities managed by the Group amounted to RMB 778,286 million (as at 31 December 2024: RMB621,057 million). As at 31 December 2025, the carrying amount of interests held by the Group in these unconsolidated structured entities are RMB 6,122 million (as at 31 December 2024: RMB6,252 million).

During the year ended 31 December 2025, the Group's profit or loss from these unconsolidated structured entities including asset management fee and commission income and net investment losses, amounted to a total gain of RMB 2,017 million (during the year ended 31 December 2024: asset management fee and commission income and net investment gains amounted to a total gain of RMB513 million).

(c) Interests in structured entities sponsored by third party institutions

The types of structured entities sponsored by third party institutions that the Group does not consolidate but in which it holds interests include funds, asset management schemes, trust schemes, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The carrying amount of the related accounts in the consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions are listed as below:

	As at 31 December 2025	
	Financial assets at FVTPL	***Total***
Funds	**86,363,606**	**86,363,606**
Wealth management products	**9,519,749**	**9,519,749**
Debt securities	**393,903**	**393,903**
Total	**96,277,258**	**96,277,258**

	As at 31 December 2024	
	Financial assets at FVTPL	*Total*
Funds	60,952,406	60,952,406
Wealth management products	6,825,830	6,825,830
Debt securities	383,852	383,852
Total	68,162,088	68,162,088

58 Outstanding litigations

From time to time in the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 31 December 2025, based on the court rulings and advices from legal representatives and management judgement, provision had been made to the claim amounts for the major legal action as listed below.

During the year of 2020, the Group's subsidiary Huatai United Securities Co., Ltd. received the Notice of Legal Action and relevant litigation materials sent by Shanghai Financial Court. The plaintiff, Postal Savings Bank of China Co., Ltd., failed to fully cash its investment in "Huatai Magnate Light Asset-backed Securities", sued to the Court to require the manager (the first defendant), the legal adviser (the second defendant), the rating agency (the third defendant), the issuer (the fourth defendant) and Huatai United Securities Co., Ltd., the financial adviser (the fifth defendant), to bear joint and several liability for the compensation for the plaintiff's investment loss of RMB527 million and relevant interest. The Shanghai Financial Court made the judgment of the first instance on 14 April 2023 that Huatai United Securities Co., Ltd. shall bear joint and several liability. Huatai United Securities Co., Ltd. submitted an application for appeal, the second-instance trial officially commenced on 26 December 2024, but no verdict has been rendered as of the approval and issuance date of the financial statements. According to the opinion of the legal representative and the judgment of the management, the Group has accrued provision amounting to RMB 675 million for the claim amount.

During the year of 2024, Zhejiang Securities Co., Ltd. and Zhejiang Securities Asset Management Co., Ltd. filed a tort liability dispute lawsuit against Huatai United Securities Co., Ltd. and the manager, alleging that the defendants' improper performance of duties resulted in substantial losses. The plaintiffs claim joint and several liability for compensation of investment principal and interest totaling RMB 142 million. As at 31 December 2024, the case was under trial. According to the opinion of the legal representative and the judgment of the management, the Group accrued provision amounting to RMB 71 million for the claim amount. During the year of 2025, the aforementioned litigation was withdrawn, and the Group accordingly reversed the corresponding provision of RMB 71 million.

As of December 31, 2025, except for the aforementioned cases, the Group is not involved in any other legal proceedings or arbitrations for which an unfavorable judgment, ruling, or decision, if rendered, would reasonably be expected to result in a material adverse effect on the Group's financial position or operating results.

59 Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

Name of the shareholders	*Place of registration*	*Registered share capital*	*Percentage of equity interest (%)*	*Voting rights (%)*
Jiangsu Guoxin Investment Group Limited	Nanjing	RMB50 billion	15.22	15.22
Jiangsu Communications Holdings Co., Ltd.	Nanjing	RMB16.8 billion	5.42	5.42

The detailed information of the transactions and balances with Group's major shareholders and their subsidiaries is set out in Note 59(b)(i).

(ii) Subsidiaries of the Group

The detailed information of the Group's subsidiaries is set out in Note 24.

(iii) Associates of the Group

The detailed information of the Group's associates is set out in Note 25.

(iv) Joint ventures of the Group

The detailed information of the Group's joint ventures is set out in Note 26.

(v) Other related parties

Other related parties are individuals which include: members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

(b) Related parties transactions and balances

Other than as disclosed elsewhere in these consolidated financial statements, the Group had the following related party transactions and balances:

(i) Transactions and balances between the Group and major shareholders and their subsidiaries:

	As at 31 December	
	2025	*2024*
Balances at the end of the year:		
Right-of-use assets	**-**	142
Other receivables and prepayments	**-**	43
Financial assets at FVTPL	**20,091**	-
Accounts payable to brokerage clients	**239,901**	327,636
Other payables and accruals	**3,211**	3,211

	Year ended 31 December	
	2025	2024
Transactions during the year:		
Fee and commission income	**7,569**	9,064
Net investment gains	**355**	703
Operating expense	**(2,720)**	(3,237)

During the year of 2025, the Group subscribed the bonds issued by major shareholders amounted to RMB20 million(during the year of 2024: nil).

During the year of 2025, the Group did not redeem the bonds issued by major shareholders(during the year of 2024: RMB91 million).

During the year of 2025, the rental expenses incurred by the Group from major shareholders and their subsidiaries amounted to nil(During the year of 2024: RMB0.18 million).

(ii) Transactions and balances between the Group and associates:

	As at 31 December	
	2025	2024
Balances at the end of the year:		
Cash and bank balances	**595,264**	1,240,337
Right-of-use assets	**59,518**	66,870
Accounts receivable	**108,898**	109,501
Other receivables and prepayments	**1,891**	3,204
Financial assets at FVTPL	**-**	30,559
Accounts payable to brokerage clients	**93,271**	77,858
Other payables and accruals	**673**	378
Placements from other financial institutions	**500,044**	-
Lease liabilities	**57,798**	68,342
Short-term bank loans	**30,025**	-

	Year ended 31 December	
	2025	2024
Transactions during the year:		
Fee and commission income	**309,497**	244,139
Fee and commission expenses	**(1,227)**	(777)
Other income and gains	**2,568**	3,233
Operating expense	**(2)**	(546)
Interest income	**22,006**	34,704
Interest expenses	**(5,326)**	(12,413)
Net investment losses	**(280)**	3,491

During the year of 2025, the Group did not subscribed the corporate bond issued by associates (during the year of 2024: RMB31 million).

During the year of 2025, the Group redeemed the bonds issued by the associates amounted to RMB31 million (during the year of 2024: RMB51 million).

During the year of 2025, capital injections made by the Group into the associates amounted to RMB163 million (during the year of 2024: RMB211 million).

During the year of 2025, the divestment made by the Group from the associates amounted to RMB276 million (during the year of 2024: RMB50 million).

During the year of 2025, the Group entered into repurchase agreements with associates for a total amount of RMB32,702 million (during the year of 2024: RMB81,389 million).

During the year of 2025, the Group entered into placements from other financial institutions with associates for a total amount of RMB2,050 million (during the year of 2024: RMB20,500 million).

During the year of 2025, the Group obtained short-term bank loans from an associates for a total amount of RMB30 million (during the year of 2024: nil).

During the year of 2025, the Group entered into bond lending agreement with associates for a total amount of RMB8,140 million (during the year of 2024: RMB2,330 million).

During the year of 2025, the Group entered into bill rediscounting agreements with associates for a total amount of RMB2,762 million (during the year of 2024: nil).

During the year of 2025, the net sale of bonds between the Group and associates amounted to RMB19 million (during the year of 2024: nil).

During the year of 2025, the Group received dividends from associates for a total amounts of RMB2,347 million (during the year of 2024: RMB1,038 million).

During the year of 2025, the rental expenses incurred by the Group from associates for a total amounts of RMB25 million (during the year of 2024: RMB31 million).

(iii) Transactions and balances between the Group and joint ventures:

	As at 31 December	
	2025	*2024*
Balances at the end of the year:		
Accounts receivable	**2,359**	8,168
Accounts payable to brokerage clients	**50,920**	70,950

	Year ended 31 December	
	2025	*2024*
Transactions during the year:		
Fee and commission income	**10,792**	15,772

During the year of 2025, the capital injection made by the Group into the joint venture amounted to RMB352 million (during the year of 2024: RMB75 million). During the year of 2025, the divestment made by the Group from the joint venture amounted to RMB89 million (during the year of 2024: RMB34 million).

(iv) Transactions and balances between the Group and other related parties:

	As at 31 December	
	2025	2024
Balances at the end of the year:		
Accounts payable to brokerage clients	**3,919**	939

	Year ended 31 December	
	2025	2024
Transactions during the year:		
Fee and commission income	**183**	154

(c) Key management personnel remuneration

During the year ended 31 December 2025, the pre-tax remuneration of current year accrued and paid to directors, supervisor and senior management of the Company amounted to RMB18.06 million, the total compensation packages of the directors, supervisor and senior management for the fiscal year 2025 have not been finalised and will be further disclosed when they are confirmed. This amount includes those payable to the Company's directors and supervisors as disclosed in Note 16. For the year ended 31 December 2025, the post-employment benefits of directors, supervisor and senior management amounted to RMB2.73 million (for the year ended 31 December 2024: RMB2.71 million).

(d) Applicability of the Listing Rules relating to connected transactions

The related party transactions set out in Note 59(b) which constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1) and 14A.93.

60 Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided, and the performance measure of business segments utilised by the Group is profit before income tax:

- The wealth management segment engages in the trading of stocks, funds, bonds and futures on behalf of clients, to provide customers with a variety of financial products sales services and asset allocation services. Moreover, the activities of providing margin financing, securities lending, securities-backed lendings and sell financial products are included in this segment.

- The institutional services segment mainly provides investment banking business to clients, research and institutional sales, equity securities investments and transactions, fixed income investments and transactions, OTC financial products and transactions.

- The investment management segment mainly consists of asset management, private equity investment, alternative investments and commodities trading and arbitrage.

- The international business segment mainly includes the overseas business of overseas subsidiaries.

- Other segments include other operations of head office, mainly including interest income, share of profit of associates and joint ventures, interest expenses of working capitals, and costs and expenses of middle offices and back offices.

(a) Business segments

For the year ended 31 December 2025

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	23,567,266	9,853,900	3,654,313	9,451,138	780,124	47,306,741
- Inter-segment	354	39,350	-	-	844,236	883,940
Other income and gains	402,587	208,675	175,336	(721,529)	(130,235)	(65,166)
Segment revenue and other income	23,970,207	10,101,925	3,829,649	8,729,609	1,494,125	48,125,515
Segment expenses	(15,119,252)	(7,146,551)	(1,438,792)	(5,079,508)	(4,289,011)	(33,073,114)
Segment operating profit / (loss)	8,850,955	2,955,374	2,390,857	3,650,101	(2,794,886)	15,052,401
Share of profit of associates and joint ventures	-	-	487,521	3,144	2,866,230	3,356,895
Profit before income tax	8,850,955	2,955,374	2,878,378	3,653,245	71,344	18,409,296
Interest income	10,207,250	1,281,155	85,678	1,501,712	1,140,273	14,216,068
Interest expenses	(2,768,631)	(3,029,183)	(358,210)	(2,677,251)	(1,025,059)	(9,858,334)
Depreciation and amortisation expenses	(533,150)	(149,520)	(72,552)	(178,226)	(561,115)	(1,494,563)
Net (provision for) / reversal of impairment loss on financial assets	(595,920)	(4,333)	(718)	(8,576)	15,833	(593,714)
Segment assets	439,954,441	302,540,223	45,135,652	193,175,011	180,472,262	1,161,277,589
Additions to non-current segment assets during the year	128,492	176,911	17,387	68,255	758,880	1,149,925
Segment liabilities	(434,917,757)	(298,453,506)	(18,978,984)	(167,822,090)	(34,109,048)	(954,281,385)

For the year ended 31 December 2024 (Restated)

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	18,998,372	8,254,568	2,444,882	14,044,736	1,491,570	45,234,128
- Inter-segment	1,938	-	-	-	744,617	746,555
Other income and gains	86,073	(85,012)	214,965	924,035	33,309	1,173,370
Segment revenue and other income	19,086,383	8,169,556	2,659,847	14,968,771	2,269,496	47,154,053
Segment expenses	(12,864,554)	(7,172,421)	(1,530,117)	(8,035,260)	(4,569,796)	(34,172,148)
Segment operating profit	6,221,829	997,135	1,129,730	6,933,511	(2,300,300)	12,981,905
Share of profit of associates and joint ventures	-	25	(767,099)	8,641	3,112,386	2,353,953
Profit before income tax	6,221,829	997,160	362,631	6,942,152	812,086	15,335,858
Interest income	9,364,162	1,378,940	125,641	1,629,306	1,368,675	13,866,724
Interest expenses	(2,981,624)	(3,254,880)	(460,188)	(3,125,104)	(1,367,324)	(11,189,120)
Depreciation and amortisation expenses	(542,946)	(188,263)	(71,322)	(403,144)	(602,981)	(1,808,656)
Net (provision for) / reversal of impairment loss on financial assets	(194,720)	5,011	(1,503)	(38,485)	(16,572)	(246,269)
Segment assets	327,720,741	241,651,881	42,330,013	140,070,224	165,201,418	916,974,277
Additions to non-current segment assets during the year	151,125	222,101	21,756	257,846	1,035,017	1,687,845
Segment liabilities	(322,892,047)	(237,296,888)	(18,742,412)	(117,355,571)	(28,793,438)	(725,080,356)

Reconciliations of segment revenues, profit or loss, assets and liabilities:

	Year ended 31 December	
	2025	2024 (Restated)
Revenue		
Total revenue, gains and other income for segments	**48,125,515**	47,154,053
Elimination of inter-segment revenue	**(905,911)**	(815,772)
Consolidated revenue, gains and other income	**47,219,604**	46,338,281
Profit		
Total profit before income tax for segments	**18,409,296**	15,335,858
Elimination of inter-segment profit	**(4,657)**	16,482
Consolidated profit before income tax	**18,404,639**	15,352,340

	As at 31 December	
	2025	2024
Assets		
Total assets for segments	**1,161,277,589**	916,974,277
Elimination of inter-segment assets	**(83,930,033)**	(102,703,783)
Consolidated total assets	**1,077,347,556**	814,270,494
Liabilities		
Total liabilities for segments	**(954,281,385)**	(725,080,356)
Elimination of inter-segment liabilities	**83,930,033**	102,703,783
Consolidated total liabilities	**(870,351,352)**	(622,376,573)

For the years ended 31 December 2025 and 31 December 2024, the Group's customer base is diversified and no customer had transactions which exceeded 10% of the Group's revenue.

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property and equipment, investment properties, goodwill, land-use rights and other intangible assets, interest in associates, interest in joint ventures and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment and other non-current assets, the location of the operation to which they are allocated, in the case of goodwill, land-use rights and other intangible assets, and the location of operations, in the case of interest in associates and interest in joint ventures.

	Year ended 31 December 2025			*Year ended 31 December 2024 (Restated)*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Revenue from external customers	**37,855,603**	**9,451,138**	**47,306,741**	31,189,392	14,044,737	45,234,129
Other income and gains	**634,392**	**(721,529)**	**(87,137)**	180,118	924,034	1,104,152
Total	**38,489,995**	**8,729,609**	**47,219,604**	31,369,510	14,968,771	46,338,281

	Year ended 31 December 2025			*Year ended 31 December 2024*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Specified non-current assets	**31,696,785**	**1,433,889**	**33,130,674**	30,727,297	718,465	31,445,762

61 Financial instruments and risk management

(a) Risk management policies and structure

(i) Risk management policies

In order to enhance the Group's scientific, standardised and effective management and operation, strengthen the capability of defending against risks and ensure the continuous, stable and rapid development of the Group's businesses, the Group had formulated and continuously improved the Basic System for Risk Management which had been deliberated and approved by the Board of Directors in accordance with the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines on the Internal Control of Securities Companies, the Regulation on Comprehensive Risk Management of Securities Companies and other relevant regulations in combination with the business operation and business management. The Basic System for Risk Management is underpinned by management guidelines covering specialized risk types including market risk, credit risk, operational risk, model risk, liquidity risk, reputation risk, and information technology risk, and implemented through risk management policies for each business line. Relevant systems have been revised and enhanced in accordance with regulatory requirements and internal management practices, covering the full risk management process (risk identification, measurement, monitoring, response and reporting), as well as key areas such as new business risk assessment, stress testing, and authorization management.

The principal types of risk faced by the Group in daily operation mainly include market risk, credit risk, liquidity risk, operational risk, information technology risk, reputational risk, model risk, compliance risk, legal risk, money laundering risk and integrity risk, etc. The Group had formulated corresponding policies and procedures to identify and analyse these risks, and set up risk indicators, risk limits and internal risk control processes in combination with the actual circumstances with a view to continuously manage the above risks through the support of information systems and effective mechanisms.

Risk management is a shared responsibility of all the Group's employees. The Group continuously enhances the risk management awareness and risk sensitivity of all its employees through training and assessment to cultivate the risk management culture.

(ii) Risk governance structure

The Company's risk management organizational structure comprises the Board of Directors, together with its Compliance and Risk Management Committee and Audit Committee, the management team, together with its Risk Management Committee, as well as the Chief Risk Officer, all departments, branches, subsidiaries, the Risk Management Department and the Inspection Department.

The Company's Board of Directors takes ultimate responsibilities for the Company's comprehensive risk management. It is responsible for establishing a risk management philosophy appropriate to the Company, comprehensively promoting the development of risk culture, reviewing and approving the Company's risk management strategy, basic systems for comprehensive risk management, risk appetite and risk tolerance, and reviewing the Company's regular risk assessment reports, etc. The Compliance and Risk Management Committee is set up by the Board to provide opinions for the Board's deliberation and decision-making. The Audit Committee established under the Company's Board of Directors assumes the supervision responsibility for comprehensive risk management and puts forward suggestions for the removal of directors and senior management personnel who are mainly responsible or have leadership responsibility for major risk incidents.

The Company's management team assumes primary responsibility for comprehensive risk management in accordance with the authorization and approval of the Board of Directors. The management team actively practices the Company's risk culture, and is responsible for implementing risk management work, resolving problems existing in risk management and reporting to the Board of Directors. The Company's management team has established a Risk Management Committee under it, which is responsible for coordinating the integrated comprehensive risk management work at home and abroad. The Committee also promotes the establishment and improvement of a risk management system compatible with the Company's development strategy. The Company has appointed a Chief Risk Officer who is responsible for the comprehensive risk management work.

The Company designates the Risk Management Committee and the Risk Management Department to perform risk management duties. Under the leadership of the Chief Risk Officer, they promote comprehensive risk management work, specifically organize, promote and implement various risk management work, and take the lead in managing the Company's market risk, credit risk, operational risk and model risk. The Company designates the Fund Operation Department to take the lead in managing the Company's liquidity risk, the Strategic Development Department to take the

lead in managing the Company's reputation risk, and the Information Technology Department to take the lead in managing the Company's information technology risk.

The person-in-charge of each department, branch and subsidiary of the Company is the primary person responsible for risk management of their respective units, assuming direct responsibility for risk management of their units. In daily work, they promote and supervise employees to practice the Company's risk culture, organize the implementation of the Company's risk management systems, process measures and risk control requirements, and identify, analyze, assess, monitor, control, respond to and report risks from the source.

The Company's Inspection Department incorporates comprehensive risk management into the scope of internal audit, regularly conducts independent and objective review and evaluation on the sufficiency and effectiveness of comprehensive risk management, and supervises the relevant units and personnel to rectify and implement the problems found in the audit.

(b) Credit risk management

Credit risk refers to the risk of loss of the Company resulting from the default of borrowers or bond issuer or counterparty (customer). The Company has established a credit risk management system covering self-owned capital and entrusted funding business. The system is applied to all subsidiaries domestic or overseas, and also to the sub-subsidiaries managed with reference to the subsidiary's management approach, thereby achieving full credit risk management coverage.

The Group mainly faced three types of credit risks, namely (i) the risks of losses arising from customer default; (ii) the risks caused by default of the issuer in bond investment business; (iii) the risks of assets suffering from loss due to the default by the counterparty in transaction business (including guarantee settlement business).

With respect to credit risk management of financing business, the Group implemented stringent control measures through continuous monitoring for risky customers and risky assets and timely risk mitigation. The Company intensified the dynamic counter-cyclical adjustment mechanism, established a market systemic risk monitoring and handling mechanism and strengthened the post-credit management of related businesses, in order to control routine business risks, prevent bottom-line risks and flexibly adjust the business structure.

With respect to credit risk management of issuers, the Company established a unified monitoring management system for issuers to realize the unified monitoring of credit bond targets for the Company's various businesses. In the meantime, the Company deepened the credit bonds' risk management and control in the whole process, established a screening and disposal mechanism of normalization for risky securities, and continuously to strengthen the monitoring and early warning mechanism of bond positions, thereby enhancing the effectiveness of the Company's prevention and control capabilities of credit risk.

With respect to credit risk management of counterparties, the Company constantly promoted the group-level unified counterparty management system and systematic construction, implements strict counterparty credit granting and margin management mechanisms, strengthens continuous monitoring during the survival period, and continuously improves the effectiveness of risk management throughout the business process. For guaranteed settlement business, the Company continued to improve the design of risk indicators, promotes front-end control and enhances the establishment of systematic measures, as well as strengthened its risk event handling and risk transmission control capabilities.

The Company continued to optimize and improve its unified credit risk management system, in order to enhance its ability to cope with the complex external credit environment and provide strong risk control guarantee for the development of various credit businesses. During the reporting period, the Company did not experience any major credit risk events, and its businesses operated smoothly.

The Group provided credit loss allowances for securities-backed lendings of financial assets sold under repurchase agreements. The Group assessed the continuous repayment, solvency and the collateral to loan ratios of the borrowers to analyse the degree of default risk and identified the three stages of credit loss allowances of the securities-backed lendings assets. The details are as below:

Description	Stage of credit loss allowances	
Collateral to loan ratios above the force liquidation thresholds, with no past due days	12-month ECL	Stage 1
Collateral to loan ratios above the force liquidation thresholds, with less than 90 days past due on its contractual payments	Lifetime ECL-not credit impaired	Stage 2
Collateral to loan ratios below the force liquidation thresholds but above 100%, with no past due days		
Collateral to loan ratios below the force liquidation thresholds but above 100%, with less than 90 days past due on its contractual payments		
Collateral to loan ratios below 100%	Lifetime ECL- credit impaired	Stage 3
Collateral to loan ratios above 100%, with more than 90 days past due on its contractual payments		
Borrowers in default or lawsuit		
Borrowers in significant financial difficulties or about to bankruptcy or undertaking a financial restructuring		

The Group set different force liquidation thresholds, normally no less than 130%, for different borrowers and assets.

For assets classified under Stage 1 and Stage 2, the Group assessed credit loss allowances using the risk parameters modeling approach that incorporated key parameters inclusive of collateral to loan ratios and past due days. As at 31 December 2025, the average credit loss rate was 0.38% assets classified under Stage 1 and no asset under Stage 2 (as at 31 December 2024, the average credit loss rate was 0.29% assets classified under Stage 1 and no asset under Stage 2).

For credit impaired assets classified under Stage 3, the Group assessed credit loss allowances taking into account the collateral securities under each contract and the financial situation of the borrower. The factors which the Group considered when assessing the credit loss allowances included but not limited to: the industry sector of the borrower, the stock price of the collateral securities, the average daily trading volume of the stock, the percentage of goodwill of the stock issuer, significant risk parameters of the securities, whether the borrowers are the holding shareholders, the liquidity and restriction on sales, the history of blacklist or defaults of the borrower, the total market pledged ratios of the stock, the collateral situation, and the credit enhancement measures implemented by the borrower. The Group assessed the above factors as well as collateral to loan ratios and past due days to evaluate and provide credit loss allowances, ranging from 10% to 100%.

For margin accounts receivable, the Group classified the exposures into three stages, considering the collateral coverage ratios as the main indicator, the concentration of positions as the supplementary index, and taking into account the borrowers' continuous repayment, the total balance of margin accounts, the liquidity of the collateral and other relevant information. The Group applied corresponding loss rates for assets at different stages, and calculates the expected credit loss accordingly.

As at 31 December 2025, the average credit loss rate was 0.80%, 4.87% and 92.74% for assets classified under Stage 1, 2 and 3, respectively (as at 31 December 2024, the average credit loss rate was 0.52%, 8.33% and 82.99% for assets classified under Stage 1, 2 and 3, respectively).

For credit business, when calculating the expected credit loss, the Group identified a number of indicators from two dimensions: macroeconomic indicators and prosperity survey, taking into account forward-looking information that can be obtained without unnecessary additional costs or efforts. By constructing the relationship between these specific indicators and the loss rate, forward-looking adjustments were made to the expected credit loss of credit business.

Margin accounts receivable	*Stage 1 12m ECL*	*Stage 2 Lifetime ECL (not credit impaired)*	*Stage 3 Lifetime ECL (credit impaired)*	*Total ECL*
As at 1 January, 2025	640,003	964,367	161,254	1,765,624
Changes in the expected credit losses:				
— Transfer to Stage 1	-	-	-	-
— Transfer to Stage 2	(94,503)	94,503	-	-
— Transfer to Stage 3	(692)	(1,308)	2,000	-
— Charged/(credit) to profit or loss	826,803	(227,298)	6,093	605,598
— Other	(826)	(500)	(102)	(1,428)
As at 31 December 2025	1,370,785	829,764	169,245	2,369,794

Financial assets held under resale agreements	*Stage 1 12m ECL*	*Stage 2 Lifetime ECL (not credit impaired)*	*Stage 3 Lifetime ECL (credit impaired)*	*Total ECL*
As at 1 January, 2025	8,918	-	610,091	619,009
Changes in the expected credit losses:				
— Transfer to Stage 1	-	-	-	-
— Transfer to Stage 2	-	-	-	-
— Transfer to Stage 3	-	-	-	-
— Charged/(credit) to profit or loss	15,170	-	(7,664)	7,506
— Other	(115)	-	(2,873)	(2,988)
As at 31 December 2025	23,973	-	599,554	623,527

Debt instruments at fair value through other comprehensive income	*Stage 1 12m ECL*	*Stage 2 Lifetime ECL (not credit impaired)*	*Stage 3 Lifetime ECL (credit impaired)*	*Total ECL*
As at 1 January, 2025	6,164	-	-	6,164
Changes in the expected credit losses:				
— Transfer to Stage 1	-	-	-	-
— Transfer to Stage 2	-	-	-	-
— Transfer to Stage 3	-	-	-	-
— Charge to profit or loss	4,617	-	-	4,617
— Other	(5,345)	-	-	(5,345)
As at 31 December 2025	5,436	-	-	5,436

(i) Maximum exposure to credit riskk

Maximum exposure to credit risk of the Group without taking account of any collateral and other credit enhancements:

	As at 31 December	
	2025	2024
Debt instruments at amortised cost	**44,518,307**	47,793,722
Refundable deposits	**49,391,627**	33,451,298
Accounts receivable	**12,589,543**	5,587,233
Other receivables	**404,684**	219,195
Margin accounts receivable	**186,014,825**	132,546,005
Debt instruments at fair value through other comprehensive income	**44,815,936**	10,135,553
Financial assets held under resale agreements	**17,609,186**	15,228,401
Financial assets at fair value through profit or loss	**172,083,847**	173,544,758
Derivative financial assets	**11,437,030**	9,991,125
Clearing settlement funds	**8,346,763**	11,136,757
Cash held on behalf of brokerage clients	**221,738,092**	170,880,569
Bank balances	**47,693,297**	39,521,272
Assets classified as held for sale	**-**	10,399
Total maximum credit risk exposure	**816,643,137**	650,046,287

The Group's credit risk exposure of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL:

	As at 31 December 2025			
Impairment and loss allowance	*12-month ECL*	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Bank balances	**91**	**-**	**-**	**91**
Cash held on behalf of brokerage clients	**13**	**-**	**-**	**13**
Margin accounts receivable	**1,370,785**	**829,764**	**169,245**	**2,369,794**
Financial assets held under resale agreements	**23,973**	**-**	**599,554**	**623,527**
Accounts receivable	**-**	**90,420**	**49,466**	**139,886**
Debt instruments at amortised cost	**2,957**	**-**	**-**	**2,957**
Debt instruments at fair value through other comprehensive income	**5,436**	**-**	**-**	**5,436**
Other receivables and interest receivable	**77**	**63,551**	**694,652**	**758,280**
Total	**1,403,332**	**983,735**	**1,512,917**	**3,899,984**

	As at 31 December 2024			
Impairment and loss allowance	*12-month ECL*	*Lifetime ECL- not credit impaired*	*Lifetime ECL- credit impaired*	*Total*
Bank balances	351	-	-	351
Cash held on behalf of brokerage clients	15	-	-	15
Margin accounts receivable	640,003	964,367	161,254	1,765,624
Financial assets held under resale agreements	8,918	-	610,091	619,009
Accounts receivable	-	131,600	48,624	180,224
Debt instruments at amortised cost	5,391	-	-	5,391
Debt instruments at fair value through other comprehensive income	6,164	-	-	6,164
Other receivables and interest receivable	179	61,171	706,514	767,864
Total	661,021	1,157,138	1,526,483	3,344,642

(ii) Risk concentrations

The Group's maximum credit risk exposure without taking account of any collateral and other credit enhancements, as categorised by geographical area:

	By geographical area		
	Mainland China	*Outside Mainland China*	*Total*
31 December 2025			
Debt instruments at amortised cost	**44,288,701**	**229,606**	**44,518,307**
Refundable deposits	**41,481,597**	**7,910,030**	**49,391,627**
Accounts receivable	**3,269,827**	**9,319,716**	**12,589,543**
Other receivables	**300,654**	**104,030**	**404,684**
Margin accounts receivable	**182,870,173**	**3,144,652**	**186,014,825**
Debt instruments at fair value through other comprehensive income	**38,049,374**	**6,766,562**	**44,815,936**
Financial assets held under resale agreements	**11,065,541**	**6,543,645**	**17,609,186**
Financial assets at fair value through profit or loss	**143,354,996**	**28,728,851**	**172,083,847**
Derivative financial assets	**4,836,001**	**6,601,029**	**11,437,030**
Clearing settlement funds	**6,749,407**	**1,597,356**	**8,346,763**
Cash held on behalf of brokerage clients	**213,447,415**	**8,290,677**	**221,738,092**
Bank balances	**37,132,688**	**10,560,609**	**47,693,297**
Total maximum credit risk exposure	**726,846,374**	**89,796,763**	**816,643,137**

	By geographical area		
	Mainland China	*Outside Mainland China*	*Total*
31 December 2024			
Debt instruments at amortised cost	47,557,179	236,543	47,793,722
Refundable deposits	25,812,561	7,638,737	33,451,298
Accounts receivable	2,984,582	2,602,651	5,587,233
Other receivables	188,154	31,041	219,195
Margin accounts receivable	130,578,012	1,967,993	132,546,005
Debt instruments at fair value through other comprehensive income	6,692,111	3,443,442	10,135,553
Financial assets held under resale agreements	9,234,426	5,993,975	15,228,401
Financial assets at fair value through profit or loss	143,564,589	29,980,169	173,544,758
Derivative financial assets	4,141,156	5,849,969	9,991,125
Clearing settlement funds	10,505,924	630,833	11,136,757
Cash held on behalf of brokerage clients	167,622,790	3,257,779	170,880,569
Bank balances	23,703,274	15,817,998	39,521,272
Assets classified as held for sale	10,399	-	10,399
Total maximum credit risk exposure	572,595,157	77,451,130	650,046,287

(c) Liquidity risk management

Liquidity risk refers to the risk of the Group not being able to obtain sufficient funds at a reasonable cost in time to meet due debts, perform payment obligations and meet the capital requirements of normal businesses. The Group established a fully functional liquidity risk management system to identify, measure, monitor, control and report on its overall liquidity risk to improve the information of liquidity risk management, enhance the capabilities in the identification, measurement and monitoring of liquidity risk, and strengthen the Group ability in addressing liquidity risk. In addition, the Group also established a right-sized liquidity assets reserves based on the risk appetite and maintained sufficient liquidity assets with high quality to ensure the satisfaction of liquidity needs under stressful scenarios in a timely manner.

The following tables show the details of the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivate financial liabilities. Analysis of non-derivative financial liabilities are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2025								
Financial Liabilities	*Carrying amount*	*Overdue/ repayable on demand*	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Undated*	*Total*
Short-term bank loans	21,647,664	-	8,909,447	5,958,084	6,940,120	-	-	-	21,807,651
Short-term debt instruments issued	60,329,377	-	1,064,829	18,610,453	41,489,372	-	-	-	61,164,654
Placements from other financial institutions	37,134,967	-	32,290,125	3,306,589	1,562,989	-	-	-	37,159,703
Accounts payable to brokerage clients	240,910,426	240,910,426	-	-	-	-	-	-	240,910,426
Other payables and accruals	108,926,702	106,197,608	1,749,417	83,887	322,697	613,738	38,344	-	109,005,691
Financial assets sold under repurchase agreements	148,156,522	-	135,091,139	9,352,165	3,705,188	34,304	-	-	148,182,796
Derivative financial liabilities	18,224,472	-	13,633,500	2,132,884	1,808,320	642,355	7,413	-	18,224,472
Financial liabilities at fair value through profit or loss	36,421,918	16,010,429	878,883	4,901,682	7,660,313	4,321,226	2,747,605	-	36,520,138
Long-term bonds	183,091,799	-	9,536,100	7,637,420	69,168,401	93,104,538	11,989,360	-	191,435,819
Long-term bank loans	170,903	-	-	2,661	8,132	182,827	-	-	193,620
Total	855,014,750	363,118,463	203,153,440	51,985,825	132,665,532	98,898,988	14,782,722	-	864,604,970

	As at 31 December 2024								
Financial Liabilities	*Carrying amount*	*Overdue/ repayable on demand*	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Undated*	*Total*
Short-term bank loans	3,362,980	-	2,273,870	1,087,069	12,635	-	-	-	3,373,574
Short-term debt instruments issued	28,852,939	-	3,197,084	5,425,790	20,714,438	-	-	-	29,337,312
Placements from other financial institutions	30,113,661	-	28,301,738	1,248,620	589,441	-	-	-	30,139,799
Accounts payable to brokerage clients	184,586,976	184,586,976	-	-	-	-	-	-	184,586,976
Other payables and accruals	74,656,220	72,385,981	1,208,179	100,843	322,785	695,835	39,217	-	74,752,840
Financial assets sold under repurchase agreements	121,048,168	-	104,293,812	6,957,041	8,861,069	1,185,205	-	-	121,297,127
Derivative financial liabilities	10,943,785	-	5,216,144	2,879,429	1,891,877	956,016	319	-	10,943,785
Financial liabilities at fair value through profit or loss	40,448,332	14,000,834	1,596,739	1,872,196	6,987,017	19,736,089	1,665,071	-	45,857,946
Liabilities associated with assets classified as held for sale	13,328	8,809	-	659	1,995	2,003	-	-	13,466
Long-term bonds	115,458,817	-	5,415,400	12,933,454	28,488,659	60,862,797	11,717,160	-	119,417,470
Long-term bank loans	-	-	-	-	-	-	-	-	-
Total	609,485,206	270,982,600	151,502,966	32,505,101	67,869,916	83,437,945	13,421,767	-	619,720,295

(d) Market risk management

Market risk refers to the risk of asset loss for the Company due to fluctuations in risk factors such as stock prices, interest rates, exchange rates, and commodities. The objective of market risk management is to manage and control the market risk within the acceptable range and to maximise the risk adjusted return.

(i) Interest rate risk

Interest rate risk refers to the risk that movements in market interest rate will cause fluctuation in the Group's consolidated financial position and cash flow. The Group's interest-bearing assets mainly include bank balances, clearing settlement funds, margin accounts receivable, financial assets purchased under resale agreements, refundable deposits and bond investments; interest-bearing liabilities mainly include short-term bank loans, short-term debt instruments issued, placements from other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients, long-term bonds and long-term bank loans, amongst others.

For financial instruments held on the reporting date that expose the Group to fair value interest rate risk, the Group adopts sensitivity analysis as the primary instrument for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and potential changes to the interest rate on the net profits and shareholders' equity under the assumption that all the other variables remain constant.

The following tables indicate the assets and liabilities as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on which is earlier:

	As at 31 December 2025						
Financial assets	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Unlisted investment in a joint venture at fair value through profit or loss	-	-	-	-	-	297,529	297,529
Debt instruments at amortised cost	59,996	239,982	1,633,456	15,729,578	26,407,785	447,510	44,518,307
Debt instruments at fair value through other comprehensive income	100,173	1,533,361	4,674,560	19,728,059	18,304,981	474,802	44,815,936
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	14,613,478	14,613,478
Financial assets held under resale agreements	11,931,157	1,017,437	3,539,943	1,112,119	-	8,530	17,609,186
Refundable deposits	3,875,785	-	-	-	-	45,515,842	49,391,627
Accounts receivable	-	-	-	-	-	12,589,543	12,589,543
Other receivables	-	-	-	-	-	404,684	404,684
Margin accounts receivable	7,832,813	39,109,769	135,907,604	-	-	3,164,639	186,014,825
Financial assets at fair value through profit or loss	4,878,630	13,520,578	44,326,529	53,212,736	53,349,571	209,654,285	378,942,329
Derivative financial assets	398,930	-	-	-	-	11,038,100	11,437,030
Clearing settlement funds	8,346,763	-	-	-	-	-	8,346,763
Cash held on behalf of brokerage clients	219,332,648	2,200,732	-	-	-	204,712	221,738,092
Cash and bank balances	45,955,411	629,859	1,080,894	-	-	27,391	47,693,555
Total	302,712,306	58,251,718	191,162,986	89,782,492	98,062,337	298,441,045	1,038,412,884

	As at 31 December 2025						
Financial liabilities	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Short-term bank loans	(8,836,033)	(5,886,652)	(6,808,469)	-	-	(116,510)	(21,647,664)
Short-term debt instruments issued	(1,023,664)	(18,182,755)	(40,805,740)	-	-	(317,218)	(60,329,377)
Placements from other financial institutions	(32,268,616)	(3,277,046)	(1,543,901)	-	-	(45,404)	(37,134,967)
Accounts payable to brokerage clients	(240,907,027)	-	-	-	-	(3,399)	(240,910,426)
Other payables and accruals	(34,947)	(74,974)	(299,856)	(569,578)	(32,907)	(107,914,440)	(108,926,702)
Financial assets sold under repurchase agreements	(134,945,107)	(9,327,642)	(3,687,822)	(34,304)	-	(161,647)	(148,156,522)
Derivative financial liabilities	(413,860)	-	-	-	-	(17,810,612)	(18,224,472)
Financial liabilities at fair value through profit or loss	(12,199,177)	(4,901,682)	(7,562,092)	(4,321,226)	(1,862,545)	(5,575,196)	(36,421,918)
Long-term bonds	(9,000,000)	(7,000,000)	(65,748,960)	(87,620,800)	(11,300,000)	(2,422,039)	(183,091,799)
Long-term bank loans	-	(170,903)	-	-	-	-	(170,903)
Total	(439,628,431)	(48,821,654)	(126,456,840)	(92,545,908)	(13,195,452)	(134,366,465)	(855,014,750)
Net interest rate risk exposure	(136,916,125)	9,430,064	64,706,146	(2,763,416)	84,866,885	164,074,580	183,398,134

	As at 31 December 2024						
Financial assets	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Unlisted investment in a joint venture at fair value through profit or loss	-	-	-	-	-	208,769	208,769
Debt instruments at amortised cost	269,990	410,455	6,167,119	11,747,158	28,694,296	504,704	47,793,722
Debt instruments at fair value through other comprehensive income	624,414	866,111	5,213,898	211,894	3,120,396	98,840	10,135,553
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	125,860	125,860
Assets classified as held for sale	10,399	-	-	-	-	318,042	328,441
Financial assets held under resale agreements	11,559,192	292,219	3,037,614	333,951	-	5,425	15,228,401
Refundable deposits	2,601,703	-	-	-	-	30,849,596	33,451,299
Accounts receivable	-	-	-	-	-	5,587,233	5,587,233
Other receivables	-	-	-	-	-	219,195	219,195
Margin accounts receivable	5,052,293	13,443,692	110,672,925	5,543	25,854	3,345,698	132,546,005
Financial assets at fair value through profit or loss	4,963,918	8,073,497	43,536,438	56,636,854	58,353,969	129,973,081	301,537,757
Derivative financial assets	608,203	-	-	-	-	9,382,922	9,991,125
Clearing settlement funds	11,136,757	-	-	-	-	-	11,136,757
Cash held on behalf of brokerage clients	170,669,083	-	46,285	-	-	165,201	170,880,569
Cash and bank balances	31,727,490	5,601,238	2,086,303	-	-	106,427	39,521,458
Total	239,223,442	28,687,212	170,760,582	68,935,400	90,194,515	180,890,993	778,692,144

	As at 31 December 2024						
Financial liabilities	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Short-term bank loans	(2,264,814)	(1,078,575)	(12,428)	-	-	(7,163)	(3,362,980)
Short-term debt instruments issued	(3,131,010)	(5,316,000)	(20,327,750)	-	-	(78,179)	(28,852,939)
Placements from other financial institutions	(28,282,608)	(1,236,405)	(575,071)	-	-	(19,577)	(30,113,661)
Accounts payable to brokerage clients	(184,583,358)	-	-	-	-	(3,618)	(184,586,976)
Other payables and accruals	(22,999)	(98,381)	(311,290)	(548,288)	(33,657)	(73,641,605)	(74,656,220)
Financial assets sold under repurchase agreements	(104,041,516)	(6,836,593)	(8,752,065)	(1,176,069)	-	(241,925)	(121,048,168)
Derivative financial liabilities	(760,937)	-	-	-	-	(10,182,848)	(10,943,785)
Financial liabilities at fair value through profit or loss	(12,197,346)	(1,872,196)	(6,780,054)	(14,533,439)	(154,610)	(4,910,687)	(40,448,332)
Liabilities associated with assets classified as held for sale	(8,809)	(626)	(1,920)	(1,973)	-	-	(13,328)
Long-term bonds	(4,800,000)	(12,188,400)	(26,225,000)	(58,950,280)	(11,300,000)	(1,995,137)	(115,458,817)
Long-term bank loans	-	-	-	-	-	-	-
Total	(340,093,397)	(28,627,176)	(62,985,578)	(75,210,049)	(11,488,267)	(91,080,739)	(609,485,206)
Net interest rate risk exposure	(100,869,955)	60,036	107,775,004	(6,274,649)	78,706,248	89,810,254	169,206,938

For those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period, the Group adopts sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net profit and equity. Assuming all other variables remain constant and without taking into consideration of the management's activities to reduce interest rate risk, interest rate sensitivity analysis is as follows:

	Sensitivity of net profit	
	As at 31 December	
Move in yield curve	***2025***	*2024*
Up 100 basis points	**(4,415,515)**	(4,343,453)
Down 100 basis points	**5,220,746**	4,990,742

	Sensitivity of net equity	
	As at 31 December	
Move in yield curve	***2025***	*2024*
Up 100 basis points	**(6,176,599)**	(4,409,516)
Down 100 basis points	**7,361,806**	5,058,907

The sensitivity analysis above indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

(ii) Currency risk

Currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation of foreign exchange rates. Apart from the assets and liabilities held by the Group's overseas subsidiaries which use Hong Kong dollars or U.S. dollars as their functional currency, other assets and liabilities denominated in foreign currencies mainly represent foreign currency cash and bank balances held by domestic enterprises, foreign currency financial assets and liabilities arising from cross-border business, as well as foreign currency financial assets acquired by subsidiaries. In respect of assets and liabilities denominated in foreign currencies such as cash and bank balances, clearing settlement funds, refundable deposits, accounts receivable, cash held on behalf of brokerage clients, accounts payable and long-term bonds that are not accounted for with their functional currency, the Group has ensured that their net risk exposure are maintained at an acceptable level by buying or selling foreign currencies at market exchange rates where necessary to address the short-term imbalances.

Assuming all other risk variables remained constant and without consideration of risk management measures undertaken by the Group, a 10% strengthening of the RMB against USD and HKD at the reporting date would have increased / (decreased) the Group's equity and net profit by the amount shown below, whose effect is in RMB and translated using the spot rate at the reporting date:

	Sensitivity of net profit	
	As at 31 December	
Currency	***2025***	*2024*
USD	**(1,339,628)**	(222,714)
HKD	**2,289,647**	(340,754)

	Sensitivity of net equity	
	As at 31 December	
Currency	***2025***	*2024*
USD	**(1,339,628)**	(222,714)
HKD	**21,519**	(2,376,794)

A 10% weakening of the RMB against the USD and HKD at balance date would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

Due to the above assumptions, the result of sensitivity analysis on exchange rate changes may be different, compared with the actual changes in the Group's net profit and equity of may arise with this.

(iii) Price risks

The Group is exposed to equity price changes arising from equity investments concluded in financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income. Price risk the Group facing is mainly the proportionate fluctuation in the Group's net profits due to the price fluctuation of the financial instruments at fair value through profit or loss and the proportionate fluctuation in the Group's equity due to the price fluctuation of the financial instruments measured at fair value.

Sensitivity analysis

The analysis below is performed to show the impact on Group's net profit and equity due to change in the prices of equity securities by 10% with all other variables held constant.

	Sensitivity of net profit	
	As at 31 December	
	2025	*2024*
Increase by 10%	**7,525,273**	5,421,007
Decrease by 10%	**(7,525,273)**	(5,421,007)

	Sensitivity of net equity	
	As at 31 December	
	2025	2024
Increase by 10%	**8,621,283**	5,430,614
Decrease by 10%	**(8,621,283)**	(5,430,614)

The sensitivity analysis indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2025 and 2024.

(e) Operational risk management

Operational risk refers to the risk on the Company's losses caused by inadequate or problematic internal procedures, staff, system or external events, which lead to inefficient internal procedures, mistakes of staff in operation or failure to strictly enforce the established procedures. The Risk Management Department takes the lead in managing the operational risk of the Group. Each department, business department and subsidiary actively perform the operational risk management in their respective lines and are responsible for the management effect, and bear the first responsibility. The Company adopts technological measures to prevent the emergence of operational risks in different business and management procedures as well as key segments, whilst at the same time strengthens process controls, to ensure effective implementation of operational risk management policies and systems. The Group carries out self-assessment of risk and control, monitoring of key risk indicators and gathering of loss data as additional approaches to strengthen the management of operational risks.

Based on the Basic Standard for Enterprise Internal Control jointly issued by the Ministry of Finance, the CSRC, the National Audit Office and the Former China Banking and Insurance Regulatory Commission as well as its supporting guidelines and the relevant requirements of the regulatory authorities and the Company, the Group has developed the risk-based internal control standards and carried out relevant continuous improvement initiatives. It has combined the self-assessment of operational risk with the self-assessment of internal controls; comprehensively sorted out and evaluated the inherent risks and control activities in various business processes; tested the effectiveness of control design and implementation; rectified the internal control weaknesses; comprehensively sorted out and optimised various business segments, systems and processes of the Group, as well as supplemented and improved the risk control matrix and the internal control manual, in order to ensure that the Group internal control measures are properly in place and the effectiveness of risk management. In addition, the Group has also integrated the management of operational risk and internal controls into daily operation; participated in the design of system, procedures and plan for new business throughout the entire process; fully identified and comprehensively evaluated the operational risks; and performed various pre-, middle- and post management measures such as setting up front-end controls, standardising business processes, creating monitoring indicators and conducting training and inspection in order to implement internal controls at key risk points.

(f) Capital management

The Group's objectives of capital management are:

(i) To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Group's stability and growth;

(iii) To maintain a strong capital base to support the development of their business; and

(iv) To comply with the capital requirements under the PRC, Hong Kong and the United States regulations.

On 23 January 2020 and 13 September 2024, the revised Administrative Measures for Risk Control Indicators of Securities Companies and the revised Rules on Standards for the Calculation of Risk Control Indicators of Securities Companies were issued by the CSRC ("Revised Administrative Measures"). The Company is required to meet the following standards for risk control indicators on a continual basis from 1 January 2025:

(i) The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;

(ii) The ratio of net capital divided by net assets shall be no less than 20%;

(iii) The ratio of net capital divided by liabilities shall be no less than 8%;

(iv) The ratio of net assets divided by liabilities shall be no less than 10%;

(v) The ratio of the value of equity securities and derivatives held divided by net capital shall not exceed 100%;

(vi) The ratio of the value of non-equity securities and derivatives held divided by net capital shall not exceed 500%;

(vii) The ratio of core net capital divided by on balance sheet and off balance sheet assets shall be no less than 8%;

(viii) The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days shall be no less than 100%;

(ix) The ratio of available stable funds divided by required stable funds shall be no less than 100%; and

(x) The ratio of margin financing (including securities lending) divided by net capital shall not exceed 400%.

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Administrative Measures.

As at 31 December 2025 and 31 December 2024, the Company maintained net capital and the above ratios as follows:

	Year ended 31 December	
	2025	*2024 (Restated)*
Net Capital	**94,566,583**	94,142,061
The ratio of net capital divided by the sum of its various risk capital provisions	**298.67%**	431.31%
The ratio of net capital divided by net assets	**55.33%**	58.51%
The ratio of net capital divided by liabilities	**18.97%**	27.25%
The ratio of net assets divided by liabilities	**34.28%**	46.57%
The ratio of the value of equity securities and derivatives held divided by net capital	**56.81%**	26.98%
The ratio of the value of non-equity securities and derivatives held divided by net capital	**305.53%**	254.96%
The ratio of core net capital divided by on balance sheet and off balance sheet assets	**13.27%**	18.02%
The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days	**190.37%**	260.99%
The ratio of available stable funds divided by required stable funds	**142.88%**	159.70%
The ratio of margin financing (including securities lending) divided by net capital	**200.81%**	142.72%

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements under the Mainland China, Hong Kong and the United States regulatory requirements, respectively. These subsidiaries comply with the capital requirements during the year ended 31 December 2025 and 31 December 2024.

(g) Transfer of financial assets

The Group transferred financial assets to certain counterparties through repurchase agreements and securities lending. These securities are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these securities.

The Group entered into repurchase agreements with certain counterparties to sell debt securities classified as financial assets at fair value through profit or loss and debt instruments at amortised cost. Sales and repurchase agreements are transactions in which the Group sell a security, and agree to repurchase it at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities sold. These securities are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these financial assets.

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as financial assets at fair value through profit or loss. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have obligations to return these securities to the Group at specified future dates. The Group has determined that it retains substantially all the risks and interests of these securities and therefore has not derecognised these securities in the consolidated statement of financial position.

The following tables provide a summary of carrying amounts and fair values of the transferred financial assets that are not derecognised in their entirety and the associated liabilities:

As at 31 December 2025

	Financial assets at fair value through profit or loss		
	Sales and repurchase agreements	***Securities lending***	***Total***
Carrying amount of transferred assets	**11,380,513**	**2,228,548**	**13,609,061**
Carrying amount of associated liabilities	**(9,954,422)**	**-**	**(9,954,422)**
Net position	**1,426,091**	**2,228,548**	**3,654,639**

As at 31 December 2024

	Financial assets at fair value through profit or loss		
	Sales and repurchase agreements	*Securities lending*	*Total*
Carrying amount of transferred assets	7,136,485	1,274,563	8,411,048
Carrying amount of associated liabilities	(6,065,887)	-	(6,065,887)
Net position	1,070,598	1,274,563	2,345,161

62 Fair value informationn

(a) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

(i) Financial instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in Level I.

(ii) Financial instruments in Level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level II.

(iii) Financial instruments in Level III

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level III.

(b) Fair value of other financial instruments (carried at other than fair value)

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated by the active market quotation or determined in accordance with discounted cash flow method.

The main parameters used in discounted cash flow method for financial instruments held by the Group that are not measured at fair value on a recurring basis include bond interest rates, foreign exchange rates and counterparty credit spreads.

The carrying amount and fair value of debt instruments at amortised cost investments, short-term debt instruments issued and long-term bonds which are not presented at fair value are listed as below:

Carrying amount

	As at 31 December	
	2025	*2024*
Financial assets		
- Debt instruments at amortised cost	**44,518,307**	47,793,722
Total	**44,518,307**	47,793,722
Financial liabilities		
- Short-term debt instruments issued	**(60,329,377)**	(28,852,939)
- Long-term bonds	**(183,091,799)**	(115,458,817)
Total	**(243,421,176)**	(144,311,756)

Fair value

	As at 31 December 2025			
	Level I	**Level II**	**Level III**	**Total**
Financial assets				
- Debt instruments at amortised cost	**-**	**47,061,298**	**-**	**47,061,298**
Total	**-**	**47,061,298**	**-**	**47,061,298**
Financial liabilities				
- Short-term debt instruments issued	**-**	**42,777,532**	**17,560,847**	**60,338,379**
- Long-term bonds	**-**	**139,437,170**	**45,532,775**	**184,969,945**
Total	**-**	**182,214,702**	**63,093,622**	**245,308,324**

	As at 31 December 2024			
	Level I	*Level II*	*Level III*	*Total*
Financial assets				
- Debt instruments at amortised cost	-	51,458,276	-	51,458,276
Total	-	51,458,276	-	51,458,276
Financial liabilities				
- Short-term debt instruments issued	-	16,841,267	12,022,923	28,864,190
- Long-term bonds	-	92,483,912	25,836,552	118,320,464
Total	-	109,325,179	37,859,475	147,184,654

The fair value of the financial assets and financial liabilities included in the level II and III categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the Group's consolidated statement of financial position approximate their fair value.

(c) Fair value of financial instruments carried at fair value

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 31 December 2025			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	139,451	169,065,162	83,432	169,288,045
- Equity securities	105,627,585	-	5,459,613	111,087,198
- Mutual funds	87,848,536	77,402	191,131	88,117,069
- Private funds	-	5,595,740	-	5,595,740
- Wealth management products	-	4,287,024	-	4,287,024
- Other debt instruments	-	-	567,253	567,253
Debt instruments at fair value through other comprehensive income	-	44,815,936	-	44,815,936
Equity instruments at fair value through other comprehensive income	14,319,599	1,400	292,479	14,613,478
Other investment				
- Unlisted investment in a joint venture	-	-	297,529	297,529
Derivative financial assets	489,133	9,673,133	1,274,764	11,437,030
Other current assets	-	2,287,704	-	2,287,704
Total	208,424,304	235,803,501	8,166,201	452,394,006
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(2,219,861)	(22,811,167)	-	(25,031,028)
- Financial liabilities designated at fair value through profit or loss	-	(3,190,654)	(8,200,236)	(11,390,890)
Derivative financial liabilities	(730,172)	(13,003,502)	(4,490,798)	(18,224,472)
Total	(2,950,033)	(39,005,323)	(12,691,034)	(54,646,390)

	As at 31 December 2024			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	446,496	170,876,044	242,137	171,564,677
- Equity securities	55,932,255	-	5,429,448	61,361,703
- Mutual funds	56,680,114	4,138,638	257,505	61,076,257
- Private funds	-	3,548,647	-	3,548,647
- Wealth management products	-	3,280,955	-	3,280,955
- Other debt instruments	-	-	705,518	705,518
Debt instruments at fair value through other comprehensive income	-	10,135,553	-	10,135,553
Equity instruments at fair value through other comprehensive income	-	21,109	104,751	125,860
Other investment				
- Unlisted investment in a joint venture	-	-	208,769	208,769
Derivative financial assets	350,714	7,349,069	2,291,342	9,991,125
Total	113,409,579	199,350,015	9,239,470	321,999,064
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(1,165,039)	(25,420,561)	-	(26,585,600)
- Financial liabilities designated at fair value through profit or loss	-	(5,062,578)	(8,800,154)	(13,862,732)
Derivative financial liabilities	(376,897)	(8,735,144)	(1,831,744)	(10,943,785)
Total	(1,541,936)	(39,218,283)	(10,631,898)	(51,392,117)

For the year ended 31 December 2025, there were no financial instruments transfer from Level II to Level I (for the year ended 31 December 2024: Nil).

(i) Valuation methods for financial instruments in Level II

Financial assets and liabilities	*Fair value hierarchy*	*Valuation technique(s) and key input(s)*
Debt securities at fair value through profit or loss	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Equity securities at fair value through profit or loss	Level II	Recent transaction prices.
Funds at fair value through profit or loss	Level II	Net asset value as published by the fund managers.
Wealth management products at fair value through profit or loss	Level II	Net asset value as published by the managers of products.
Debt instruments at fair value through other comprehensive income	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Equity instruments at fair value through other comprehensive income	Level II	Recent transaction prices.
Derivative financial assets/ derivative financial liabilities	Level II	Future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties; or calculated based on the difference between the equity return of underlying equity securities and the fixed income agreed in the swap agreements.
Financial liabilities held for trading	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the debt instruments.
Financial liabilities designated at fair value through profit or loss	Level II	Calculated based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.
Inventory at other current assets	Level II	Futures exchange settlement price and spot market average price.

(ii) Valuation methods for Financial instruments in Level III

Financial assets and liabilities	*Fair value hierarchy*	*Valuation technique(s)*	*Significant Unobservable input(s)*	*Relationship of unobservable input(s) to fair value*
Other debt instruments and debt securities at fair value through profit or loss	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Unlisted equity securities at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Funds at fair value through profit or loss	Level III	Black-Scholes option pricing model	Indicators such as price volatility of comparable funds, and discount rate.	The higher the price volatility, the higher the discount rate; the higher the discount rate, the lower the fair value.
Debt instruments at fair value through other comprehensive income	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Equity instruments at fair value through other comprehensive income	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Unlisted investment in a joint venture	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Derivative financial assets/ derivative financial liabilities	Level III	Black-Scholes option pricing model /Monte-Carlo option pricing model	Price volatility of underlying assets.	The higher the price volatility, the greater the impact on the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability of the underlying portfolios	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Black-Scholes option pricing model /Monte-Carlo option pricing model	Price volatility of underlying assets.	The higher the price volatility, the greater the impact on the fair value.

(iii) Financial instruments in Level III

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level III of the fair value hierarchy:

	Financial assets at fair value through profit or loss	*Other investment*	*Debt instruments at fair value through other comprehensive income*	*Equity instruments at fair value through other comprehensive income*	*Derivative financial assets*	*Total*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2025	6,634,608	208,769	-	104,751	2,291,342	9,239,470	(8,800,154)	(1,831,744)	(10,631,898)
Transfer in	20	-	-	-	-	20	-	-	-
Transfer out	(295,488)	-	-	-	-	(295,488)	-	-	-
Gains or losses for the year	166,169	88,760	-	-	(1,576,319)	(1,321,390)	(310,994)	(4,800,016)	(5,111,010)
Changes in fair value recognised in other comprehensive income		-	-	21,413	44,844	66,257	-	-	-
Additions	963,160	-	-	166,315	475,880	1,605,355	(15,186,020)	(404,151)	(15,590,171)
Sales	(1,144,598)	-	-	-	(445,759)	(1,590,357)	-	292,516	292,516
Settlements	(22,442)	-	-	-	484,776	462,334	16,096,932	2,252,597	18,349,529
As at 31 December 2025	6,301,429	297,529	-	292,479	1,274,764	8,166,201	(8,200,236)	(4,490,798)	(12,691,034)
Total gains or losses for the period included in profit or loss for assets/liabilities held at the end of the reporting period	(333,178)	88,760	-	-	(1,016,578)	(1,260,996)	(65,941)	(2,828,135)	(2,894,076)

	Financial assets at fair value through profit or loss	*Other investment*	*Debt instruments at fair value through other comprehensive income*	*Equity instruments at fair value through other comprehensive income*	*Derivative financial assets*	*Total*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2024	18,010,586	380,612	180,463	105,657	5,709,048	24,386,366	(10,879,025)	(3,457,111)	(14,336,136)
Transfer in	49,537	-	-	-	-	49,537	-	-	-
Transfer out	(7,307,070)	-	-	-	-	(7,307,070)	-	-	-
Gains or losses for the year	(2,843,033)	(171,843)	(1,524)	-	(3,009,600)	(6,026,000)	325,211	1,968,392	2,293,603
Changes in fair value recognised in other comprehensive income	-	-	10,420	(1,106)	-	9,314	-	(136,318)	(136,318)
Additions	676,939	-	-	400	47,598	724,937	(16,786,700)	317,237	(16,469,463)
Sales	(1,833,936)	-	-	-	(67,722)	(1,901,658)	-	(492,533)	(492,533)
Settlements	(118,415)	-	(189,359)	(200)	(387,982)	(695,956)	18,540,360	(31,411)	18,508,949
As at 31 December 2024	6,634,608	208,769	-	104,751	2,291,342	9,239,470	(8,800,154)	(1,831,744)	(10,631,898)
Total gains or losses for the period included in profit or loss for assets/liabilities held at the end of the reporting period	(1,604,416)	(171,844)	-	-	(3,418,295)	(5,194,555)	296,442	1,641,673	1,938,115

For the year ended 31 December 2025, the Group's investments in financial assets at fair value through profit or loss of RMB 20 thousand were transferred from Level I to Level III, as the fair values of these securities were determined using valuation techniques instead of quoted prices, due to delisting (For the year ended 31 December 2024: RMB49,537 thousand).

For the year ended 31 December 2025, the Group's investments in financial assets at fair value through profit or loss of RMB295 million were transferred from Level III to Level I, as the fair values of these securities were determined using quoted prices instead of valuation techniques, due to expiration of lock-up period (For the year ended 31 December 2024: 7,307 million).

63 Share-based payments

	Note	As at 1 January 2025	Accrued for the year	Decrease for the year	As at 31 December 2025
Restricted Share Incentive Scheme of A Shares	(a)	**104,624**	**5,094**	**(101,090)**	**8,628**

	Note	As at 1 January 2024	Accrued for the year	Decrease for the year	As at 31 December 2024
Restricted Share Incentive Scheme of A Shares	(a)	180,789	31,852	(108,017)	104,624
Share-based payments of an overseas subsidiary		1,388,553	69,352	(1,457,905)	-
Total		1,569,342	101,204	(1,565,922)	104,624

(a) Restricted share incentive scheme of A shares

The Company carried out a Restricted Share Incentive Scheme of A Shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. On 29 March 2021, 45,640,000 restricted A Shares were granted to 813 incentive participants at the grant price of RMB9.10 per Share. As at 30 March 2021, the Company had in aggregate received subscription proceeds of RMB413,940,800 from 810 incentive participants. On 30 March 2023, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 14,222,943 shares at the end of the first locking period. On 12 April 2024, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 13,269,954 shares at the end of the second locking period. On 29 April 2025, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 12,427,384 shares at the end of the third locking period(Note 55). 20% of the total restricted shares granted (including stock dividends distributed in respect of such shares) to incentive participants who are Directors and Senior Management of the Company shall remain locked up until the expiration of their term of office. The unlocking of such shares shall be determined based on the performance assessment for their term as Directors or Senior Management or the results of an economic responsibility audit.

Details of the scheme as at 31 December 2025 and 31 December 2024 are set out below:

	Year ended 31 December	
Number of shares	**2025**	2024
Outstanding at the beginning of the year	**13,723,650**	27,793,201
Granted during the year	**-**	-
Exercised during the year	**-**	-
Forfeited during the year	**(236,266)**	(799,597)
Unlocked during the year	**(12,427,384)**	(13,269,954)
Outstanding at the end of the year	**1,060,000**	13,723,650
Exercisable at the end of the year	**1,060,000**	13,723,650

As at 31 December 2025, cumulative amount of RMB 8.63 million were recognised in the capital reserve and non-controlling interests of the Group (as at 31 December 2024: RMB104.62 million). The total expenses recognised for the year ended 31 December 2025 were RMB 5.09 million(as at 31 December 2024: RMB31.85 million).

For the year ended 31 December 2025, the Company recognised share-based payment expense amounted to RMB0.93 million, for the restricted shares granted to the Company's key management personnel (for the year ended 31 December 2024: RMB4.88 million).

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date, which is RMB17.24 per share.

64 Company-level statement of financial position

		As at 31 December	
	Note	***2025***	*2024*
Non-current assets			
Property and equipment		**4,588,202**	4,458,811
Investment properties		**796,030**	824,668
Land-use rights and other intangible assets		**819,765**	853,119
Investments in subsidiaries		**24,729,595**	24,728,426
Interest in associates		**18,826,406**	17,935,690
Debt instruments at amortised cost		**42,371,590**	40,618,221
Financial assets held under resale agreements		**901,036**	199,610
Debt instruments at fair value through other comprehensive income		**31,242,672**	2,317,359
Equity instruments at fair value through other comprehensive income		**14,555,771**	39,759
Financial assets at fair value through profit or loss		**377,519**	518,602
Refundable deposits		**15,606,046**	8,022,200
Deferred tax assets		**1,729,369**	844,145
Other non-current assets		**167,607**	211,190
Total non-current assets		**156,711,608**	101,571,800
Current assets			
Accounts receivable		**2,213,573**	2,340,263
Other receivables and prepayments		**17,289,936**	10,444,530
Margin accounts receivable		**182,870,172**	130,578,012
Debt instruments at amortised cost		**1,917,112**	6,938,958
Financial assets held under resale agreements		**9,552,471**	8,763,800
Debt instruments at fair value through other comprehensive income		**5,706,419**	3,351,809
Financial assets at fair value through profit or loss		**243,784,837**	205,061,120
Derivative financial assets		**10,979,956**	7,017,269
Clearing settlement funds		**11,675,253**	13,700,234
Cash held on behalf of brokerage clients		**175,314,119**	138,397,191
Cash and bank balances		**28,187,509**	16,697,767
		689,491,357	543,290,953
Assets classified as held for sale		**-**	104,570
Total current assets		**689,491,357**	543,395,523
Total assets		**846,202,965**	644,967,323

	Note	As at 31 December 2025	2024
Current liabilities			
Short-term debt instruments issued		**49,012,295**	28,852,939
Placements from other financial institutions		**37,134,967**	30,113,661
Accounts payable to brokerage clients		**171,736,460**	137,719,349
Employee benefits payable		**2,357,896**	2,697,793
Other payables and accruals		**86,429,382**	63,966,019
Current tax liabilities		**751,679**	158
Financial assets sold under repurchase agreements		**128,555,538**	99,120,033
Financial liabilities at fair value through profit or loss		**16,468,861**	14,705,969
Derivative financial liabilities		**12,838,487**	8,767,418
Long-term bonds due within one year		**70,995,841**	31,474,933
Total current liabilities		**576,281,406**	417,418,272
Net current assets		**113,209,951**	125,977,251
Total assets less current liabilities		**269,921,559**	227,549,051
Non-current liabilities			
Long-term bonds		**92,981,095**	61,356,697
Non-current employee benefits payable		**5,429,658**	4,564,615
Financial liabilities at fair value through profit or loss		**293,167**	334,954
Other payable and accruals		**319,239**	406,470
Total non-current liabilities		**99,023,159**	66,662,736
Net assets		**170,898,400**	160,886,315

	Note	As at 31 December 2025	2024
Equity			
Share capital	55(b)	**9,026,864**	9,027,302
Other equity instruments		**33,300,000**	28,300,000
Treasury shares		**(7,102)**	(100,545)
Reserves		**100,180,407**	97,048,119
Retained profits		**28,398,231**	26,611,439
Total equity		**170,898,400**	160,886,315

Approved and authorised for issue by the board of directors on 30 March 2026.

Wang Huiqing	Wang Bing
Chairman of the Board,Director	Director

65 Comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.

66 Events after the reporting date

(a) Issuance of bonds

From 31 December 2025 to the date of the consolidated financial statements approved and authorised for issue, the Company has issued 9 corporate bonds with a cumulative amount of RMB 39,000 million, bearing interest of 1.67% to 2.20% per annum. The Group's wholly-owned overseas subsidiary, Huatai International Financial Holdings Co., Ltd., through its subsidiary Huatai International Finance Limited, issued 43 series of medium-term notes with an aggregate size of RMB 1,670 million, HKD 1,629 million and USD 1,629 million. Additionally, Pioneer Reward Limited, an indirectly wholly-owned overseas subsidiary of the Group, issued 2 series of medium-term notes with an aggregate size of RMB 2,100 million and HKD 3,100 million.

(b) Issuance of zero coupon convertible bonds

On February 3, 2026 (before trading hours), the Company, pursuant to a general mandate, entered into a subscription agreement for H-share convertible bonds (the "Subscription Agreement") with the managers. The Company proposes to issue convertible bonds with an aggregate principal amount of HKD10,000 million, convertible into H-shares of the Company. The bonds will be offered to no less than six independent subscribers (who will be professional investors). The closing price of the Company's H-shares on the date of entering into the Subscription Agreement was HKD16.93 per share.

The issuance of the H-share convertible bonds was completed on February 10, 2026, and the bonds have been listed on the Vienna MTF operated by the Vienna Stock Exchange. In accordance with the terms and conditions, the bonds are convertible into H-shares under certain circumstances at initial conversion price of HKD19.70 per H-share (subject to adjustment). Assuming full conversion of the bonds at the initial conversion price of HKD19.70 per H-share, the bonds will be convertible into approximately 507,614,213 H-shares. The total principal amount of the bonds is HKD10,000 million, and the net proceeds from the bond issuance (after deducting commissions and estimated expenses) amount to approximately HKD9,924.7 million. Based on the net proceeds and the total number of H-shares upon full conversion, the implied net price per H-share is approximately HKD19.55.

The Company intends to use its proceeds from the issuance of the bonds for (i) supporting the Company's international business development, particularly its fixed income, currencies, and commodities sales and trading business, wealth management business and asset management business (approximately 90% of net proceeds of the bonds) and (ii) supplementing other working capital by primarily allocating to bank deposits and other highly liquid assets to ensure liquidity and financial stability (approximately 10% of net proceeds of the bonds). As of the date of the consolidated financial statements approved and authorised for issue, the Company is completing the relevant procedures required by regulatory authorities regarding the use of the raised funds. It is expected that the entire net proceeds from the bond issuance will be fully utilized by June 30, 2027.

(c) Profit distribution plan after accounting periods

In March 2026, based on the Company's total share capital of 9,026,863,786 shares as at the end of the reporting period, the Board proposed a cash dividend distribution of RMB 0.40 per share (tax inclusive), amounting to a total cash dividend of RMB 3,611 million (tax inclusive). During 2025, the Company had already implemented an interim profit distribution, distributing a cash dividend of RMB 0.15 per share (tax inclusive), totaling RMB 1,354 million (tax inclusive). The total cash dividends distributed by the Company for the year (including the interim dividends already allocated) amount to RMB 4,965 million (tax inclusive), equivalent to a combined cash dividend of RMB 0.55 per share (tax inclusive), representing 30.30% of the consolidated net profit attributable to the Company's shareholders in 2025. The proposal is pending for the approval of the general meeting of the shareholders. The cash dividends are not recognised as a liability as at 31 December 2025.

(d) Disposal of an associate

In February 2026, the Company completed the disposal of its 32% equity interest in Jiangsu Equity Exchange Center Co., Ltd. and no longer holds any equity in the entity.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD.

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

Opinion

We have audited the consolidated financial statements of Huatai Securities Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 261 to 410, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Valuations of financial instruments classified under the fair value hierarchy as level 3

The Key Audit Matter	How our audit addressed the key audit matter
The fair value of the Group's financial instruments is mainly based on active market quoted prices or valuation techniques. For level 3 financial instruments, including debt instruments, unlisted equity investments, private equity funds and over-the-counter derivative financial instruments, the Group uses valuation techniques to measure fair values. As disclosed in Note 62 to the consolidated financial statements, as at 31 December 2024, the fair value of the Group's level 3 financial assets and financial liabilities amounted to RMB 9,239 million and RMB 10,632 million, respectively. We identified valuation of level 3 financial instruments as a key audit matter because the amount involved was significant and the selection of valuation techniques and determination of unobservable inputs required significant judgements and estimations.	Our procedures in respect of this key audit matter included the following: • Understanding and assessing the process and key controls relating to the valuation of level 3 financial instruments and testing the operating effectiveness of these controls; • Evaluating the appropriateness of the valuation models used by the management for level 3 financial instruments; • On a sample basis, reading the investment agreements to understand the relevant investment terms, identifying any conditions that were relevant to the valuations of these financial instruments and assessing the application in the valuation; • Evaluating, on a sample basis, the appropriateness of the significant unobservable and observable inputs which were used for measuring the fair value of level 3 financial instruments; • Where appropriate, performing independent valuations of level 3 financial instruments, on a sample basis, and comparing these valuations with the Group's valuations, with the involvement of our valuation experts.

Measurement of expected credit losses ("ECL") for margin accounts receivable and securities-backed lendings

The Key Audit Matter	How our audit addressed the key audit matter
The Group uses an expected credit loss ("ECL") model to determine the loss allowance for margin accounts receivable and securities-backed lendings. The management exercised significant judgements and estimations in its assessment of ECL allowance of margin accounts receivable and securities-backed lendings. They included the determination of staging of the relevant financial assets whether the credit risk had increased significantly and credit impairment events had occurred; the determination of key parameters used in the ECL model, including loss rate, exposure at default and forward-looking information for Stage 1 and 2 financial assets; the determination of recoverable amount in respect of Stage 3 financial assets based on value of collateral and repayment ability of borrowers. As at 31 December 2024, the Group held margin accounts receivable of RMB134,312 million, less impairment allowance of RMB1,766 million as disclosed in Note 37 to the consolidated financial statements and securities-backed lendings of RMB3,539 million, less impairment allowance of RMB488 million as disclosed in Note 30 to the consolidated financial statements. We identified the measurement of ECL for the Group's margin accounts receivable and securities-backed lendings as a key audit matter due to the significance of these assets to the Group's consolidated financial statements and the significant management estimations and judgments required in the measurement.	Our procedures in respect of this key audit matter included the following: • Understanding and assessing the process and key controls relating to the measurement of ECL for margin accounts receivable and securities-backed lendings and testing the operating effectiveness of these controls; • Evaluating the appropriateness of the ECL model, the critical assumptions and parameters used in the model with the involvement of our internal experts; • Evaluating the appropriateness of the criteria for significant increase in credit risk ("SICR") and financial assets that were credit impaired determined by management and, on a sample basis, testing the application of such criteria to individual margin accounts receivable and securities-backed lendings; • Examining the correctness of major inputs to the ECL model for selected samples, including exposure at default and loss rate, and the mathematical accuracy of the calculation of ECL; • For credit-impaired financial assets, on a sample basis, assessing the reasonableness of expected credit losses made by management based on repayment ability of borrowers, value of collateral and other credit enhancements, as appropriate.

Consolidation of structured entities

The Key Audit Matter	How our audit addressed the key audit matter
The Group held interests as investor and/or acted as investment manager in various structured entities including asset management schemes, investment funds and partnerships. As disclosed in Note 57, as at 31 December 2024, the total assets of the consolidated structured entities amounted to RMB 35,723 million and the total assets of the unconsolidated structured entities sponsored by the Group amounted to RMB 621,057 million, respectively. The Group consolidated the structured entities which it controlled. The principle of control sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns. The Group considered its power, arising from the rights entitled directly or indirectly, over the structured entities, and assessed whether the combination of investments it held together with its remuneration created exposure to variability of returns from the structured entities that are of such significance that it indicated the Group controlled the structured entities and should consolidated these structured entities. We identified consolidation of structured entities as a key audit matter due to the significant judgments applied by the management in determining whether a structured entity was required to be consolidated by the Group and the significance of the impact arising from consolidating these structured entities to the Group's consolidated financial statements as a whole.	Our procedures in respect of this key audit matter included the following: • Understanding and assessing the process and key controls relating to the consolidation of structured entities and testing the operating effectiveness of these controls; • Selecting samples to perform the following audit procedures: - Checking agreements relating to the structured entity and understanding the purpose of its set up; assessing the appropriateness of the Group's judgement on the power the Group had over the structured entity according to the Group's rights and obligations under different transaction structures and its involvement with the structured entity; - verifying the analysis on the Group's variable return which included, but was not limited to, fixed management fees and performance fees obtained through acting as asset manager, as well as the returns obtained from holding an interest in a structured entity; - analysing the scope of the Group's decision-making power over the structured entity, the substantive rights held by other participants, the level of remuneration obtained from providing asset management services and the risk of variable return borne by holding other interests in the structured entity and, checking the Group's analysis on the magnitude and variability of variable return, assessing whether the Group acts as principal or agent in the structured entities; - assessing the management's judgment on the consolidation of structured entities through carrying out the above procedures.

Other Information

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

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

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

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

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

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

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

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chu Wai Chung.

Deloitte Touche Tohmatsu

Certified Public Accountants
Hong Kong

28 March 2025

ANNUAL FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Year ended 31 December 2024	2023
Revenue			
Fee and commission income	4	**17,259,336**	18,940,982
Interest income	5	**13,560,994**	14,615,232
Net investment gains	6	**14,500,758**	11,670,400
		45,321,088	45,226,614
Other income and gains	7	**8,964,395**	7,033,807
Total revenue, gains and other income		**54,285,483**	52,260,421
Fee and commission expenses	8	**(4,310,977)**	(4,328,290)
Interest expenses	9	**(10,856,424)**	(13,662,909)
Staff costs	10	**(10,074,621)**	(9,371,842)
Depreciation and amortisation expenses	11	**(1,774,611)**	(1,856,409)
Tax and surcharges	12	**(179,417)**	(187,664)
Other operating expenses	13	**(13,844,777)**	(11,644,373)
Impairment losses under expected credit loss model, net of reversal	14	**(246,269)**	410,946
Total expenses		**(41,287,096)**	(40,640,541)
Operating profit		**12,998,387**	11,619,880
Share of profit of associates and joint ventures		**2,353,953**	2,584,784
Profit before income tax		**15,352,340**	14,204,664
Income tax expense	15	**166,534**	(1,168,404)
Profit for the year		**15,518,874**	13,036,260
Attributable to:			
Shareholders of the Company		**15,351,162**	12,750,633
Non-controlling interests		**167,712**	285,627
		15,518,874	13,036,260
Earnings per share (Expressed in Renminbi per share)	19		
- Basic		**1.62**	1.35
- Diluted		**1.62**	1.33

The notes on pages 271 to 410 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		Year ended 31 December	
	Note	2024	2023
Profit for the year		**15,518,874**	13,036,260
Other comprehensive income/(expense) for the year			
Items that will not be reclassified to profit or loss:			
Equity instruments at fair value through other comprehensive (expense) / income			
- Net change in fair value		**(15)**	17,759
- Income tax impact		**97**	(4,760)
Items that may be reclassified subsequently to profit or loss:			
Net loss from debt instruments at fair value through other comprehensive income		**58,221**	106,977
Fair value gain on hedging instruments designated in cash flow hedges		**(83,916)**	(3,571)
Share of other comprehensive income of associates and joint ventures		**367,987**	(40,580)
Exchange differences on translation of financial statements in foreign currencies		**267,501**	262,953
Income tax impact		**(12,120)**	(22,779)
Other comprehensive income for the year, net of income tax	18	**597,755**	315,999
Total comprehensive income for the year		**16,116,629**	13,352,259
Attributable to:			
Shareholders of the Company		**15,985,388**	13,024,562
Non-controlling interests		**131,241**	327,697
Total		**16,116,629**	13,352,259

The notes on pages 271 to 410 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at 31 December 2024	2023
Non-current assets			
Property and equipment	20	**6,489,412**	6,519,710
Investment properties	21	**182,131**	136,284
Goodwill	22	**51,342**	3,419,332
Land-use rights and other intangible assets	23	**2,035,899**	7,515,260
Interests in associates	25	**21,446,915**	19,496,027
Interests in joint ventures	26	**999,113**	1,299,405
Debt instruments at amortised cost	27	**40,854,764**	45,404,582
Financial assets held under resale agreements	30	**199,610**	-
Debt instruments at fair value through other comprehensive income	28	**5,938,076**	15,207,952
Equity instruments at fair value through other comprehensive income	29	**125,860**	124,506
Financial assets at fair value through profit or loss	31	**5,292,149**	7,952,021
Refundable deposits	32	**33,451,298**	40,544,278
Deferred tax assets	33	**1,591,926**	702,722
Other non-current assets	34	**240,951**	311,789
Total non-current assets		**118,899,446**	148,633,868
Current assets			
Accounts receivable	35	**5,587,233**	9,743,761
Other receivables, prepayments and other current assets	36	**2,880,227**	2,539,985
Margin accounts receivable	37	**132,546,005**	112,341,094
Debt instruments at amortised cost	27	**6,938,958**	4,712,230
Financial assets held under resale agreements	30	**15,028,791**	12,460,232
Debt instruments at fair value through other comprehensive income	28	**4,197,477**	1,054,048
Financial assets at fair value through profit or loss	31	**296,245,608**	405,127,363
Derivative financial assets	38	**9,991,125**	16,259,881
Clearing settlement funds	39	**11,136,758**	9,129,266
Cash held on behalf of brokerage clients	40	**170,880,569**	137,210,295
Cash and bank balances	41	**39,521,458**	46,296,366
		694,954,209	756,874,521
Assets classified as held for sale	24(c)	**416,839**	-
Total current assets		**695,371,048**	756,874,521
Total assets		**814,270,494**	905,508,389

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

AS AT 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at 31 December 2024	2023
Current liabilities			
Short-term bank loans	43	**3,362,980**	11,478,573
Short-term debt instruments issued	44	**28,852,939**	25,475,507
Placements from other financial institutions	45	**30,113,661**	39,536,527
Accounts payable to brokerage clients	46	**184,586,976**	144,701,360
Employee benefits payable	47	**4,589,013**	4,151,439
Other payables and accruals	48	**75,436,419**	113,884,799
Contract liabilities	49	**104,692**	177,500
Current tax liabilities		**179,973**	493,520
Financial assets sold under repurchase agreements	50	**121,048,168**	144,056,149
Financial liabilities at fair value through profit or loss	51	**33,474,911**	43,710,135
Derivative financial liabilities	38	**10,943,785**	16,848,878
Long-term bonds due within one year	52	**41,787,436**	44,803,489
		534,480,953	589,317,876
Liabilities associated with assets classified asheld for sale	24(c)	**75,402**	-
Total current liabilities		**534,556,355**	589,317,876
Net current assets		**160,814,693**	167,556,645
Total assets less current liabilities		**279,714,139**	316,190,513
Non-current liabilities			
Derivative financial liabilities	38	**-**	32,763
Long-term bonds	53	**73,671,381**	115,012,512
Long-term bank loans	54	**-**	647,052
Non-current employee benefits payable	47	**6,116,922**	6,431,780
Deferred tax liabilities	33	**476,548**	1,960,663
Financial liabilities at fair value through profit or loss	51	**6,973,421**	8,961,031
Other payables and accruals	48	**581,946**	927,280
Total non-current liabilities		**87,820,218**	133,973,081
Net assets		**191,893,921**	182,217,432

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

AS AT 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	As at 31 December 2024	2023
Equity			
Share capital	55	**9,027,302**	9,074,663
Other equity instruments	55	**28,300,000**	25,700,000
Treasury shares	55	**(100,545)**	(1,064,173)
Reserves	55	**105,753,021**	102,967,146
Retained profits	55	**48,694,124**	42,430,731
Total equity attributable to shareholders of the Company		**191,673,902**	179,108,367
Non-controlling interests		**220,019**	3,109,065
Total equity		**191,893,921**	182,217,432

The notes on pages 271 to 410 form part of these consolidated financial statements.

Approved and authorised for issue by the board of directors on 28 March 2025.

Zhang Wei	Wang Bing
Chairman of the Board,Director	Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
				Reserves									
	Share capital (Note 55)	*Other equity instruments* (Note 55)	*Treasury shares* (Note 55)	*Capital reserve* (Note 55)	*Surplus reserve* (Note 55)	*General reserve* (Note 55)	*Fair value reserve* (Note 55)	*Cash flow hedges reserve* (Note 38)	*Translation reserve* (Note 55)	*Retained profits* (Note 55)	*Total*	*Non-controlling interests*	*Total equity*
As at 1 January 2024	9,074,663	25,700,000	(1,064,173)	69,602,190	8,838,000	23,458,335	142,633	39,072	886,916	42,430,731	179,108,367	3,109,065	182,217,432
Changes in equity for 2024													
Profit for the year	-	-	-	-	-	-	-	-	-	15,351,162	15,351,162	167,712	15,518,874
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	414,170	(83,916)	303,972	-	634,226	(36,471)	597,755
Total comprehensive income / (expense) for the year	-	-	-	-	-	-	414,170	(83,916)	303,972	15,351,162	15,985,388	131,241	16,116,629
Issue of perpetual subordinated bonds	-	2,600,000	-	(2,158)	-	-	-	-	-	-	2,597,842	-	2,597,842
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(3,025,855)	(3,025,855)
Repurchase and cancellation of shares	(47,361)	-	851,150	(803,789)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payments	-	-	112,478	75,974	-	-	-	-	-	-	188,452	20,574	209,026
Appropriation to surplus reserve	-	-	-	-	889,075	-	-	-	-	(889,075)	-	-	-
Appropriation to general reserve	-	-	-	-	-	2,026,732	-	-	-	(2,026,732)	-	-	-
Dividends declared to ordinary shareholders for the year	-	-	-	-	-	-	-	-	-	(5,236,731)	(5,236,731)	(57,747)	(5,294,478)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(935,130)	(935,130)	-	(935,130)
Others	-	-	-	(34,143)	(14)	(28)	-	-	-	(101)	(34,286)	42,741	8,455
As at 31 December 2024	9,027,302	28,300,000	(100,545)	68,838,074	9,727,061	25,485,039	556,803	(44,844)	1,190,888	48,694,124	191,673,902	220,019	191,893,921

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
				Reserves									
	Share capital (Note 55)	*Other equity instruments* (Note 55)	*Treasury shares* (Note 55)	*Capital reserve* (Note 55)	*Surplus reserve* (Note 55)	*General reserve* (Note 55)	*Fair value reserve* (Note 55)	*Cash flow hedges reserve* (Note 38)	*Translation reserve* (Note 55)	*Retained profits* (Note 55)	*Total*	*Non-controlling interests*	*Total equity*
As at 1 January 2023	9,075,589	19,200,000	(1,202,324)	70,482,059	7,790,909	21,024,438	84,554	42,643	666,033	37,923,300	165,087,201	2,761,508	167,848,709
Adjustments	-	-	-	-	419	1,696	-	-	-	5,786	7,901	-	7,901
As at 1 January 2023	9,075,589	19,200,000	(1,202,324)	70,482,059	7,791,328	21,026,134	84,554	42,643	666,033	37,929,086	165,095,102	2,761,508	167,856,610
Changes in equity for 2023													
Profit for the year	-	-	-	-	-	-	-	-	-	12,750,633	12,750,633	285,627	13,036,260
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	56,617	(3,571)	220,883	-	273,929	42,070	315,999
Total comprehensive income / (expense) for the year	-	-	-	-	-	-	56,617	(3,571)	220,883	12,750,633	13,024,562	327,697	13,352,259
Issue of perpetual subordinated bonds	-	6,500,000	-	(4,087)	-	-	-	-	-	-	6,495,913	-	6,495,913
Acquisition of non-controlling interests	-	-	-	2,161	-	-	-	-	-	-	2,161	(7,534)	(5,373)
Equity-settled share-based payments	-	-	130,514	149,947	-	-	-	-	-	-	280,461	35,029	315,490
Appropriation to surplus reserve	-	-	-	-	1,046,672	-	-	-	-	(1,046,672)	-	-	-
Appropriation to general reserve	-	-	-	-	-	2,432,201	-	-	-	(2,432,201)	-	-	-
Dividends declared to ordinary shareholders for the year	-	-	-	-	-	-	-	-	-	(4,063,223)	(4,063,223)	(51,810)	(4,115,033)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(705,430)	(705,430)	-	(705,430)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	-	-	1,462	-	-	(1,462)	-	-	-
Others	(926)	-	7,637	(1,027,890)	-	-	-	-	-	-	(1,021,179)	44,175	(977,004)
As at 31 December 2023	9,074,663	25,700,000	(1,064,173)	69,602,190	8,838,000	23,458,335	142,633	39,072	886,916	42,430,731	179,108,367	3,109,065	182,217,432

The notes on pages 271 to 410 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		Year ended 31 December	
	Note	2024	2023
Cash flows from operating activities:			
Profit before income tax		**15,352,340**	14,204,664
Adjustments for:			
Interest expenses		**10,856,424**	13,662,909
Share of profit of associates and joint ventures		**(2,353,953)**	(2,584,784)
Depreciation and amortisation expenses		**1,774,611**	1,856,409
Impairment losses under expected credit loss model, net of reversal		**246,269**	(410,946)
Expenses recognised from equity-settled share-based payment		**96,548**	184,975
Net gains arising from disposal of subsidiaries		**(6,335,547)**	-
Gains on disposal of property and equipment		**(2,351)**	(2,019)
Foreign exchange gains		**(197,191)**	(669,375)
Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost		**(1,943,376)**	(1,907,369)
Net (gains) / losses arising from derecognition of financial assets at fair value through other comprehensive income		**(101,101)**	80,389
Net gains arising from other investments		**-**	(10,173)
Net gains arising from acquisition of investment in an associate		**-**	(239,728)
Unrealised fair value changes in financial instruments at fair value through profit or loss		**3,873,533**	(7,493,050)
Unrealised fair value changes in derivatives		**891,069**	6,788,150
Operating cash flows before movements in working capital		**22,157,275**	23,460,052
Decrease in refundable deposits		**7,092,980**	2,162,499
Increase in margin accounts receivable		**(20,449,188)**	(11,687,710)
Decrease / (Increase) in accounts receivable, other receivables and prepayments		**3,393,590**	(2,407,309)
(Increase) / decrease in financial assets held under resale agreements		**(3,547,957)**	3,566,747
Decrease / (Increase) in financial instruments at fair value through profit or loss		**94,168,963**	(48,987,181)
Decrease in restricted bank deposits		**1,738,812**	771,438
(Increase) / decrease in cash held on behalf of brokerage clients		**(33,623,986)**	3,250,051
Increase / (decrease) in accounts payable to brokerage clients		**39,894,426**	(7,850,363)
(Decrease) / increase in other payables and accruals		**(37,148,066)**	5,855,964

CONSOLIDATED STATEMENT OF CASH FLOWS-continued

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2024	2023
Cash flows from operating activities: - continued			
Increase / (decrease) in employee benefits payable		**396,416**	(1,311,734)
Decrease in financial assets sold under repurchase agreements		**(23,007,981)**	(61,849)
(Decrease) / increase in placements from other financial institutions		**(9,415,067)**	13,646,948
Cash generated from / (used in) operations		**41,650,217**	(19,592,447)
Income taxes paid		**(1,551,541)**	(1,533,277)
Interest paid		**(5,280,239)**	(7,349,829)
Net cash generated from / (used in) operating activities		**34,818,437**	(28,475,553)
Cash flows from investing activities			
Proceeds on disposal of property and equipment		**15,917**	50,428
Dividends received from associates		**1,037,955**	1,656,232
Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost		**2,146,830**	1,854,296
Proceeds from disposal of financial assets at fair value through other comprehensive income		**9,502,848**	8,575,782
Proceeds from disposal of debt instruments at amortised cost		**11,800,022**	17,081,000
Purchase of property and equipment, investment properties, other intangible assets and other non-current assets		**(1,806,042)**	(1,676,304)
Acquisition of interests in associates		**(285,868)**	(1,380,177)
Divestments of associates, joint ventures and other investments		**154,684**	347,575
Proceeds on disposal of a subsidiary		**10,796,229**	-
Purchase of debt instruments at amortised cost		**(9,547,511)**	(18,729,293)
Purchase of financial assets at fair value through other comprehensive income		**(3,318,943)**	(14,044,006)
Net cash generated from / (used in) investing activities		**20,496,121**	(6,264,467)

CONSOLIDATED STATEMENT OF CASH FLOWS - continued

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2024	2023
Cash flows from financing activities:			
Proceeds from issuance of short-term debt instruments		**36,075,820**	43,556,056
Proceeds from issuance of long-term bonds		**-**	48,241,623
Proceeds from issuance of perpetual bonds		**2,597,842**	6,495,913
Proceeds from bank loans		**3,355,750**	11,377,260
Repayment of bank loans		**(12,019,460)**	(8,124,312)
Repayment of debt securities issued		**(76,217,308)**	(67,858,553)
Short-term bank loans interest paid		**(314,768)**	(545,002)
Long-term bank loans interest paid		**(44,278)**	(53,487)
Short-term debt instruments interest paid		**(1,582,413)**	(5,330,291)
Long-term bonds interest paid		**(4,610,987)**	(4,362,411)
Dividends paid		**(6,280,608)**	(4,769,463)
Payment of lease liabilities		**(623,242)**	(662,201)
Payment on repurchase and cancellation of shares		**(15,348)**	(7,637)
Acquisition of partial interest of a subsidiary		**-**	(5,373)
Cash received from Restricted Share Incentive Scheme		**8,674**	9,670
Net cash (used in) / generated from financing activities	42 (b)	**(59,670,326)**	17,961,792
Net decrease in cash and cash equivalents		**(4,355,768)**	(16,778,228)
Cash and cash equivalents at the beginning of the year		**59,830,329**	75,549,060
Effect of foreign exchange rate changes		**558,648**	1,059,497
Total cash and cash equivalents at the end of the year	42 (a)	**56,033,209**	59,830,329

The notes on pages 271 to 410 form part of these consolidated financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

1 General information

Huatai Securities Co., Ltd. (the "Company"), formerly known as Jiangsu Securities Company, was approved by the People's Bank of China ("PBOC"), and registered with the Administration for Industry and Commerce of Jiangsu Province on 9 April 1991, with a registered capital of RMB10 million. The Company was renamed as Huatai Securities Limited Liability Company on 21 December 1999 and then renamed as Huatai Securities Co., Ltd. on 7 December 2007 as a result of the conversion into a joint stock limited liability company.

The Company publicly issued RMB784,561,275 ordinary shares (the "A shares") in February 2010, and was listed on the Shanghai Stock Exchange on 26 February 2010.

In June 2015, the Company issued RMB1,562,768,800 H shares, which were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Due to the issuance and listing of H Shares, the relevant state-owned shareholders transferred 156,276,880 state owned A Shares of the Company, representing 10% of the number of H Shares issued this time, to the National Council for Social Security Fund of the PRC in the form of H Shares.

In August 2018, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) by way of "Non-Public Issuance to Specific Investors".

In June 2019, the Company issued 82,515,000 Global Deposits Receipts (the "GDRs"), representing 825,150,000 new A shares, and was listed on the London Stock Exchange plc (the "London Stock Exchange").

From September 2022 to December 2024, the Company completed the repurchase and cancellation of 49,347,719 restricted A shares, and the Company's registered capital has been reduced by RMB 49,347,719.

As at 31 December 2024, the Company's registered capital was RMB9,027,302,281 and the Company has a total of 9,027,302,281 issued shares of RMB1 each.

As at 31 December 2024, the Company has 27 branches and 248 securities business offices. Please refer to Note 24 for details of subsidiaries of the Company.

The Company and its subsidiaries (the "Group") are principally engaged in securities business, securities underwriting and sponsorship, securities investment advisory, asset management, agency sale of financial products, intermediary introduction business for the futures companies, agency sale and custody of securities investment fund, mutual fund management, direct investment business, alternative investment business, futures brokerage business and other business activities as approved by the China Securities Regulatory Commission (the "CSRC").

2 Material accounting policy information

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance. A summary of the material accounting policy information adopted by the Group are set out below.

(2) Application of amendments to IFRS Accounting Standards

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

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by IASB for the

first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

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

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

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

2 Effective for annual periods beginning on or after 1 January 2025.

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

4 Effective for annual periods beginning on or after 1 January 2027.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

Except as described above, the directors of the Company anticipate that the application of other amendments to IFRS

Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

(3) Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except that the following assets and liabilities are measured at their fair value: financial derivatives, non-derivative financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income. The methods used to measure fair value are discussed further in Note 2(8).

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company. All financial information presented in RMB has been rounded to the nearest thousand, except when otherwise indicated. The Group translates the consolidated financial statements of subsidiaries from their respective functional currencies into the Group's functional currency if the subsidiaries' functional currencies are not the same as that of the Group.

(4) Basis of consolidation

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 2(30).

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2(4)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

(ii) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the reporting period between non-controlling interests and the shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(8)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(4)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(15)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

Investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(15)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund and similar entities, such investment is measured at fair value through profit or loss in the Group's consolidated statement of financial position.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(8)).

In the Company's statement of financial position, investments in associates and joint venture of the Company are accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group that is

classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss.

(5) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(15)).

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(6) Foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the PBOC, the State Administrative of Foreign Exchange or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the end of the reporting period. The resulting exchange differences are recognised in profit or loss, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to RMB using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the translation of equity securities investment designated as at fair value through other comprehensive income (FVOCI) (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which are recognised as OCI in reserve.

The assets and liabilities of foreign operation are translated to RMB at the spot exchange rate at the end of reporting period. The equity items, excluding "retained profits", are translated to RMB at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognised in shareholders' equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, short term deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to insignificant risk of change in

value.

(8) Financial instruments

(i) Recognition and initial measurement

Financial instruments are recognised/derecognised on the date the Group commits to purchase/sell the investment. Financial instruments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVTPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 2(8)(iv). Financial instruments are subsequently accounted for as follows, depending on their classification.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the

contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk is to be recognised in OCI (without reclassification to profit or loss). Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI;
- financial guarantee contracts;
- contract assets;and
- lease receivables.

Debt instruments at fair value, FVTPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL

assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

- an actual or expected significant deterioration in the operating results of the debtor; and

- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisations; or
- the disappearance of an active market for a security because of financial difficulties.
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written-off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iv) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted market price without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. Quoted prices from an active market are prices that are readily and regularly available from an exchange, dealer, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the reporting period. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

In estimating the fair value of a financial asset and financial liability, the Group considers all factors including, but not

limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

(v) Derecognition of financial assets and financial liabilities

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

- the contractual rights to the cash flows from the financial asset expire; or

- the Group transfers substantially all the risks and rewards of ownership of the financial assets or where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Group continues to recognise the financial asset and relevant liability to the extent of its continuing involvement in the financial asset.

The financial liability (or part of it) is derecognised only when the underlying present obligation (or part of it) specified in the contracts is discharged, cancelled or expired. An agreement between the Group and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis, or by realising the asset and settling the liability simultaneously.

(vii) Equity instruments

An equity instrument is a contract that proves the ownership interest of the residual assets after deducting all liabilities of the Group. Considerations received from issuance of equity instruments net of transaction costs are recognised in equity. Considerations and transaction costs paid by the Group for repurchasing its own equity instruments are deducted from equity.

(viii) Perpetual bonds

At initial recognition, the Group classifies the perpetual bonds issued 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 that should be classified as equity instruments are recognised in equity based on the actual amount received. 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.

(ix) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(x) Hedge accounting

At the inception of a hedging relationship, the Group formally designates the hedge instruments and the hedged items,

and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group would rebalance the hedging relationship.

The Group designates such hedged items as debt securities issued with floating interest that expose the Group to the risk of variability of its cash flows.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss. Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVOCI. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss or other comprehensive income.

For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction or a component of any such item, and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument recognised directly in other comprehensive income is recycled in the corresponding income or expense line of the statement of profit or loss. When the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income until the hedged forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

Net investment hedges

Net investment hedge is a hedge of the currency risk of a net investment in a foreign institution operation.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in other comprehensive income; the gain or loss relating to the ineffective portion is recognised in profit or loss immediately. Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of as part of the gain or loss on the disposal.

(9) Margin financing and securities lending

Margin financing and securities lending refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers for securities selling, for which the customers provide the Group with collateral.

The classification, subsequent measurement and impairment of margin financing receivables is based on policies in Note 2(8). Securities lent are not derecognised when the risk and rewards are not transferred, and interest income from margin financing receivables and securities lent is recognised accordingly.

The collateral is not recognised on the statement of financial position, the transfer of the collateral from counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

(10) Financial assets held under resale and sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under repurchase agreements in the consolidated statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the consolidated statement of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses, respectively.

(11) Investments in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 2(4).

In the Company's statement of financial position, investments in subsidiaries are accounted for using the cost method. The investment is stated at cost less impairment loss (Note 2(15)) in the statements of financial position. Except for declared but not yet distributed cash dividends or profits distribution that have been included in the price or consideration paid in obtaining the investments, the Group recognises its share of the cash dividends or profit distribution declared by the investees as investment income.

(12) Property and equipment and construction in progress

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(15)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;

- any other costs directly attributable to bringing the assets to a working condition for their intended use;

- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and

- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Costs of construction in progress are determined based on the actual expenditures incurred which include all necessary expenditures incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write-off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

Types of assets	*Estimated useful lives*	*Estimated residual values*	*Depreciation rates*
Buildings	30 - 35 years	3%	2.77% - 3.23%
Motor vehicles	5 - 8 years	3%	12.13% - 19.40%
Electronic equipment	5 years	3%	19.40%
Furniture and fixtures	5 years	3%	19.40%

No depreciation is provided in respect of construction in progress. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is accounted for using the cost model and stated in the financial statements at cost less accumulated depreciation, and impairment losses (see Note 2(15)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

	Estimated useful lives	*Estimated residual values*	*Depreciation rates*
Investment property	30 - 35 years	3%	2.77% - 3.23%

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

(14) Land-use rights and other intangible assets

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment loss (see Note 2(15)). For an intangible asset with finite useful life, its cost less impairment loss is amortised on the straight-line method over its estimated useful life.

The respective amortisation periods for intangible assets are as follows:

Types of assets	*Estimated useful lives*
Existing relationships with broker-dealers	Indefinite
Enterprise distribution channel customer relationships	Indefinite
Trading seat fee	Indefinite
Land-use rights	40 - 50 years
Trade names	11 - 20 years
Software and others	2 - 14 years

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

(15) Impairment of non-financial assets

The carrying amounts of the following assets are reviewed at each reporting date to determine whether there is any indication of impairment:

- property and equipment
- construction in progress
- investment property
- land-use rights and other intangible assets
- equity investment in subsidiaries, associates and joint ventures
- goodwill
- leasehold improvements and long-term deferred expenses

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to

which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(16) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for financial assets within the scope of IFRS 9 which continue to be measured in accordance with the accounting policies as set out in respective sections.

(17) Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. Contract assets are assessed for ECL in accordance with the policy set out in Note 2(8)(iii) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(18) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds, which have a credit rating of at least AA from rating agency, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(19) Share-based payments

(i) Accounting treatment of cash-settled share-based payments

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If a cash-settled share-based payment do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the Group will remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognised in profit or loss for the current period.

When the Group receives services and has the obligation to settle the transaction, but the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group classifies the transaction as cash-settled.

(ii) Accounting treatment of equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to the newly obtained subsequent information of the changes of the number of the employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

When the Group receives services, but the Group has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

(20) Income tax

Income tax expense comprises current and deferred income tax expense. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(21) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'other payables and accruals' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 2(8)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income and gains'.

(22) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(23) Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

(24) Revenue recognition

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount

rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Commission income from brokerage business

Brokerage commission income is recognised on a trade date basis when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business is recognised when the related services are rendered.

(ii) Underwriting and sponsor fees

Underwriting fee is recognised when the Group has fulfilled its obligations under the underwriting contract.

Depending on contract terms, sponsor fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

(iii) Advisory fees

Depending on the nature of the advisory services and the contract terms, advisory fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the advisory service is completed.

(iv) Asset management fees

Asset management fees include periodic management fees calculated based on assets under management and performance-based fees. The fees are recognised progressively over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(v) Other income

Other income is recognised on an accrual basis.

(25) Expenses recognition

(i) Commission expenses

Commission expenses relate mainly to transactions, which are recognised as expenses when the services are received.

(ii) Interest expenses

Interest expenses are recognised based on the principal outstanding and at the effective interest rate applicable.

(iii) Other expenses

Other expenses are recognised on an accrual basis.

(26) Dividend distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the end of the reporting period, are not recognised as a liability at the end of the reporting period but disclosed in the notes to the financial statements separately.

(27) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as

deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income and gains".

(28) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) 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).

(8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(29) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics and are similar in respect of the nature of each products and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

(30) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect

the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Fair value of financial instruments

If the market for a financial instrument is not active, the Group determines the fair value by using valuation technique. Valuation technique makes maximum use of observable market input. However, where observable market inputs are not available, management makes estimates on such unobservable market inputs.

(ii) Measurement of ECL

The following significant judgements are required in applying the accounting requirements for measuring the ECL.

Significant increase of credit risk

As explained in Note 2(8)(iii), ECL are measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Assets move from 12-month to lifetime ECLs when there is a significant increase in credit risk, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used

The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Forward-looking information

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movements of different economic drivers and how these drivers will affect each other.

Probability of default (PD)

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss given default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Loss rate (LR)

LR represents the Group's expectation of the likelihood and extent of loss on exposure based on the relevant loan to collateral ratio. The Group uses historical loss rates based on publicly available information and assesses their appropriateness.

(iii) Impairment of non-financial assets

At the end of the reporting period, the carrying amount of non-financial assets are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, an impairment loss is provided. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

Since the market price of an asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing the present value of future cash flows, significant judgements are exercised over the future cash flows and discounting rates, based on all relevant materials which can be obtained together with reasonable and supportable assumptions.

(iv) Income taxes

Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(v) Determination scope of consolidation

All facts and circumstances must be taken into consideration in the assessment of whether the Group, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investors' returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

3 Taxation

The Group's main applicable taxes and tax rates are as follows:

Tax type	*Tax basis*	*Tax rate*
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	3% - 13%
City maintenance and construction tax	Based on VAT payable	1% - 7%
Education surcharge	Based on VAT payable	2% - 3%
Local Education surcharge	Based on VAT payable	1% - 2%
Income tax	Based on taxable profits	25%[(i)]

(i) The income tax rate applicable to the Company and its subsidiaries in the Mainland China is 25% (2023: 25%). The income tax rate applicable to subsidiaries in Hong Kong is 16.5% (2023: 16.5%). The federal income tax of subsidiaries in the United States were provided at the rate of 21% (2023: 21%). Taxes of other overseas subsidiaries are charged at the relevant local rates.

4 Fee and commission income

	Year ended 31 December	
	2024	*2023*
Income from securities brokerage and advisory business	**8,549,351**	7,870,599
Income from asset management business	**4,810,453**	6,422,832
Income from underwriting and sponsorship business	**1,891,474**	2,980,061
Income from futures brokerage business	**1,561,096**	1,188,621
Income from financial advisory business	**252,241**	238,015
Other commission income	**194,721**	240,854
Total	**17,259,336**	18,940,982

5 Interest income

	Year ended 31 December	
	2024	2023
Interest income from margin financing and securities lending	**6,773,051**	7,839,468
Interest income from financial institutions	**4,417,006**	4,325,319
Interest income from debt instruments at amortised cost	**1,455,189**	1,445,973
Interest income from securities-backed lendings	**146,181**	273,945
Interest income from debt instruments at fair value through other comprehensive income	**479,387**	461,396
Interest income from other financial assets held under resale agreements	**274,953**	247,544
Others	**15,227**	21,587
Total	**13,560,994**	14,615,232

6 Net investment gains

	Year ended 31 December	
	2024	2023
Dividend income and interest income from financial instruments at fair value through profit or loss	**8,976,586**	8,068,148
Net realised gains from disposal of subsidiaries	**6,335,547**	-
Net realised gains/(losses) from disposal of derivative financial instruments	**2,249,924**	(8,941,901)
Net realised gains from disposal of financial instruments at fair value through profit or loss	**1,690,391**	11,639,856
Net realised gains/(losses) from disposal of debt instruments at fair value through other comprehensive income	**101,101**	(80,389)
Dividend income from financial instruments at fair value through other comprehensive income	**8,800**	-
Unrealised fair value changes of derivative financial instruments	**(988,058)**	(6,518,537)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**(3,873,533)**	7,493,050
Other investment gains	**-**	10,173
Total	**14,500,758**	11,670,400

7 Other income and gains

	Year ended 31 December	
	2024	2023
Income from commodity sales	7,860,243	4,890,072
Government grants[(i)]	193,172	306,922
Rental income	23,335	30,709
Gains on disposal of property and equipment	3,930	1,525
Gain on acquiring interest in an associate	-	239,728
Foreign exchange gain	750,297	1,322,894
Others	133,418	241,957
Total	8,964,395	7,033,807

(i) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.

8 Fee and commission expenses

	Year ended 31 December	
	2024	2023
Expenses for securities brokerage and advisory business	2,512,392	2,366,556
Expenses for futures brokerage business	1,084,258	619,462
Expenses for asset management business	664,112	1,158,376
Expenses for underwriting and sponsorship business	46,564	180,253
Expenses for financial advisory business	330	943
Other commission expenses	3,321	2,700
Total	4,310,977	4,328,290

9 Interest expenses

	Year ended 31 December	
	2024	2023
Interest expenses on long-term bonds	4,752,586	4,876,439
Interest expenses on financial assets sold under repurchase agreements	3,411,098	3,954,529
Interest expenses on placements from banks and other financial institutions	777,410	1,935,432
Interest expenses on short-term debt instruments issued	525,412	704,782
Interest expenses of accounts payable to brokerage clients	830,502	1,187,166
Interest expenses on short-term bank loans	220,685	597,601
Interest expenses on lease liabilities	50,632	63,271
Interest expenses on long-term bank loans	34,669	59,122
Others	253,430	284,567
Total	10,856,424	13,662,909

10 Staff costs

	Note	Year ended 31 December 2024	2023
Salaries, bonuses and allowances		**8,025,434**	7,245,418
Contribution to pension schemes		**899,117**	942,195
Share-based payment expense	63	**101,204**	187,494
Other social welfare		**1,048,866**	996,735
Total		**10,074,621**	9,371,842

The domestic employees of the Group in the PRC participate in social welfare plans, including pension, medical, housing, and other welfare benefits, organised and administered by the governmental authorities. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on a regular basis and paid to the labour and social welfare authorities. The contributions to the social security plans are expensed as incurred.

The Group provides its full-time employees in Mainland China and certain countries or jurisdictions outside Mainland China with relevant pension plans as required by the governments or by local labour laws, including the basic pension plan in Mainland China, the Mandatory Provident Funds in Hong Kong and other statutory plans in certain countries outside Mainland China. The Group did not have any forfeited contributions under these pension plans.

The Group also provides an enterprise annuity plan to employees in Mainland China. According to the plan, when an employee resigns, part of the contributed amount may be returned to the Company's enterprise annuity account based on his/her actual working time. Such returned contributions had no impact on the level of annuity contributions for existing employees. The Group did not utilise any of such forfeited contributions to reduce the existing level of contributions.

11 Depreciation and amortisation expenses

	Year ended 31 December 2024	2023
Amortisation of land-use rights and other intangible assets	**556,849**	571,151
Depreciation of property and equipment	**1,073,402**	1,123,754
- Right-of-use assets	**547,296**	590,215
- Other property and equipment	**526,106**	533,539
Amortisation of leasehold improvements and long-term deferred expenses	**136,768**	151,130
Depreciation of investment properties	**7,592**	10,374
Total	**1,774,611**	1,856,409

12 Tax and surcharges

	Year ended 31 December	
	2024	2023
City maintenance and construction tax	67,642	71,367
Education surcharges	49,472	52,929
Others	62,303	63,368
Total	179,417	187,664

13 Other operating expenses

	Year ended 31 December	
	2024	2023
Cost of commodity sales	7,947,202	4,935,251
IT expenses	2,025,726	2,283,005
Consulting fees	490,561	352,224
Marketing, advertising and promotion expenses	423,647	482,319
Stock exchange fees	366,592	476,254
Postal and communication expenses	326,875	322,632
Travel expenses	318,539	377,100
Litigation and regulatory matters(Note58)	176,067	700,119
Securities investor protection funds	106,242	110,900
Utilities	65,681	68,409
Products distribution expenses	54,924	55,377
Rental expenses	31,234	39,142
Auditors' remuneration	12,578	12,022
Others	1,498,909	1,429,619
Total	13,844,777	11,644,373

14 Impairment losses under expected credit loss model, net of reversal

	Year ended 31 December	
	2024	2023
Reversal of impairment losses against cash and bank balances	(190)	(290)
Provision for impairment losses against cash held on behalf of brokerage clients	15	-
Provision for / (reversal of) impairment losses against margin accounts receivable	242,700	(6,325)
Provision for impairment losses against other receivables and interest receivable	4,453	23,917
(Reversal of) /provision for impairment losses against debt instruments at amortised cost	(125)	367
(Reversal of) /provision for impairment losses against financial assets at fair value through other comprehensive income	(32,659)	11,753
Reversal of impairment losses against financial assets held under resale agreements	(36,155)	(485,801)
Provision for impairment losses against accounts receivable	68,230	45,433
Total	246,269	(410,946)

15 Income tax expense

(a) Taxation in the consolidated income statements represents:

	Year ended 31 December	
	2024	2023
Current income tax		
- Mainland China	**882,656**	1,080,281
- Hong Kong	**73,273**	128,348
- Overseas	**309,284**	321,369
	1,265,213	1,529,998
Adjustment in respect of prior years		
- Mainland China	**(27,219)**	(28,198)
Deferred tax	**(1,404,528)**	(333,396)
Total	**(166,534)**	1,168,404

(1) According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Group's subsidiaries in the Mainland China are subject to CIT at the statutory tax rate of 25%.

(2) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits. The federal income tax of subsidiaries in the United States were provided at the rate of 21%, whereas the states' income tax are charged at the applicable local tax rates.

(3) As at 31 December 2024, the profits from jurisdictions where the Pillar Two legislation is enacted or substantially enacted but not yet in effect is less than 0.1 per cent of the Group's total profits. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

The Group has applied the temporary mandatory exception for recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rate:

	Year ended 31 December	
	2024	2023
Profit before income tax	**15,352,340**	14,204,664
Notional tax calculated using the PRC statutory tax rate	**3,838,085**	3,551,166
Tax effect of non-deductible expenses	**190,172**	274,688
Tax effect of non-taxable income	**(2,522,090)**	(2,302,220)
Tax effect of deductible temporary differences or unused tax losses not recognised	**9,214**	544
Effect of using the deductible tax losses for which no deferred tax asset was recognised in previous period	**(5,054)**	(10,033)
Effect of different tax rates of the subsidiaries	**(1,420,405)**	(141,529)
Adjustment in respect of prior years	**(27,219)**	(28,198)
Others (Note)	**(229,237)**	(176,014)
Income tax expense for the year	**(166,534)**	1,168,404

Note: The balance of others mainly represents tax impact of dividends to perpetual subordinated bonds.

16 Directors' and supervisors' remuneration

The remuneration of directors and supervisors for current year who held office is as follows:

	Year ended 31 December 2024				
Name	*Directors' fees*	*Salaries, allowances and benefits in kind*	*Contribution to pension schemes*	*Annuity plan*	*Total*
Executive directors					
Zhang Wei	-	812	47	219	1,078
Zhou Yi	-	1,440	47	151	1,638
Yin lihong	-	731	47	153	931
Non-executive directors					
Ding Feng[(1)]	-	-	-	-	-
Chen Zhongyang[(1)]	-	-	-	-	-
Ke Xiang[(1)]	-	-	-	-	-
Zhang Jin Xin[(1)]	-	-	-	-	-
Liu Changchun[(1)(3)]	-	-	-	-	-
Independent non-executive directors					
Wang Jianwen	240	-	-	-	240
Wang Quansheng	240	-	-	-	240
Peng Bing	240	-	-	-	240
Wang Bing	240	-	-	-	240
Tse Yung Hoi [(5)]	120	-	-	-	120
Lo Kin Wing Terry[(4)]	140	-	-	-	140
Supervisors					
Gu Chengzhong	-	1,094	47	158	1,299
Li Chongqi[(1)(5)]	-	-	-	-	-
Yu Lanying[(1)]	-	-	-	-	-
Zhang Xiaohong[(1)]	-	-	-	-	-
Zhou Hongrong[(1)]	-	-	-	-	-
Wang Ying	-	1,003	47	83	1,133
Wang Juan	-	652	47	73	772
Lv Wei[(1)(4)]	-	-	-	-	-
Total	1,220	5,732	282	837	8,071

	Year ended 31 December 2023				
Name	*Directors' fees*	*Salaries, allowances and benefits in kind*	*Contribution to pension schemes*	*Annuity plan*	*Total*
Executive directors					
Zhang Wei	-	802	46	167	1,015
Zhou Yi	-	1,440	46	147	1,633
Yin lihong	-	722	46	148	916
Non-executive directors					
Ding Feng[(1)]	-	-	-	-	-
Chen Zhongyang[(1)]	-	-	-	-	-
Ke Xiang[(1)]	-	-	-	-	-
Liu Changchun[(1)(3)]	-	-	-	-	-
Zhang Jin Xin[(1)]	-	-	-	-	-
Hu Xiao[(1)(2)]	-	-	-	-	-
Independent non-executive directors					
Wang Jianwen	240	-	-	-	240
Wang Quansheng	240	-	-	-	240
Peng Bing	240	-	-	-	240
Wang Bing	240	-	-	-	240
Tse Yung Hoi	240	-	-	-	240
Supervisors					
Gu Chengzhong	-	1,079	46	155	1,280
Li Chongqi[(1)]	-	-	-	-	-
Yu Lanying[(1)]	-	-	-	-	-
Zhang Xiaohong[(1)]	-	-	-	-	-
Zhou Hongrong[(1)]	-	-	-	-	-
Wang Ying	-	996	46	80	1,122
Wang Juan	-	621	46	71	738
Total	1,200	5,660	276	768	7,904

(1) The remunerations of these non-executive directors and supervisors of the Company were borne by its shareholders and other related parties including Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holdings Co., Ltd., Jiangsu SOHO Holdings Group Co., Ltd. and Jiangsu Govtor Capital Group Co., Ltd., etc. No allocation of the remunerations between these shareholders and the Group has been made during the reporting period.

(2) Resigned as non-executive director on 19 September 2023.

(3) Appointed as non-executive director on 24 November 2023.

(4) Appointed as independent non-executive director or supervisor on 20 June 2024.

(5) Resigned as independent non-executive director or supervisor on 20 June 2024.

(6) For the year ended 31 December 2024, in addition to remuneration of directors and supervisors as disclosed above, the Company recognised share-based payment expense amounted to RMB 663 thousand, for the restricted shares granted to Zhou Yi under Restricted Share Incentive Scheme of A Shares (for the year ended 31 December 2023: RMB1,389 thousand).

The total pre-tax remuneration in the table represents the compensation accrued and paid during the year 2024 and 2023, respectively, which was received by the directors or supervisors during their tenure in the relevant positions. The total compensation packages of the directors and supervisors for the fiscal year 2024 have not been finalised and will be further disclosed when they are confirmed. The finalised bonus of the directors and supervisors for the fiscal year 2023 are as follows: Zhang Wei 644 thousand, Zhou Yi 2,310 thousand, Yin Lihong 578 thousand, Gu Chengzhong 2,341 thousand, Wang Ying 1,274 thousand, Wang Juan 1,599 thousand.

There were no amounts paid during the year ended 31 December 2024 to the directors and supervisors in connection with their retirement from employment or compensation for loss of office with the Company, or inducement to join. During the year, there was no arrangement under which a director or a supervisor who had resigned waived or agreed to waive any remuneration.

17 Individuals with highest emoluments

Of the five individuals with the highest emoluments, none are directors or supervisors whose emoluments are disclosed in Note 16. The aggregate of the emoluments are as follows:

	Year ended 31 December	
	2024	*2023*
Salaries and allowances	**12,768**	11,272
Discretionary bonuses	**37,928**	70,652
Employer's contribution to pension schemes	**262**	82
Share-based payments	**525**	868
Total	**51,483**	82,874

The emoluments with the highest emoluments are within the following bands:

	Year ended 31 December	
	2024	*2023*
	Number of individuals	*Number of individuals*
RMB8,000,001 to RMB9,000,000	**2**	-
RMB9,000,001 to RMB10,000,000	**1**	-
RMB10,000,001 to RMB11,000,000	**1**	1
Over RMB11,000,000	**1**	4
Total	**5**	5

No emoluments are paid or payable to these individuals as retirement from employment or as an inducement to join or upon joining the Company or as compensation for loss of office during the reporting period.

18 Other comprehensive income

	Year ended 31 December 2024		
	Before tax	*Tax expense*	*Net of tax*
Net gain from debt instruments at FVOCI	**58,221**	**(12,120)**	**46,101**
Equity instruments at FVOCI:			
- Net movements in fair value reserve (non-recycling)	**(15)**	**97**	**82**
Reserve from cash flow hedging instruments	**(83,916)**	**-**	**(83,916)**
Share of other comprehensive income of associates and joint ventures	**367,987**	**-**	**367,987**
Exchange differences on translation of financial statements in foreign currencies	**267,501**	**-**	**267,501**
Total	**609,778**	**(12,023)**	**597,755**

	Year ended 31 December 2023		
	Before tax	*Tax expense*	*Net of tax*
Net gain from debt instruments at FVOCI	106,977	(22,779)	84,198
Equity instruments at FVOCI:			
- Net movements in fair value reserve (non-recycling)	17,759	(4,760)	12,999
Reserve from cash flow hedging instruments	(3,571)	-	(3,571)
Share of other comprehensive income of associates and joint ventures	(40,580)	-	(40,580)
Exchange differences on translation of financial statements in foreign currencies	262,953	-	262,953
Total	343,538	(27,539)	315,999

19 Basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

		Year ended 31 December	
	Note	**2024**	2023
Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)	19(1)(a)	**14,635,336**	12,167,133
Weighted average number of ordinary shares (in thousands)	19(1)(b)	**9,009,279**	8,996,366
Basic earnings per share attributable to ordinary shareholders (in RMB per share)		**1.62**	1.35

(a) Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)

	Year ended 31 December	
	2024	2023
Consolidated net profit attributable to equity shareholders of the Company	**15,351,162**	12,750,633
Dividends declared under Restricted Share Incentive Scheme of A Shares	**(7,960)**	(12,507)
Profit attributable to perpetual subordinated bonds holders of the Company [(i)]	**(707,866)**	(570,993)
Consolidated net profit attributable to ordinary shareholders of the Company (Adjusted)	**14,635,336**	12,167,133

(i) For the purpose of calculating basic earnings per ordinary share in respect of the year ended 31 December 2024, RMB 708 million (2023: RMB 571million) attributable to perpetual subordinated bonds were deducted from profits attributable to shareholders of the Company.

(b) Weighted average number of ordinary shares (in thousands)

	Year ended 31 December	
	2024	2023
Number of ordinary shares as at 1 January	**9,074,663**	9,075,589
Decrease in weighted average number of ordinary shares	**(65,384)**	(79,223)
Weighted average number of ordinary shares	**9,009,279**	8,996,366

(2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding:

		Year ended 31 December	
	Note	**2024**	2023
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	19(2)(a)	**14,638,263**	11,984,829
Weighted average number of ordinary shares outstanding (in thousands)	19(2)(b)	**9,016,227**	9,006,563
Diluted earnings per share attributable to ordinary shareholders (in Renminbi per share)		**1.62**	1.33

(a) Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows:

	Year ended 31 December	
	2024	2023
Consolidated net profit attributable to ordinary shareholders of the Company (Adjusted)	**14,635,336**	12,167,133
Diluted adjustments:		
Effect of dividends declared under Restricted Stock Incentive Scheme of A Shares[(i)]	**7,960**	12,507
Effect of conversion of convertible bonds from the associate of the Company[(ii)]	**-**	(192,227)
Assumed vesting of shares granted to employees of a subsidiary[(iii)]	**(5,033)**	(2,584)
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	**14,638,263**	11,984,829

(i) The Group granted Restricted Stock Incentive Scheme of A shares to certain employees in 2021. Diluted earnings per share should take into account both the impact of the cash dividend of the current period distributed to the holders of restricted shares who are expected to reach the unlocking conditions and estimate number of restricted shares which will be unlocked. After considering the abovementioned impact, the Restricted Stock Incentive Scheme has a dilutive effect for the year ended 31 December 2024 (2023: dilutive).

(ii) Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu"), the associate of the Company issued convertible bonds in 2019. Diluted earnings per share takes into account the potential dilutive impact on the Group's share of profits of this associate due to the potential full conversion of bonds to shares. The convertible bond was fully redeemed and delisted in October 2023.

(iii) The dilutive effect is due to the share-based payment schemes of AssetMark Financial Holdings, Inc. ("AssetMark").

(b) Weighted average number of ordinary shares outstanding (diluted) is calculated as follows:

	Year ended 31 December	
	2024	2023
Weighted average number of ordinary shares at 31 December	**9,009,279**	8,996,366
Diluted adjustments:		
Effect of Restricted Stock Incentive Scheme of A shares	**6,948**	10,197
Weighted average number of ordinary shares(diluted)	**9,016,227**	9,006,563

20 Property and equipment

	Buildings	*Motor vehicles*	*Electronic equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2024	4,848,570	156,796	2,118,972	487,843	565,790	2,618,734	10,796,705
Additions	286	686	182,403	41,811	764,068	358,395	1,347,649
Transfer during the year	-	-	518	4,259	(54,744)	-	(49,967)
Transfer in from investment properties (Note 21)	2,163	-	-	-	-	-	2,163
Disposals	-	(1,790)	(65,211)	(4,524)	-	(289,773)	(361,298)
Disposal of subsidiaries	-	-	(82,966)	(100,278)	-	(328,811)	(512,055)
Reclassified as held for sale	-	(1,217)	(3,938)	(744)	-	(7,662)	(13,561)
As at 31 December 2024	4,851,019	154,475	2,149,778	428,367	1,275,114	2,350,883	11,209,636
Accumulated depreciation							
As at 1 January 2024	(1,392,980)	(102,062)	(1,219,878)	(311,593)	-	(1,250,482)	(4,276,995)
Charge for the year	(138,159)	(10,752)	(312,865)	(64,330)	-	(547,296)	(1,073,402)
Transfer in from investment properties (Note 21)	(1,790)	-	-	-	-	-	(1,790)
Disposals	-	1,375	56,517	1,412	-	277,395	336,699
Disposal of subsidiaries	-	-	68,203	54,999	-	164,956	288,158
Reclassified as held for sale	-	839	3,188	532	-	2,547	7,106
As at 31 December 2024	(1,532,929)	(110,600)	(1,404,835)	(318,980)	-	(1,352,880)	(4,720,224)
Carrying amount							
As at 31 December 2024	3,318,090	43,875	744,943	109,387	1,275,114	998,003	6,489,412

	Buildings	*Motor vehicles*	*Electronic equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2023	4,689,613	161,582	1,917,816	424,009	195,750	2,515,403	9,904,173
Additions	33,595	8,154	274,094	90,614	471,520	612,601	1,490,578
Transfer during the year	-	-	650	5,811	(101,480)	-	(95,019)
Transfer in from investment properties (Note 21)	125,660	-	-	-	-	-	125,660
Disposals	(298)	(12,940)	(73,588)	(32,591)	-	(509,270)	(628,687)
As at 31 December 2023	4,848,570	156,796	2,118,972	487,843	565,790	2,618,734	10,796,705
Accumulated depreciation							
As at 1 January 2023	(1,202,470)	(92,247)	(945,500)	(271,132)	-	(1,105,441)	(3,616,790)
Charge for the year	(135,906)	(17,200)	(326,871)	(53,562)	-	(590,215)	(1,123,754)
Transfer in from investment properties (Note 21)	(54,732)	-	-	-	-	-	(54,732)
Disposals	128	7,385	52,493	13,101	-	445,174	518,281
As at 31 December 2023	(1,392,980)	(102,062)	(1,219,878)	(311,593)	-	(1,250,482)	(4,276,995)
Carrying amount							
As at 31 December 2023	3,455,590	54,734	899,094	176,250	565,790	1,368,252	6,519,710

As at 31 December 2024, included in buildings, there is a carrying amount of RMB 35.27 million for which the Group has yet to obtain the relevant land or building certificates (as at 31 December 2023: RMB37.57 million).

21 Investment properties

	As at 31 December	
	2024	2023
Cost		
As at 1 January	**262,472**	388,132
Transfer in from other current assets (Note 36)	**79,925**	-
Transfer to property and equipment (Note 20)	**(2,163)**	(125,660)
As at 31 December	**340,234**	262,472
Accumulated depreciation		
As at 1 January	**(121,641)**	(165,999)
Charge for the year	**(7,592)**	(10,374)
Transfer to property and equipment (Note 20)	**1,790**	54,732
As at 31 December	**(127,443)**	(121,641)
Impairment		
As at 1 January	**(4,547)**	(4,547)
Transfer in from other current assets (Note 36)	**(26,113)**	-
As at 31 December	**(30,660)**	(4,547)
Carrying amount	**182,131**	136,284

As at 31 December 2024, included in investment properties, there is a carrying amount of RMB 4.00 million, for which the Group has yet to obtain the relevant land or building certificates (as at 31 December 2023: RMB4.37 million).

22 Goodwill

Cost	
As at 1 January 2024	**3,419,332**
Disposal of subsidiaries	**(3,367,990)**
As at 31 December 2024	**51,342**
Impairment losses	
As at 1 January 2024	**-**
Impairment losses	**-**
As at 31 December 2024	**-**
Carrying amounts	
As at 1 January 2024	**3,419,332**
As at 31 December 2024	**51,342**
Cost	
As at 1 January 2023	3,352,219
Adjustment of acquisition through business combination	14,631
Effect of movements in exchange rates	52,482
As at 31 December 2023	3,419,332
Impairment losses	
As at 1 January 2023	-
Impairment losses	-
As at 31 December 2023	-
Carrying amounts	
As at 1 January 2023	3,352,219
As at 31 December 2023	3,419,332

The Group acquired the investment banking business together with the relevant assets and liabilities, and the interest in Huatai United Securities Co., Ltd. in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

The Group acquired the futures brokerage business together with the relevant assets and liabilities, and the interest in Huatai Futures Co., Ltd. (previously known as Great Wall Futures Co., Ltd.) in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

The Group acquired the overseas asset management business together with the relevant assets and liabilities, and the interest in AssetMark Financial Holdings, Inc. ("Assetmark") in 2016. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill. In 2024, Huatai International Investment Holding Co., Ltd., the wholly-owned overseas subsidiary of the Company, sold all of the common shares it held in AssetMark, and the relevant goodwill amounting to RMB 3,367,990 thousand is written off accordingly. The details of the disposal transaction are disclosed in Note 24(b).

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Global Financial Private Capital, Inc. in April 2019. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of Global Financial Private Capital, Inc.. In 2024, Huatai International Investment Holding Co., Ltd., the wholly-owned overseas subsidiary of the Company, sold all of the common shares it held in AssetMark, and the relevant goodwill is written off accordingly.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of WBI OBS Financial, Inc. in February 2020. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of WBI OBS Financial, Inc.. In 2021, the Group adjusts its organizational structure. AssetMark Financial Holdings, Inc. 's subsidiary, AssetMark, Inc., merged WBI OBS Financial, LLC. Considering this is a combination under the same control, the goodwill remains unchanged. In 2024, Huatai International Investment Holding Co., Ltd., the wholly-owned overseas subsidiary of the Company, sold all of the common shares it held in AssetMark, and the relevant goodwill is written off accordingly.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Voyant, Inc. in July 2021. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of Voyant, Inc.. In 2024, Huatai International Investment Holding Co., Ltd., the wholly-owned overseas subsidiary of the Company, sold all of the common shares it held in AssetMark, and the relevant goodwill is written off accordingly.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Adhesion Wealth Advisor Solutions, Inc. in December 2022. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of Adhesion Wealth Advisor Solutions, Inc.. During the year of 31 December 2023, the AssetMark Financial Holdings, Inc. finalized the valuation of identifiable assets and liabilities and goodwill and completed the acquisition accounting. In 2024, Huatai International Investment Holding Co., Ltd., the wholly-owned overseas subsidiary of the Company, sold all of the common shares it held in AssetMark, and the relevant goodwill is written off accordingly.

Impairment testing on goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to operating segment as follows:

	As at 31 December	
	2024	*2023*
Investment banking	**51,090**	51,090
Futures brokerage	**252**	252
Overseas asset management	**-**	3,367,990
Total	**51,342**	3,419,332

For the investment banking and futures brokerage CGU, the cash flows generated from each subsidiary acquired are independent. Therefore, each of these acquired subsidiaries is a separate CGU. The Group performed the impairment test for the goodwill generated from each CGU.

(1) Investment banking and futures brokerage CGU

The recoverable amounts of each CGU are determined based on value-in-use calculations, respectively. These calculations use cash flow projections with reference to financial budgets approved by management covering certain period. Cash-flows beyond the certain period are extrapolated using an estimated weighted average growth rate, which does not exceed the long-term average growth rate. As at 31 December 2024, the discount rate used by the investment banking and futures brokerage CGUs were 16.00% and 13.33%, respectively (16.00% and 16.39%, respectively, as at 31 December 2023), and the weighted average growth rate were 5.00% and 6.60%, respectively (5.00% and 6.60%, respectively, as at 31 December 2023). The discount rate and weighted average growth rate reflected the risks and growth expectations of the relevant CGUs.

Other major assumptions for the recoverable amount estimation relate to the estimation of cash inflows / outflows which include budgeted income and profit margins. Such estimation is based on the CGU's past performance and management's expectations for the market development.

23 Land-use rights and other intangible assets

	Land-use rights	*Existing relationships with broker-dealers*	*Enterprise distribution channel customer relationships*	*Trade names*	*Software and others*	*Total*
Cost						
As at 1 January 2024	1,768,330	4,011,405	195,859	355,792	4,696,188	11,027,574
Additions	-	-	-	-	601,230	601,230
Disposals	-	-	-	-	(1,228)	(1,228)
Disposal of subsidiaries	-	(4,102,171)	(201,988)	(364,190)	(2,631,825)	(7,300,174)
Reclassified as held for sale	-	-	-	-	(6,122)	(6,122)
Exchange differences	-	90,766	6,129	8,398	60,233	165,526
As at 31 December 2024	1,768,330	-	-	-	2,718,476	4,486,806
Accumulated amortisation						
As at 1 January 2024	(200,089)	-	-	(203,590)	(3,108,635)	(3,512,314)
Charge for the year	(41,771)	-	-	(2,950)	(546,639)	(591,360)
Disposals	-	-	-	-	1,228	1,228
Disposal of subsidiaries	-	-	-	211,481	1,479,708	1,691,189
Reclassified as held for sale	-	-	-	-	5,297	5,297
Exchange differences	-	-	-	(4,941)	(40,006)	(44,947)
As at 31 December 2024	(241,860)	-	-	-	(2,209,047)	(2,450,907)
Carrying amount						
As at 31 December 2024	1,526,470	-	-	-	509,429	2,035,899

	Land-use rights	*Existing relationships with broker-dealers*	*Enterprise distribution channel customer relationships*	*Trade names*	*Software and others*	*Total*
Cost						
As at 1 January 2023	1,768,330	3,931,667	242,226	348,720	4,087,137	10,378,080
Adjustment of acquisition through business combination	-	-	(50,287)	-	-	(50,287)
Additions	-	-	-	-	603,829	603,829
Disposals	-	-	-	-	(44,197)	(44,197)
Exchange differences	-	79,738	3,920	7,072	49,419	140,149
As at 31 December 2023	1,768,330	4,011,405	195,859	355,792	4,696,188	11,027,574
Accumulated amortisation						
As at 1 January 2023	(158,886)	-	-	(178,508)	(2,600,870)	(2,938,264)
Charge for the year	(41,203)	-	-	(21,035)	(524,401)	(586,639)
Disposals	-	-	-	-	42,097	42,097
Exchange differences	-	-	-	(4,047)	(25,461)	(29,508)
As at 31 December 2023	(200,089)	-	-	(203,590)	(3,108,635)	(3,512,314)
Carrying amount						
As at 31 December 2023	1,568,241	4,011,405	195,859	152,202	1,587,553	7,515,260

24 Investments in subsidiaries

(a) Details of principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. Unless otherwise stated, the class of shares hold is ordinary, and the issued and fully paid-up capital is expressed in Renminbi Yuan:

Name of company	*Place and date of incorporation / establishment and business*	*Issued and fully paid-up capital*	*Equity interest held by the Company as at 31 December*		*Principal activity*	*Auditor[1] GAAP*	
			2024	2023		**2024**	2023
Huatai United Securities Co., Ltd.[4]	PRC 5 September 1997	RMB 997,480,000	**100.00%**	100.00%	Investment banking	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Futures Co., Ltd.[4]	PRC 10 July 1995	RMB 3,939,000,000	**100.00%**	100.00%	Futures brokerage	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Purple Gold Investment Co., Ltd.[4]	PRC 12 August 2008	RMB 5,200,000,000	**100.00%**	100.00%	Equity investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Financial Holdings (Hong Kong) Limited[2]	Hong Kong 23 November 2006	HKD 8,800,000,000	**100.00%**	100.00%	Securities and futures brokerage	**Deloitte HKFRSs**	Deloitte HKFRSs
Huatai International Financial Holdings Co., Ltd.	Hong Kong 5 April 2017	HKD 10,200,000,002	**100.00%**	100.00%	Holding company	**Deloitte HKFRSs**	Deloitte HKFRSs
Huatai Innovative Investment Co., Ltd.[4]	PRC 21 November 2013	RMB 2,600,000,000	**100.00%**	100.00%	Alternative investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Securities (Shanghai) Assets Management Co., Ltd.[4]	PRC 16 October 2014	RMB 2,600,000,000	**100.00%**	100.00%	Asset management	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) [2][3][5]	PRC 1 June 2015	RMB -	**45.00%**	45.00%	Equity investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Yili Suxin Investment Fund (Limited Partnership) [2][3][5]	PRC 19 February 2016	RMB 1,348,088,000	**24.73%**	24.73%	Equity investment	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
AssetMark Financial Holdings, Inc.[2]	US 1 January 1996	USD 73,563	**-**	68.40%	Asset management	**N/A**	KPMG LLP US GAAP

Name of company	*Place and date of incorporation / establishment and business*	*Issued and fully paid-up capital*	*Equity interest held by the Company as at 31 December*		*Principal activity*	*Auditor[1] GAAP*	
			2024	2023		**2024**	2023
Huatai Great Wall Capital Management Co., Ltd.[2][4]	PRC 6 December 2013	RMB 650,000,000	**100.00%**	100.00%	Spread trading and commodity warrant trading	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP
Huatai Great Wall Investment Management Co, Ltd.[2][4]	PRC 3 August 2017	RMB 550,000,000	**100.00%**	100.00%	Investment management	**Deloitte PRC PRC GAAP**	Deloitte PRC PRC GAAP

(1) Auditors of the respective subsidiaries of the Group are as follows:

- Deloitte PRC represents Deloitte Touche Tohmatsu Certified Public Accountants LLP, a firm of certified public accountants registered in PRC;

- Deloitte represents Deloitte Touche Tohmatsu in Hong Kong, a firm of certified public accountants registered in Hong Kong;

- KPMG LLP represents KPMG in the United States, a firm of certified public accountants registered in the United States.

(2) These subsidiaries are indirectly controlled by the Company.

(3) As at 31 December 2024, the Company indirectly held less than 50% of the equity of Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) and Yili Suxin Investment Fund (Limited Partnership). According to the articles of partnership agreement, the Company has the power to control these funds and has the ability to use the power to affect the Company's variable return amount. Therefore, they are included in the scope of the consolidated financial statements.

(4) Company with limited liability in Mainland China.

(5) Limited partnership in Mainland China.

(b) Disposal of subsidiaries AssetMark Financial Holdings, Inc.

Following the approval at the ninth meeting of the sixth board of directors on 25 April 2024, the Group intended to sell all 50,873,799 common shares held by its wholly-owned overseas subsidiary, Huatai International Investment Holdings Limited ("Huatai International"), in AssetMark.

The Group completed the disposal of all shares of AssetMark held by it on September 5, 2024 (New York time) (the "Closing Date"), with the final consideration for the disoposal of AssetMark being USD 1,793 million (equivalent to RMB 12,755 million). The Group has ceased to hold any shares in AssetMark since the Closing Date and AssetMark will no longer be consolidated by the Group.

Analysis of assets and liabilities over which control was lost:	As at 5 September 2024
Property and equipment	223,897
Goodwill	3,367,990
Land-use rights and other intangible assets	5,608,985
Accounts receivable	176,623
Other receivables, prepayments and other current assets	205,809
Financial assets at fair value through profit or loss	329,516
Cash and bank balances	1,958,446
Employee benefits payable	(212,932)
Other payables and accruals	(704,838)
Contract liabilities	(361,230)
Deferred tax liabilities	(993,715)
Net assets disposed of	9,598,551
Consideration received:	
Cash received	12,754,675
Total consideration received	12,754,675
Consideration received	12,754,675
Less: net assets disposed of	(9,598,551)
Non-controlling interests	3,025,855
Reclassification of cumulative translation reserve upon disposal of Assetmark to profit or loss	153,568
Gain on disposal	6,335,547
Net cash inflow arising on disposal:	
Cash consideration	12,754,675
Less: cash and cash equivalents disposed of	(1,958,446)
Net cash inflow arising on disposal	10,796,229

(c) A disposal group held for sale

Following the approval at the 14th meeting of the sixth session of the Board of Directors on December 20, 2024, the Company agreed to transfer its 20% equity interest in Jiangsu Equity Exchange Center Co., Ltd. ("Jiangsu Equity Exchange Center") to Jiangsu Jincai Investment Co., Ltd. Upon completion of the transaction, the Company's shareholding in Jiangsu Equity Exchange Center will be reduced to 32%, resulting in the loss of control over the entity. Consequently, Jiangsu Equity Exchange Center will become an associate of the Company. As of the end of the reporting period, the closing of this transaction had not yet been finalized, and the related procedures were progressing as planned. The assets and liabilities of Jiangsu Equity Exchange Center have been classified as a disposal group held for sale. The equity transfer was ultimately completed in January 2025.

The net proceeds from the disposal are expected to exceed the net carrying amount of the relevant assets and liabilities, and accordingly, no impairment loss has been recognised. The major classes of assets and liabilities of Jiangsu Equity Exchange Center classified as held for sale are as follows:

	As at 31 December 2024
Property and equipment	6,455
Land-use rights and other intangible assets	825
Accounts receivable	20
Other receivables, prepayments and other current assets	5,357
Financial assets at fair value through profit or loss	318,042
Interests in associates	63,130
Deferred tax assets	12,901
Cash and bank balances	10,109
Total assets classified as held for sale	416,839
Accounts payable to brokerage clients	(8,809)
Employee benefits payable	(61,989)
Other payables and accruals	(4,604)
Total liabilities classified as held for sale	(75,402)

25 Interests in associates

	As at 31 December	
	2024	2023
Share of net assets	**21,446,915**	19,496,027

As at 31 December 2024 , the Group has pledged the shares of interest in an associate with a total book value of RMB 5,214 million to China Securities Finance Corporation Limited ("CSF") for refinancing and supporting the Group's securities lending business (as at 31 December 2023: RMB4,649 million).

The following list contains only the particulars of material associates, all of which (except that Bank of Jiangsu has been listed on the Shanghai Stock Exchange) are unlisted corporate entities whose quoted market price is not available:

				Proportion of owner ship interest						
Name of associate	Registered place	Registered capital		Group's effective interest		Held by the Company		Held by a subsidiary		Principal activity
		31/12/2024	31/12/2023	**31/12/2024**	31/12/2023	**31/12/2024**	31/12/2023	**31/12/2024**	31/12/2023	
Bank of Jiangsu[(i)]	Nanjing	**18,351,324**	18,351,324	**5.03%**	5.03%	**5.03%**	5.03%	**-**	-	Commercial banking
China Southern Asset Management Co., Ltd.	Shenzhen	**361,720**	361,720	**41.16%**	41.16%	**41.16%**	41.16%	**-**	-	Fund management

All the above associates are accounted for using the equity method in the consolidated financial statements.

(i) The Company has appointed one director in the board of directors of Bank of Jiangsu. The Company exercises significant influence over Bank of Jiangsu by participating in the formulation of financial and operational policies through the director it has appointed.

Summarised financial information of Bank of Jiangsu and China Southern Asset Management Co., Ltd. which are individually significant associates to the Group are disclosed below:

Bank of Jiangsu

	As at 31 December	
	2024	*2023*
Gross amounts of the associate		
Assets	**3,951,814,000**	3,403,361,837
Liabilities	**(3,638,475,403)**	(3,144,245,806)
Net assets	**313,338,597**	259,116,031

	Year ended 31 December	
	2024	*2023*
Revenue	**80,815,000**	74,293,433
Profit for the year	**33,258,161**	30,013,140
Other comprehensive income	**6,872,626**	1,191,493
Total comprehensive income	**40,130,787**	31,204,633
Dividend received from the associate	**716,787**	426,010
Carrying amount in the consolidated financial statements	**11,744,260**	10,577,267

China Southern Asset Management Co., Ltd.

	As at 31 December	
	2024	*2023*
Gross amounts of the associate		
Assets	**17,598,335**	13,926,073
Liabilities	**(4,923,657)**	(4,303,783)
Net assets	**12,674,678**	9,622,290

	Year ended 31 December	
	2024	*2023*
Revenue	**7,522,605**	6,741,416
Profit for the year	**2,351,599**	2,011,255
Other comprehensive income / (expense)	**12,028**	(1,412)
Total comprehensive income	**2,363,627**	2,009,843
Other adjustment	**806,170**	-
Dividend received from the associate	**-**	492,991
Reconciled to the Group's interest in the associate:		
Net assets of the associate attributable to the parent company	**12,334,396**	9,324,416
The Group's effective interest	**41.16%**	41.16%
The Group's share of net assets of the associate	**5,076,837**	3,837,930
Carrying amount in the consolidated financial statements	**5,076,837**	3,837,930

Aggregate information of associates that are not individually material:

	2024	2023
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**4,625,818**	3,874,991
Aggregate amounts of the Group's share of those associates' gains	**(231,374)**	265,093
Other comprehensive income	**-**	-
Total comprehensive income	**(231,374)**	265,093

26 Interests in joint ventures

	As at 31 December	
	2024	2023
Unlisted investment in a joint venture at fair value through profit or loss [(i)]	**208,769**	380,612
Unlisted investment in a joint venture	**790,344**	918,793
Total	**999,113**	1,299,405

(i) As at 31 December 2024, the Group elected to measure its investment in Huatai International Greater Bay Area Investment Fund, L.P. of RMB208.77 million held through Huatai Financial Holdings (Hong Kong) Limited, a wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this joint venture on a fair value basis.

The following list contains only the particulars of unlisted joint venture, which is accounted for using the equity method in the consolidated financial statements, and details of the joint venture as at 31 December 2024 and 31 December 2023 are as follows:

			Proportion of ownership interest			
Name of joint venture	*Registered place*	*Registered capital*	*Group's effective interest*	*Held by the Company*	*Held by a subsidiary*	*Principal activity*
Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership) [(i)]	Nanjing	10,001,000	10.00%	-	10.00%	Equity investment

(i) As at 31 December 2024, the Group held 10.00% equity interest of Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership). Pursuant to the limited partnership agreement, the Group and a third party contractually agree to share control of the fund, and have rights to the net assets of the fund. The directors of the Group consider the fund is jointly controlled by the Group and the third party, and it is therefore accounted for as a joint venture of the Group.

27 Debt instruments at amortised cost

(a) Analysed by nature:

Non-current

	As at 31 December	
	2024	2023
Debt securities	**40,859,525**	45,409,678
Less: impairment losses	**(4,761)**	(5,096)
Total	**40,854,764**	45,404,582
Analysed as:		
Listed outside Hong Kong	**19,315,669**	19,508,797
Listed inside Hong Kong	**180,622**	120,049
Unlisted	**21,358,473**	25,775,736
Total	**40,854,764**	45,404,582

Current

	As at 31 December	
	2024	2023
Debt securities	**6,939,588**	4,712,633
Less: impairment losses	**(630)**	(403)
Total	**6,938,958**	4,712,230
Analysed as:		
Listed outside Hong Kong	**3,867,704**	2,291,361
Listed inside Hong Kong	**-**	14,921
Unlisted	**3,071,254**	2,405,948
Total	**6,938,958**	4,712,230

As at 31 December 2024, the Group has pledged debt instruments at amortised cost with a total fair value of RMB 33,578 million and carrying amount of RMB 30,930 million for the purpose of repurchase agreement business and derivative business (as at 31 December 2023: a total fair value of RMB35,024 million and carrying amount of RMB34,265 million).

(b) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2024	2023
At the beginning of the year	**5,499**	5,132
(Reversal)/charge for the year, net	**(125)**	367
Other changes	**17**	-
At the end of the year	**5,391**	5,499

28 Debt instruments at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

	As at 31 December	
	2024	2023
Debt securities	**5,938,076**	15,027,489
Other debt instruments	**-**	180,463
Total	**5,938,076**	15,207,952
Analysed as:		
Listed outside Hong Kong	**271,247**	2,466,091
Listed inside Hong Kong	**360,543**	1,078,108
Unlisted	**5,306,286**	11,663,753
Total	**5,938,076**	15,207,952

Current

	As at 31 December	
	2024	2023
Debt securities	**4,197,477**	1,054,048
Total	**4,197,477**	1,054,048
Analysed as:		
Listed outside Hong Kong	**845,668**	271,786
Listed inside Hong Kong	**-**	782,262
Unlisted	**3,351,809**	-
Total	**4,197,477**	1,054,048

As at 31 December 2024, the Group has pledged debt instruments at fair value through other comprehensive income with a total fair value of RMB1,342 million for the purpose of repurchase agreement business and bond lending business (as at 31 December 2023: RMB2,903 million).

As at 31 December 2024, the fair value of debt instruments at fair value through other comprehensive income with commitment were RMB1,023million (as at 31 December 2023: RMB751 million).

29 Equity instruments at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

	As at 31 December	
	2024	2023
Equity securities designated at financial assets at fair value through other comprehensive income		
- Unlisted equity securities	**125,860**	124,506
Total	**125,860**	124,506
Analysed as:		
Unlisted	**125,860**	124,506

Equity instruments at FVOCI include non-traded equity instruments held by the Group. As the equity instruments are not held for trading purpose, the Group has designated these investments as equity instruments at FVOCI.

During the year ended 31 December 2024, the losses from the equity instruments at FVOCI recognised in other comprehensive income amounted to RMB15 thousand (During the year ended 31 December 2023: the gains amounted to RMB17,759 thousand). As a result of the change of investment strategies, the Group disposed certain equity instrument at FVOCI and the corresponding losses amounted to RMB143 thousand (During the year ended 31 December 2023: the losses amounted to RMB1,462 thousand).

30 Financial assets held under resale agreements

(a) Analysed by collateral type:

Non-current

	As at 31 December	
	2024	2023
Equity securities	**200,110**	-
Less: impairment losses	**(500)**	-
Total	**199,610**	-

Current

	As at 31 December	
	2024	2023
Debt securities	**12,308,144**	7,617,629
Equity securities	**3,339,156**	5,495,729
Less: impairment losses	**(618,509)**	(653,126)
Total	**15,028,791**	12,460,232

(b) Analysed by market:

Non-current

	As at 31 December	
	2024	2023
Shanghai stock exchange	**200,110**	-
Less: impairment losses	**(500)**	-
Total	**199,610**	-

Current

	As at 31 December	
	2024	2023
Inter-bank market	**8,520,557**	5,238,381
Shenzhen stock exchange	**2,760,201**	3,674,765
Shanghai stock exchange	**787,717**	2,398,939
Others	**3,578,825**	1,801,273
Less: impairment losses	**(618,509)**	(653,126)
Total	**15,028,791**	12,460,232

(c) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2024	2023
At the beginning of the year	**653,126**	1,138,413
Reversal for the year, net	**(36,155)**	(485,801)
Other	**2,038**	514
Total	**619,009**	653,126

(d) Analysed by remaining contractual maturities of securities-backed lendings:

	As at 31 December	
	2024	2023
Within 1 month	**823,232**	870,766
1 to 3 months	**251,808**	887,085
3 months to 1 year	**2,264,116**	3,737,878
Over 1 year	**200,110**	-
Less: impairment losses	**(487,960)**	(524,112)
Total	**3,051,306**	4,971,617

(e) Analysed by the stage of ECL of securities-backed lendings:

	As at 31 December 2024			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	**3,060,224**	**-**	**479,042**	**3,539,266**
Impairment losses	**(8,918)**	**-**	**(479,042)**	**(487,960)**
Carrying amount	**3,051,306**	**-**	**-**	**3,051,306**
Collateral	**8,030,573**	**-**	**-**	**8,030,573**

	As at 31 December 2023			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	4,987,546	-	508,183	5,495,729
Impairment losses	(17,279)	-	(506,833)	(524,112)
Carrying amount	4,970,267	-	1,350	4,971,617
Collateral	13,797,117	-	296,916	14,094,033

As at 31 December 2024, the fair value of the collateral of the Group's financial assets held under resale agreements was RMB 21,431,864 thousand (31 December 2023: RMB22,211,468 thousand).

31 Financial assets at fair value through profit or loss

Non-current

(a) Analysed by type:

	As at 31 December	
	2024	2023
Equity securities	**4,387,352**	6,190,549
Mutual funds	**528,732**	727,238
Other debt instruments	**376,065**	1,034,234
Total	**5,292,149**	7,952,021

(b) Analysed as:

	As at 31 December	
	2024	2023
Listed outside Hong Kong	**493,753**	372,821
Unlisted	**4,798,396**	7,579,200
Total	**5,292,149**	7,952,021

Current

(a) Analysed by type:

	As at 31 December	
	2024	2023
Equity securities	**56,499,288**	123,416,836
Debt securities	**171,564,677**	195,764,277
Mutual funds	**60,547,525**	61,040,090
Private funds	**3,548,647**	22,344,489
Wealth management products	**3,756,018**	1,418,630
Other debt instruments	**329,453**	1,143,041
Total	**296,245,608**	405,127,363

(b) Analysed as:

	As at 31 December	
	2024	2023
Listed outside Hong Kong	**119,442,341**	184,553,142
Listed inside Hong Kong	**17,830,773**	30,595,909
Unlisted	**158,972,494**	189,978,312
Total	**296,245,608**	405,127,363

As at 31 December 2024, the fund investments with lock-up periods in its investment portfolio held by the Group are RMB880 million (as at 31 December 2023: RMB772 million).

As at 31 December 2024, the listed equity securities held by the Group included approximately RMB 710 million of restricted shares (as at 31 December 2023: RMB8,801 million). The restricted shares are listed in the PRC with a legally enforceable restriction on these securities that prevents the Group to dispose of within the specified period.

The equity interest in unlisted securities held by the Group are issued by private companies. The value of the securities is measured by comparing with comparable companies that are listed and in the same sector or measured by using other valuation techniques.

Non-current financial assets at fair value through profit or loss investments are expected to be realised or restricted for sale beyond one year from the end of the respective reporting periods. The fair value of the Group's investments in unlisted funds, which mainly invest in publicly traded equities listed in the PRC, are valued based on the net asset values of the funds calculated by the respective fund managers by reference to their underlying assets and liabilities' fair values.

The fair value of the Group's investments in equity securities without restriction, exchange-listed funds and debt securities are determined with reference to their quoted prices as at reporting date.

As at 31 December 2024, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through profit or loss investments with total fair value of RMB 1,275 million to external clients (as at 31 December 2023: RMB1,791 million), which did not result in derecognition of the financial assets. The fair value of collateral for the securities lending business is analysed in Note 37(c) together with the fair value of collateral of margin financing business.

As at 31 December 2024, the Group has not pledged financial assets at fair value through profit or loss investments to CSF for refinancing and supporting the Group's securities lending business (as at 31 December 2023: RMB15,990 million).

As at 31 December 2024, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB 136,355 million for the purpose of repurchase agreement business, bond lending business and derivative business (as at 31 December 2023: RMB142,687 million).

As at 31 December 2024, the wealth management products held by the Group included approximately RMB 70 million of restricted products(as at 31 December 2023: RMB49 million). The restricted products are subscribed by the Group as the fund manager with a legally enforceable restriction on these products that prevents the Group to dispose of within the specified period.

32 Refundable deposits

	As at 31 December	
	2024	2023
Deposits with stock exchanges		
- Hong Kong Securities Clearing Company Limited	**16,684**	46,104
- China Securities Depository and Clearing Corporation Limited	**1,682,104**	1,636,953
- Hong Kong Stock Exchange	**71,420**	25,666
- Hong Kong Exchanges and Clearing Limited	**44,028**	81,106
	1,814,236	1,789,829
Deposits with futures and commodity exchanges		
- China Financial Futures Exchange	**10,401,127**	15,040,738
- Shanghai Futures Exchange	**4,385,920**	4,988,570
- Dalian Commodity Exchange	**3,098,634**	3,837,356
- Zhengzhou Commodity Exchange	**2,698,887**	3,054,381
- Shanghai International Energy Exchange	**965,577**	1,109,516
- Other domestic commodity exchange	**537,815**	-
- Overseas commodity exchange	**52,110**	53,553
	22,140,070	28,084,114
Deposits with other institutions		
- China Securities Finance Corporation Limited	**1,218**	319,011
- Shanghai Clearing House	**814,963**	1,230,694
- Shanghai Gold Exchange	**200**	400
- Others financial institutions	**8,680,611**	9,120,230
	9,496,992	10,670,335
Total	**33,451,298**	40,544,278

33 Deferred taxation

(a) The components of deferred tax assets / (liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	*Provision for impairment losses*	*Employee benefits payable*	*Changes in fair value of financial instruments measured at FVTPL*	*Changes in fair value of derivative financial instruments*	*Changes in fair value of financial instruments measured at FVOCI*	*Intangible assets recognised in the acquisition*	*Others*	*Total*
As at 1 January 2024	**712,946**	**1,593,378**	**(735,042)**	**(206,845)**	**(30,969)**	**(1,193,296)**	**(1,398,113)**	**(1,257,941)**
Recognised in profit or loss	**46,919**	**255,301**	**20,766**	**379,681**	**-**	**11,359**	**690,502**	**1,404,528**
Disposal of subsidiaries	**(286)**	**(49,267)**	**321**	**-**	**-**	**1,181,937**	**(138,990)**	**993,715**
Reclassified as held for sale	**-**	**(13,747)**	**761**	**-**	**-**	**-**	**85**	**(12,901)**
Recognised in reserves	**5,437**	**-**	**-**	**-**	**(17,460)**	**-**	**-**	**(12,023)**
As at 31 December 2024	**765,016**	**1,785,665**	**(713,194)**	**172,836**	**(48,429)**	**-**	**(846,516)**	**1,115,378**
As at 1 January 2023(Restated)	840,595	1,737,046	(31,402)	(562,460)	(4,853)	(1,267,508)	(2,310,873)	(1,599,455)
Recognised in profit or loss	(126,226)	(143,668)	(703,640)	355,615	-	38,555	912,760	333,396
Acquisition of subsidiaries	-	-	-	-	-	35,657	-	35,657
Recognised in reserves	(1,423)	-	-	-	(26,116)	-	-	(27,539)
As at 31 December 2023	712,946	1,593,378	(735,042)	(206,845)	(30,969)	(1,193,296)	(1,398,113)	(1,257,941)

(b) Reconciliation to the consolidated statements of financial position

	As at 31 December	
	2024	2023
Net deferred tax assets recognised in the consolidated statement of financial position	**1,591,926**	702,722
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(476,548)**	(1,960,663)
Total	**1,115,378**	(1,257,941)

(c) Deferred tax assets not recognised

As at 31 December 2024 , in accordance with the accounting policy set out in Note 2(20)(ii), the Group has not recognised unused tax losses of RMB123 million (as at 31 December 2023: RMB877 million), as deferred tax assets, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Most of the tax losses will not expire under current tax legislation.

34 Other non-current assets

(a) Analysed by nature:

	As at 31 December	
	2024	2023
Leasehold improvements and long-term deferred expenses	**240,951**	311,789

(b) The movements of leasehold improvements and long-term deferred expenses are as below:

	As at 31 December	
	2024	2023
At the beginning of the year	**311,789**	300,664
Additions	**17,440**	68,385
Transfer in from property and equipment	**49,834**	93,870
Amortisation	**(136,768)**	(151,130)
Other decrease	**(1,344)**	-
At the end of the year	**240,951**	311,789

35 Accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2024	2023
Accounts receivable of:		
- Brokers, dealers and clearing house	**1,961,690**	3,172,930
- Fee and commission	**1,610,627**	1,469,110
- Return swap and OTC options	**872,561**	2,894,747
- Settlement	**395,144**	1,494,496
- Redemption of open-ended fund	**892,370**	750,412
- Subscription receivable	**1,540**	571
- Others	**33,525**	76,953
Less: impairment losses	**(180,224)**	(115,458)
Total	**5,587,233**	9,743,761

(b) Analysed by ageing:

As at the end of the reporting period, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 31 December	
	2024	2023
Within 1 month	**4,036,738**	6,666,521
1 to 3 months	**125,483**	663,523
Over 3 months	**1,425,012**	2,413,717
Total	**5,587,233**	9,743,761

(c) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2024	2023
At the beginning of the year	**115,458**	68,531
Charge for the year, net	**68,230**	45,433
Other	**(3,464)**	1,494
At the end of the year	**180,224**	115,458

(d) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired were relate to a wide range of customers for whom there was no recent history of default.

The receivables from securities-backed lendings business are not included in accounts receivable.

36 Other receivables, prepayments and other current assets

(a) Analysed by nature:

	As at 31 December	
	2024	2023
Inventory	**1,147,499**	245,380
Prepayments	**427,547**	698,314
Dividends receivable	**292,700**	1,190
Deductable VAT	**221,388**	82,049
Other receivables(1)	**210,805**	338,953
Interest receivable(2)	**8,390**	64,446
Others	**571,898**	1,109,653
Total	**2,880,227**	2,539,985

The balance of others mainly represents prepaid tax and other current assets arising from normal course of business.

As at 31 December 2024, the Group has pledged inventory with a total amount of RMB966 million for the purpose of derivative business (as at 31 December 2023: RMB125 million).

(1) Other receivables:

	As at 31 December	
	2024	2023
Other receivables	**933,170**	1,057,147
Less: impairment losses	**(722,365)**	(718,194)
Total	**210,805**	338,953

Analysis of the movements of provision for other receivables impairment losses:

	As at 31 December	
	2024	2023
At the beginning of the year	**718,194**	763,738
Charge for the year, net	**4,225**	16,821
Written-off	**(37)**	(62,365)
Other	**(17)**	-
Total	**722,365**	718,194

(2) Interest receivable:

	As at 31 December	
	2024	2023
Interest receivable	**53,889**	109,717
Less: impairment losses	**(45,499)**	(45,271)
Total	**8,390**	64,446

Analysis of the movements of provision for impairment losses of interest receivable:

	As at 31 December	
	2024	2023
At the beginning of the year	**45,271**	38,175
Charge for the year, net	**228**	7,096
At the end of the year	**45,499**	45,271

37 Margin accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2024	2023
Individuals	**115,911,970**	98,472,604
Institutions	**18,399,659**	15,389,837
Less: impairment losses	**(1,765,624)**	(1,521,347)
Total	**132,546,005**	112,341,094

(b) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2024	2023
At the beginning of the year	**1,521,347**	1,526,356
Charge/(reversal) for the year, net	**242,700**	(6,325)
Other	**1,577**	1,316
At the end of the year	**1,765,624**	1,521,347

(c) The fair value of collateral for margin financing and securities lending business is analysed as follows:

	As at 31 December	
	2024	2023
Fair value of collateral:		
Equity securities	**329,724,873**	290,376,975
Funds	**16,087,915**	36,266,977
Cash	**9,636,977**	8,535,007
Debt securities	**1,247,809**	1,354,000
Total	**356,697,574**	336,532,959

The Group evaluates the collectability of receivable from margin clients based on management's assessment on the credit rating, collateral value and the past collection history of each margin client.

(d) Analysed by the stage of ECL of margin accounts receivable:

	As at 31 December 2024			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	**122,541,806**	**11,575,523**	**194,300**	**134,311,629**
Impairment losses	**(640,003)**	**(964,367)**	**(161,254)**	**(1,765,624)**
Carrying amount	**121,901,803**	**10,611,156**	**33,046**	**132,546,005**
Collateral	**318,540,485**	**37,983,652**	**173,437**	**356,697,574**

	As at 31 December 2023			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	102,465,790	11,194,173	202,478	113,862,441
Impairment losses	(560,203)	(843,096)	(118,048)	(1,521,347)
Carrying amount	101,905,587	10,351,077	84,430	112,341,094
Collateral	301,195,391	35,051,742	285,826	336,532,959

38 Derivative financial instruments

	As at 31 December 2024		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,460,855,341	697,426	(814,414)
Currency derivatives	174,069,967	1,851,589	(1,337,738)
Equity derivatives	204,986,804	6,262,677	(5,899,597)
Credit derivatives	4,374,717	13,841	(10,264)
Commodity derivatives and others	368,218,063	1,633,079	(2,965,533)
Total	2,212,504,892	10,458,612	(11,027,546)
Less: settlement		(467,487)	83,761
Net position		9,991,125	(10,943,785)

	As at 31 December 2023		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,644,689,668	945,881	(405,920)
Currency derivatives	186,761,759	295,866	(1,474,728)
Equity derivatives	474,762,005	12,465,246	(11,396,087)
Credit derivatives	10,873,787	30,174	(5,684)
Commodity derivatives and others	417,780,134	3,319,877	(3,915,670)
Total	2,734,867,353	17,057,044	(17,198,089)
Less: settlement		(797,163)	316,448
Net position		16,259,881	(16,881,641)

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in Shanghai Clearing House, stock index futures and treasury futures settled in China Financial Futures Exchange and certain commodity futures traded through futures companies, were settled daily and the corresponding receipts and payments were included in "clearing settlement funds". Accordingly, the net position of the above contracts was nil as at 31 December 2024 and 31 December 2023.

Cash flow hedges

The Group's cash flow hedges consist of cross currency swap contracts that are used to protect against exposures to variability of future cash flows.

Among the above derivative financial instruments, those designated hedging instruments in cash flow hedges are set out below:

	As at 31 December 2024						
	Notional amount					Fair value	
	Within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total	Assets	Liabilities
Currency derivatives	-	3,025,000	-	-	3,025,000	-	(169,081)

	As at 31 December 2023						
	Notional amount					Fair value	
	Within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total	Assets	Liabilities
Currency derivatives	-	-	3,025,000	-	3,025,000	-	(32,763)

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equities are as follows:

	As at 31 December 2024				
	Carrying amount of hedged items		Effect of hedging instruments on other comprehensive income during the year	Accumulated effect of hedging instruments on other comprehensive income	Line items in the statement of financial position
	Assets	Liabilities			
Bonds	-	(3,048,491)	(83,916)	(44,844)	Long-term bonds

	As at 31 December 2023				
	Carrying amount of hedged items		Effect of hedging instruments on other comprehensive income during the year	Accumulated effect of hedging instruments on other comprehensive income	Line items in the statement of financial position
	Assets	Liabilities			
Bonds	-	(3,044,890)	(3,571)	39,072	Long-term bonds

During the year ended 31 December 2024, the net losses from the hedging instruments recognised in other comprehensive income amounted to RMB 83,916 thousand (During the year ended 31 December 2023: the net losses amounted to RMB3,571 thousand). There was no hedge ineffectiveness for the year ended 31 December 2024 and 2023.

39 Clearing settlement funds

	As at 31 December	
	2024	2023
Deposits with stock exchanges		
- China Securities Depository and Clearing Corporation Limited	**6,654,049**	5,746,776
- Hong Kong Securities Clearing Company Limited	**120,296**	32,488
Deposits with other institutions	**4,362,413**	3,350,002
Total	**11,136,758**	9,129,266

40 Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognised the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. In the Mainland China, the use of cash held on behalf of brokerage clients for their transaction and settlement funds is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the use of cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

41 Cash and Bank balances

(a) Analysed by nature:

	As at 31 December	
	2024	2023
Cash on hand	**186**	189
Bank balances	**39,521,623**	46,296,689
Less: impairment losses	**(351)**	(512)
Total	**39,521,458**	46,296,366

Bank balances mainly comprise time and demand deposits which bear interest at the prevailing market rates.

(b) Analysis of the movements of provision for impairment losses:

	As at 31 December	
	2024	2023
At the beginning of the year	**512**	833
Reversal of impairment for the year	**(190)**	(290)
Other Changes	**29**	(31)
At the end of the year	**351**	512

42 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	As at 31 December	
	2024	2023
Cash on hand	**186**	189
Bank balances	**39,425,490**	46,203,098
Clearing settlement funds	**11,136,758**	9,129,266
Financial assets held under resale agreements within 3 months original maturity	**6,538,630**	7,352,535
Bond investment within 3 months original maturity	**1,279,718**	1,436,707
Less: restricted bank deposits and bank deposits with original maturity of more than three months	**(2,347,573)**	(4,291,466)
Total	**56,033,209**	59,830,329

As at 31 December 2024, the total amount of bank balances included cash and bank balances classified as held for sale amounting to RMB10,109 thousand (as at 31 December 2023: nil).

The restricted bank deposits mainly include deposits reserved for VAT payable of asset management plans, minimum liquid capital restriction deposits and risk reserve deposits.

(b) Reconciliation of liabilities arising from financing activities:

The following table details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Short-term debt instruments	*Long-term bonds*	*Short-term bank loans*	*Long-term bank loans*	*Lease liabilities*	*Dividends payable to ordinary shareholders and perpetural subordinated bonds*	*Total*
At 1 January 2024	25,475,507	159,816,001	11,478,573	647,052	1,468,161	145,230	199,030,524
Changes from financing cash flows							
Proceeds from issuance	36,075,820	-	3,355,750	-	-	-	39,431,570
Repayment of borrowings	(31,906,954)	(44,310,354)	(11,377,260)	(642,200)	-	-	(88,236,768)
Interest paid	(1,582,413)	(4,610,987)	(314,768)	(44,278)	-	-	(6,552,446)
Payment of lease liabilities	-	-	-	-	(623,242)	-	(623,242)
Dividend paid	-	-	-	-	-	(6,280,608)	(6,280,608)
Total changes from financing cash flows	2,586,453	(48,921,341)	(8,336,278)	(686,478)	(623,242)	(6,280,608)	(62,261,494)
Other changes							
Interest expenses	525,412	4,752,586	220,685	34,669	50,632	-	5,583,984
New leases	-	-	-	-	346,016	-	346,016
Dividends declared	-	-	-	-	-	6,229,608	6,229,608
Exchange differences	265,567	(188,429)	-	4,757	-	-	81,895
Others	-	-	-	-	(226,952)	-	(226,952)
Total other changes	790,979	4,564,157	220,685	39,426	169,696	6,229,608	12,014,551
At 31 December 2024	28,852,939	115,458,817	3,362,980	-	1,014,615	94,230	148,783,581

	Short-term debt instruments	*Long-term bonds*	*Short-term bank loans*	*Long-term bank loans*	*Lease liabilities*	*Dividends payable to ordinary shareholders and perpetural subordinated bonds*	*Total*
At 1 January 2023	25,772,604	139,419,338	7,997,434	804,903	1,518,585	94,230	175,607,094
Changes from financing cash flows							
Proceeds from issuance	43,556,056	48,241,623	11,377,260	-	-	-	103,174,939
Repayment of borrowings	(39,227,936)	(28,630,617)	(7,948,720)	(175,592)	-	-	(75,982,865)
Interest paid	(5,330,291)	(4,362,411)	(545,002)	(53,487)	-	-	(10,291,191)
Payment of lease liabilities	-	-	-	-	(662,201)	-	(662,201)
Dividend paid	-	-	-	-	-	(4,769,463)	(4,769,463)
Total changes from financing cash flows	(1,002,171)	15,248,595	2,883,538	(229,079)	(662,201)	(4,769,463)	11,469,219
Other changes							
Interest expenses	704,782	4,876,439	597,601	59,122	63,271	-	6,301,215
New leases	-	-	-	-	548,506	-	548,506
Dividends declared	-	-	-	-	-	4,820,463	4,820,463
Exchange differences	292	271,629	-	12,106	-	-	284,027
Total other changes	705,074	5,148,068	597,601	71,228	611,777	4,820,463	11,954,211
At 31 December 2023	25,475,507	159,816,001	11,478,573	647,052	1,468,161	145,230	199,030,524

43 Short-term bank loans

	As at 31 December	
	2024	2023
Credit loans	2,983,239	10,549,181
Pledged loans	379,741	929,392
Total	3,362,980	11,478,573

As of 31 December 2024, the interest rates for short-term loans were in the range of 3.30% - 6.30% per annum (as of 31 December 2023: 3.90% - 6.84% per annum).

44 Short-term debt instruments issued

As at 31 December 2024

Name	Par value	Issuance date	Due date	Issue amount	Nominal interest rate
	Original currency			Original currency	
23 HUATAI S3	RMB3,000,000	13/11/2023	13/9/2024	RMB3,000,000	2.67%
23 HUATAI S4	RMB4,000,000	20/11/2023	20/9/2024	RMB4,000,000	2.65%
23 HUATAI S5	RMB2,000,000	8/12/2023	8/7/2024	RMB2,000,000	2.81%
23 HUATAI S6	RMB5,000,000	19/12/2023	19/3/2024	RMB5,000,000	2.75%
24 HUATAI S1	RMB2,000,000	18/10/2024	18/3/2025	RMB2,000,000	1.96%
24 HUATAI S2	RMB4,800,000	13/11/2024	13/5/2025	RMB4,800,000	1.90%
24 HUATAI S3	RMB1,000,000	13/11/2024	13/11/2025	RMB1,000,000	1.92%
24 HUATAI S4	RMB6,000,000	10/12/2024	10/6/2025	RMB6,000,000	1.75%
24 HUATAI S6	RMB3,000,000	24/12/2024	24/8/2025	RMB3,000,000	1.67%
HUATAI B2401a	USD25,800	13/1/2023	12/1/2024	USD25,800	5.00%
HUATAI B2401b	USD20,000	19/1/2023	19/1/2024	USD20,000	5.75%
HUATAI B2402a	USD15,000	3/2/2023	2/2/2024	USD15,000	0.00%
HUATAI B2402b	USD20,600	6/2/2023	5/2/2024	USD20,600	0.00%
HUATAI B2403a	USD30,000	27/3/2023	27/3/2024	USD30,000	5.60%
HUATAI B2405b	HKD475,000	5/5/2023	3/5/2024	HKD475,000	4.60%
HUATAI B2406c	USD50,000	13/6/2023	13/6/2024	USD50,000	5.95%
HUATAI B2401c	USD27,500	18/7/2023	18/1/2024	USD27,500	6.17%
HUATAI B2407a	USD11,000	19/7/2023	19/7/2024	USD11,000	6.17%
HUATAI B2401d	HKD100,000	19/7/2023	19/1/2024	HKD100,000	5.36%
HUATAI B2401e	USD20,000	24/7/2023	24/1/2024	USD20,000	6.07%
HUATAI B2407b	USD19,000	27/7/2023	26/7/2024	USD19,000	0.00%
HUATAI B2401h	USD15,000	31/7/2023	31/1/2024	USD15,000	6.15%
HUATAI B2401i	HKD100,000	31/7/2023	31/1/2024	HKD100,000	5.55%
HUATAI B2407c	USD10,000	2/8/2023	31/7/2024	USD10,000	SOFR + 0.95%
HUATAI B2408a	USD15,000	3/8/2023	1/8/2024	USD15,000	SOFR + 0.95%
HUATAI B2408b	USD15,000	4/8/2023	2/8/2024	USD15,000	SOFR + 0.95%
HUATAI B2408c	USD10,000	4/8/2023	2/8/2024	USD10,000	SOFR + 0.95%
HUATAI B2408d	USD15,000	10/8/2023	9/8/2024	USD15,000	6.05%
HUATAI B2402j	USD30,000	18/8/2023	21/2/2024	USD30,000	6.14%
HUATAI B2402k	HKD29,000	22/8/2023	22/2/2024	HKD29,000	5.50%
HUATAI B2402l	USD5,800	22/8/2023	22/2/2024	USD5,800	6.10%
HUATAI B2409a	USD65,000	12/9/2023	11/9/2024	USD65,000	6.00%
HUATAI B2403b	USD18,050	22/9/2023	22/3/2024	USD18,050	0.00%
HUATAI B2409b	USD13,150	22/9/2023	20/9/2024	USD13,150	0.00%

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
HUATAI B2403c	USD60,000	27/9/2023	26/3/2024	USD60,000	6.00%
HUATAI B2409c	RMB400,000	28/9/2023	24/9/2024	RMB400,000	3.78%
HUATAI B2404	USD10,000	17/10/2023	17/4/2024	USD10,000	6.31%
HUATAI B2410a	RMB650,000	20/10/2023	16/10/2024	RMB650,000	3.80%
HUATAI B2401f	USD16,750	25/10/2023	25/1/2024	USD16,750	0.00%
HUATAI B2405c	USD14,500	25/10/2023	2/5/2024	USD14,500	0.00%
HUATAI B2407d	USD15,000	27/10/2023	27/7/2024	USD15,000	6.36%
HUATAI B2401g	USD10,000	27/10/2023	27/1/2024	USD10,000	6.27%
HUATAI B2407e	USD10,000	27/10/2023	27/7/2024	USD10,000	6.36%
HUATAI B2411a	USD30,000	6/11/2023	4/11/2024	USD30,000	0.00%
HUATAI B2402c	USD18,000	7/11/2023	7/2/2024	USD18,000	6.30%
HUATAI B2402g	USD17,000	9/11/2023	15/2/2024	USD17,000	6.30%
HUATAI B2402h	USD15,000	10/11/2023	15/2/2024	USD15,000	6.30%
HUATAI B2402e	USD10,000	10/11/2023	9/2/2024	USD10,000	5.87%
HUATAI B2411b	USD35,000	13/11/2023	8/11/2024	USD35,000	0.00%
HUATAI B2402d	USD18,200	13/11/2023	8/2/2024	USD18,200	0.00%
HUATAI B2402f	USD20,000	14/11/2023	14/2/2024	USD20,000	0.00%
HUATAI B2402i	USD15,460	15/11/2023	15/2/2024	USD15,460	0.00%
HUATAI B2405d	USD10,000	21/11/2023	21/5/2024	USD10,000	6.46%
HUATAI B2405e	HKD200,000	28/11/2023	28/5/2024	HKD200,000	6.04%
HUATAI B2409d	USD95,000	6/12/2023	6/9/2024	USD95,000	6.00%
HUATAI B2406d	USD25,000	7/12/2023	7/6/2024	USD25,000	6.40%
HUATAI B2406e	USD10,000	7/12/2023	7/6/2024	USD10,000	6.36%
HUATAI B2403d	USD40,000	8/12/2023	8/3/2024	USD40,000	0.00%
HUATAI B2406f	USD20,000	8/12/2023	7/6/2024	USD20,000	0.00%
HUATAI B2407f	USD35,000	22/1/2024	22/7/2024	USD35,000	5.85%
HUATAI B2407g	HKD100,000	22/1/2024	22/7/2024	HKD100,000	5.09%
HUATAI B2407h	USD60,000	25/1/2024	25/7/2024	USD60,000	0.00%
HUATAI B2405f	USD35,000	26/1/2024	14/5/2024	USD35,000	0.00%
HUATAI B2405g	RMB100,000	1/2/2024	10/5/2024	RMB100,000	0.00%
HUATAI B2405h	HKD81,000	2/2/2024	16/5/2024	HKD81,000	5.04%
HUATAI B2405i	USD10,000	6/2/2024	21/5/2024	USD10,000	5.99%
HUATAI B2405j	RMB300,000	6/2/2024	21/5/2024	RMB300,000	3.00%
HUATAI B2406g	USD20,000	7/2/2024	7/6/2024	USD20,000	5.97%
HUATAI B2408e	USD10,000	7/2/2024	7/8/2024	USD10,000	5.89%
HUATAI B2408f	RMB200,000	8/2/2024	8/8/2024	RMB200,000	3.10%
HUATAI B2408g	USD34,300	15/2/2024	15/8/2024	USD34,300	5.96%
HUATAI B2408h	USD20,000	15/2/2024	15/8/2024	USD20,000	5.85%
HUATAI B2405k	USD10,000	16/2/2024	30/5/2024	USD10,000	5.97%
HUATAI B2411c	USD50,000	9/5/2024	7/11/2024	USD50,000	6.00%
HUATAI B2411d	USD50,000	10/5/2024	8/11/2024	USD50,000	6.00%
HUATAI B2409e	USD20,000	6/6/2024	6/9/2024	USD20,000	5.00%
HUATAI B2409f	USD30,000	6/6/2024	6/9/2024	USD30,000	5.85%
HUATAI B2412a	USD42,000	11/6/2024	11/12/2024	USD42,000	5.81%
HUATAI B2410b	USD30,000	11/7/2024	11/10/2024	USD30,000	5.72%
HUATAI B2410c	USD30,000	15/7/2024	15/10/2024	USD30,000	5.71%
Structured notes (1)	RMB12,788,986	Note (1)	Note (1)	RMB12,788,986	Note (1)

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
23 HUATAI S3	3,010,680	53,400	(3,064,080)	-
23 HUATAI S4	4,012,072	70,667	(4,082,739)	-
23 HUATAI S5	2,003,626	28,100	(2,031,726)	-
23 HUATAI S6	5,004,805	22,917	(5,027,722)	-
24 HUATAI S1	-	2,008,009	-	2,008,009
24 HUATAI S2	-	4,812,160	-	4,812,160
24 HUATAI S3	-	1,002,560	-	1,002,560
24 HUATAI S4	-	6,006,210	-	6,006,210
24 HUATAI S6	-	3,001,077	-	3,001,077
HUATAI B2401a	191,563	3,331	(194,894)	-
HUATAI B2401b	149,401	2,678	(152,079)	-
HUATAI B2402a	105,865	1,992	(107,857)	-
HUATAI B2402b	145,320	2,804	(148,124)	-
HUATAI B2403a	215,457	6,365	(221,822)	-
HUATAI B2405b	442,864	14,550	(457,414)	-
HUATAI B2406c	365,627	15,646	(381,273)	-
HUATAI B2401c	200,207	3,767	(203,974)	-
HUATAI B2407a	80,069	3,907	(83,976)	-
HUATAI B2401d	92,848	2,258	(95,106)	-
HUATAI B2401e	143,770	2,222	(145,992)	-
HUATAI B2407b	130,051	6,568	(136,619)	-
HUATAI B2401h	108,958	2,216	(111,174)	-
HUATAI B2401i	92,760	2,435	(95,195)	-
HUATAI B2407c	71,515	3,797	(75,312)	-
HUATAI B2408a	107,254	5,715	(112,969)	-
HUATAI B2408b	107,235	5,696	(112,931)	-
HUATAI B2408c	71,490	3,797	(75,287)	-
HUATAI B2408d	108,645	5,720	(114,365)	-
HUATAI B2402j	217,250	5,198	(222,448)	-
HUATAI B2402k	491	27,109	(27,600)	-
HUATAI B2402l	851	42,154	(43,005)	-
HUATAI B2409a	467,832	27,983	(495,815)	-
HUATAI B2403b	126,129	3,659	(129,788)	-
HUATAI B2409b	89,161	5,394	(94,555)	-
HUATAI B2403c	431,221	13,080	(444,301)	-
HUATAI B2409c	403,780	11,216	(414,996)	-
HUATAI B2404	71,719	2,455	(74,174)	-
HUATAI B2410a	654,445	20,052	(674,497)	-
HUATAI B2401f	118,128	2,313	(120,441)	-
HUATAI B2405c	100,618	3,644	(104,262)	-
HUATAI B2407d	107,402	5,600	(113,002)	-
HUATAI B2401g	71,590	1,442	(73,032)	-
HUATAI B2407e	71,601	3,734	(75,335)	-
HUATAI B2411a	201,570	14,145	(215,715)	-
HUATAI B2402c	128,623	2,844	(131,467)	-

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
HUATAI B2402g	121,435	2,857	(124,292)	-
HUATAI B2402h	107,130	2,521	(109,651)	-
HUATAI B2402e	71,365	1,583	(72,948)	-
HUATAI B2411b	235,040	16,627	(251,667)	-
HUATAI B2402d	128,016	2,851	(130,867)	-
HUATAI B2402f	140,531	3,279	(143,810)	-
HUATAI B2402i	108,628	2,537	(111,165)	-
HUATAI B2405d	71,297	2,930	(74,227)	-
HUATAI B2405e	182,247	8,538	(190,785)	-
HUATAI B2409d	673,468	40,368	(713,836)	-
HUATAI B2406d	177,726	7,789	(185,515)	-
HUATAI B2406e	71,086	3,144	(74,230)	-
HUATAI B2403d	279,875	7,745	(287,620)	-
HUATAI B2406f	137,712	6,098	(143,810)	-
HUATAI B2407f	-	259,029	(259,029)	-
HUATAI B2407g	-	94,954	(94,954)	-
HUATAI B2407h	-	431,430	(431,430)	-
HUATAI B2405f	-	251,667	(251,667)	-
HUATAI B2405g	-	100,000	(100,000)	-
HUATAI B2405h	-	76,086	(76,086)	-
HUATAI B2405i	-	73,161	(73,161)	-
HUATAI B2405j	-	302,589	(302,589)	-
HUATAI B2406g	-	146,672	(146,672)	-
HUATAI B2408e	-	74,023	(74,023)	-
HUATAI B2408f	-	203,092	(203,092)	-
HUATAI B2408g	-	254,065	(254,065)	-
HUATAI B2408h	-	148,016	(148,016)	-
HUATAI B2405k	-	73,144	(73,144)	-
HUATAI B2411c	-	370,192	(370,192)	-
HUATAI B2411d	-	370,249	(370,249)	-
HUATAI B2409e	-	145,647	(145,647)	-
HUATAI B2409f	-	218,871	(218,871)	-
HUATAI B2412a	-	310,774	(310,774)	-
HUATAI B2410b	-	218,800	(218,800)	-
HUATAI B2410c	-	218,862	(218,862)	-
Structured notes [1]	2,745,458	15,124,024	(5,846,559)	12,022,923
Total	25,475,507	36,866,800	(33,489,368)	28,852,939

As at 31 December 2023

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
22 HUATAI F1	RMB4,000,000	17/1/2022	17/1/2024	RMB4,000,000	2.75%
22 HUATAI S2	RMB5,000,000	19/8/2022	17/2/2023	RMB5,000,000	1.78%
23 HUATAI S1	RMB5,000,000	17/3/2023	15/9/2023	RMB5,000,000	2.65%
23 HUATAI S2	RMB5,000,000	23/3/2023	25/10/2023	RMB5,000,000	2.65%
23 HUATAI S3	RMB3,000,000	13/11/2023	13/9/2024	RMB3,000,000	2.67%
23 HUATAI S4	RMB4,000,000	20/11/2023	20/9/2024	RMB4,000,000	2.65%
23 HUATAI S5	RMB2,000,000	8/12/2023	8/7/2024	RMB2,000,000	2.81%
23 HUATAI S6	RMB5,000,000	19/12/2023	19/3/2024	RMB5,000,000	2.75%
HUATAI B2304a	USD100,000	7/4/2022	6/4/2023	USD100,000	1.50%
HUATAI B2304b	USD100,000	7/4/2022	6/4/2023	USD100,000	1.50%
HUATAI B2304c	USD100,000	7/4/2022	6/4/2023	USD100,000	1.50%
HUATAI B2302a	USD50,000	27/5/2022	28/2/2023	USD50,000	2.81%
HUATAI B2302b	HKD300,000	13/5/2022	13/2/2023	HKD300,000	2.15%
HUATAI B2305a	USD50,000	27/5/2022	25/5/2023	USD50,000	2.85%
HUATAI B2306	USD100,000	10/6/2022	8/6/2023	USD100,000	2.86%
HUATAI B2308	USD15,000	10/8/2022	9/8/2023	USD15,000	3.00%
HUATAI B2302d	USD18,000	14/11/2022	14/2/2023	USD18,000	5.75%
HUATAI B2302e	HKD300,000	14/11/2022	14/2/2023	HKD300,000	5.75%
HUATAI B2302f	USD10,700	16/11/2022	16/2/2023	USD10,700	0.00%
HUATAI B2302g	HKD496,000	16/11/2022	16/2/2023	HKD496,000	5.50%
HUATAI B2302h	USD5,499	18/11/2022	17/2/2023	USD5,499	0.00%
HUATAI B2302i	HKD23,390	18/11/2022	17/2/2023	HKD23,390	0.00%
HUATAI B2302j	HKD150,000	22/11/2022	22/2/2023	HKD150,000	0.00%
HUATAI B2311	USD40,000	23/11/2022	22/11/2023	USD40,000	6.05%
HUATAI B2302k	USD8,580	25/11/2022	24/2/2023	USD8,580	0.00%
HUATAI B2302l	USD100,000	29/11/2022	27/2/2023	USD100,000	0.00%
HUATAI B2302m	USD50,000	29/11/2022	27/2/2023	USD50,000	0.00%
HUATAI B2303a	USD4,839	1/12/2022	1/3/2023	USD4,839	0.00%
HUATAI B2303b	HKD14,000	1/12/2022	1/3/2023	HKD14,000	0.00%
HUATAI B2303c	USD10,000	6/12/2022	3/3/2023	USD10,000	5.70%
HUATAI B2312	RMB440,000	13/12/2022	12/12/2023	RMB440,000	3.49%
HUATAI B2306b	USD62,000	15/12/2022	15/6/2023	USD62,000	0.00%
HUATAI B2306c	USD32,300	29/12/2022	29/6/2023	USD32,300	5.60%
HUATAI B2304d	USD30,000	13/1/2023	13/4/2023	USD30,000	5.00%
HUATAI B2401a	USD25,800	13/1/2023	12/1/2024	USD25,800	5.00%
HUATAI B2304e	HKD62,000	13/1/2023	13/4/2023	HKD62,000	5.34%
HUATAI B2304f	USD20,000	17/1/2023	17/4/2023	USD20,000	0.00%
HUATAI B2304g	USD20,000	17/1/2023	18/4/2023	USD20,000	5.25%
HUATAI B2307d	USD20,000	17/1/2023	18/7/2023	USD20,000	5.00%
HUATAI B2312a	USD60,000	17/1/2023	22/12/2023	USD60,000	5.00%
HUATAI B2307e	HKD200,000	17/1/2023	18/7/2023	HKD200,000	5.14%
HUATAI B2401b	USD20,000	19/1/2023	19/1/2024	USD20,000	5.75%
HUATAI B2310	USD50,000	19/1/2023	19/10/2023	USD50,000	0.00%
HUATAI B2402a	USD15,000	3/2/2023	2/2/2024	USD15,000	0.00%
HUATAI B2308a	USD10,000	6/2/2023	4/8/2023	USD10,000	5.50%
HUATAI B2308b	USD47,000	6/2/2023	7/8/2023	USD47,000	0.00%
HUATAI B2402b	USD20,600	6/2/2023	5/2/2024	USD20,600	0.00%
HUATAI B2308c	USD20,000	8/2/2023	8/8/2023	USD20,000	5.55%

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
HUATAI B2308d	USD100,000	9/2/2023	9/8/2023	USD100,000	0.00%
HUATAI B2305b	USD6,600	10/2/2023	10/5/2023	USD6,600	0.00%
HUATAI B2308e	USD15,000	10/2/2023	10/8/2023	USD15,000	0.00%
HUATAI B2305c	USD13,350	17/2/2023	17/5/2023	USD13,350	0.00%
HUATAI B2308h	USD30,000	17/2/2023	17/8/2023	USD30,000	5.46%
HUATAI B2305d	USD15,000	21/2/2023	23/5/2023	USD15,000	5.28%
HUATAI B2308i	USD100,000	21/2/2023	18/8/2023	USD100,000	0.00%
HUATAI B2305e	HKD200,000	21/2/2023	23/5/2023	HKD200,000	3.82%
HUATAI B2308f	USD50,000	22/2/2023	15/8/2023	USD50,000	5.00%
HUATAI B2306a	USD11,820	8/3/2023	8/6/2023	USD11,820	0.00%
HUATAI B2306d	USD20,000	10/3/2023	9/6/2023	USD20,000	0.00%
HUATAI B2309b	USD100,000	10/3/2023	12/9/2023	USD100,000	0.00%
HUATAI B2403a	USD30,000	27/3/2023	27/3/2024	USD30,000	5.60%
HUATAI B2307f	USD17,000	19/4/2023	19/7/2023	USD17,000	0.00%
HUATAI B2307g	USD6,300	20/4/2023	20/7/2023	USD6,300	0.00%
HUATAI B2307h	USD18,000	20/4/2023	20/7/2023	USD18,000	0.00%
HUATAI B2307i	USD20,000	24/4/2023	21/7/2023	USD20,000	5.55%
HUATAI B2311a	HKD51,000	2/5/2023	2/11/2023	HKD51,000	0.00%
HUATAI B2405b	HKD475,000	5/5/2023	3/5/2024	HKD475,000	4.60%
HUATAI B2307a	USD10,000	8/5/2023	7/7/2023	USD10,000	5.55%
HUATAI B2311b	USD20,000	9/5/2023	9/11/2023	USD20,000	5.55%
HUATAI B2307b	USD40,000	10/5/2023	11/7/2023	USD40,000	5.55%
HUATAI B2307c	USD12,500	16/5/2023	14/7/2023	USD12,500	5.55%
HUATAI B2311c	USD10,000	16/5/2023	16/11/2023	USD10,000	5.66%
HUATAI B2311d	USD5,150	19/5/2023	17/11/2023	USD5,150	0.00%
HUATAI B2307j	USD25,427	19/5/2023	21/7/2023	USD25,427	5.00%
HUATAI B2311g	HKD200,000	23/5/2023	24/11/2023	HKD200,000	4.70%
HUATAI B2307k	HKD100,000	29/5/2023	28/7/2023	HKD100,000	4.85%
HUATAI B2307l	USD15,000	29/5/2023	28/7/2023	USD15,000	5.73%
HUATAI B2309a	USD15,000	6/6/2023	6/9/2023	USD15,000	5.88%
HUATAI B2406c	USD50,000	13/6/2023	13/6/2024	USD50,000	5.95%
HUATAI B2308g	HKD250,000	14/6/2023	15/8/2023	HKD250,000	4.65%
HUATAI B2309c	USD26,300	15/6/2023	15/9/2023	USD26,300	0.00%
HUATAI B2311f	USD39,000	23/6/2023	22/11/2023	USD39,000	0.00%
HUATAI B2311h	USD10,500	26/6/2023	27/11/2023	USD10,500	0.00%
HUATAI B2309d	USD10,000	27/6/2023	27/9/2023	USD10,000	5.50%
HUATAI B2311i	USD25,500	30/6/2023	30/11/2023	USD25,500	5.50%
HUATAI B2310a	USD46,600	7/7/2023	11/10/2023	USD46,600	5.50%
HUATAI B2401c	USD27,500	18/7/2023	18/1/2024	USD27,500	6.17%
HUATAI B2310b	USD10,000	19/7/2023	19/10/2023	USD10,000	5.80%
HUATAI B2407a	USD11,000	19/7/2023	19/7/2024	USD11,000	6.17%
HUATAI B2401d	HKD100,000	19/7/2023	19/1/2024	HKD100,000	5.36%
HUATAI B2401e	USD20,000	24/7/2023	24/1/2024	USD20,000	6.07%
HUATAI B2310c	HKD200,000	26/7/2023	26/10/2023	HKD200,000	5.36%
HUATAI B2407b	USD19,000	27/7/2023	26/7/2024	USD19,000	0.00%
HUATAI B2401h	USD15,000	31/7/2023	31/1/2024	USD15,000	6.15%
HUATAI B2401i	HKD100,000	31/7/2023	31/1/2024	HKD100,000	5.55%
HUATAI B2311j	USD30,000	1/8/2023	1/11/2023	USD30,000	6.03%
HUATAI B2407c	USD10,000	2/8/2023	31/7/2024	USD10,000	SOFR+0.95%
HUATAI B2408a	USD15,000	3/8/2023	1/8/2024	USD15,000	SOFR+0.95%
HUATAI B2311k	USD12,477	3/8/2023	3/11/2023	USD12,477	0.00%

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
HUATAI B2408b	USD15,000	4/8/2023	2/8/2024	USD15,000	SOFR+0.95%
HUATAI B2408c	USD10,000	4/8/2023	2/8/2024	USD10,000	SOFR+0.95%
HUATAI B2312b	USD40,000	4/8/2023	1/12/2023	USD40,000	6.02%
HUATAI B2408d	USD15,000	10/8/2023	9/8/2024	USD15,000	6.05%
HUATAI B2402j	USD30,000	18/8/2023	21/2/2024	USD30,000	6.14%
HUATAI B2311l	USD10,000	21/8/2023	21/11/2023	USD10,000	6.00%
HUATAI B2311m	USD45,000	22/8/2023	22/11/2023	USD45,000	6.05%
HUATAI B2402k	HKD29,000	22/8/2023	22/2/2024	HKD29,000	5.50%
HUATAI B2402l	USD5,800	22/8/2023	22/2/2024	USD5,800	6.10%
HUATAI B2409a	USD65,000	12/9/2023	11/9/2024	USD65,000	6.00%
HUATAI B2312c	USD30,000	18/9/2023	18/12/2023	USD30,000	6.06%
HUATAI B2403b	USD18,050	22/9/2023	22/3/2024	USD18,050	0.00%
HUATAI B2409b	USD13,150	22/9/2023	20/9/2024	USD13,150	0.00%
HUATAI B2403c	USD60,000	27/9/2023	26/3/2024	USD60,000	6.00%
HUATAI B2409c	CNY400,000	28/9/2023	24/9/2024	CNY400,000	3.78%
HUATAI B2312d	USD10,340	29/9/2023	29/12/2023	USD10,340	0.00%
HUATAI B2404	USD10,000	17/10/2023	17/4/2024	USD10,000	6.31%
HUATAI B2410	CNY650,000	20/10/2023	16/10/2024	CNY650,000	3.80%
HUATAI B2401f	USD16,750	25/10/2023	25/1/2024	USD16,750	0.00%
HUATAI B2405c	USD14,500	25/10/2023	2/5/2024	USD14,500	0.00%
HUATAI B2407d	USD15,000	27/10/2023	27/7/2024	USD15,000	6.36%
HUATAI B2401g	USD10,000	27/10/2023	27/1/2024	USD10,000	6.27%
HUATAI B2407e	USD10,000	27/10/2023	27/7/2024	USD10,000	6.36%
HUATAI B2411a	USD30,000	6/11/2023	4/11/2024	USD30,000	0.00%
HUATAI B2402c	USD18,000	7/11/2023	7/2/2024	USD18,000	6.30%
HUATAI B2402g	USD17,000	9/11/2023	15/2/2024	USD17,000	6.30%
HUATAI B2402h	USD15,000	10/11/2023	15/2/2024	USD15,000	6.30%
HUATAI B2402e	USD10,000	10/11/2023	9/2/2024	USD10,000	5.87%
HUATAI B2411b	USD35,000	13/11/2023	8/11/2024	USD35,000	0.00%
HUATAI B2402d	USD18,200	13/11/2023	8/2/2024	USD18,200	0.00%
HUATAI B2402f	USD20,000	14/11/2023	14/2/2024	USD20,000	0.00%
HUATAI B2402i	USD15,460	15/11/2023	15/2/2024	USD15,460	0.00%
HUATAI B2405d	USD10,000	21/11/2023	21/5/2024	USD10,000	6.46%
HUATAI B2405e	HKD200,000	28/11/2023	28/5/2024	HKD200,000	6.04%
HUATAI B2409d	USD95,000	6/12/2023	6/9/2024	USD95,000	6.00%
HUATAI B2406d	USD25,000	7/12/2023	7/6/2024	USD25,000	6.40%
HUATAI B2406e	USD10,000	7/12/2023	7/6/2024	USD10,000	6.36%
HUATAI B2403d	USD40,000	8/12/2023	8/3/2024	USD40,000	0.00%
HUATAI B2406f	USD20,000	8/12/2023	7/6/2024	USD20,000	0.00%
Structured notes (1)	RMB2,786,805	Note (1)	Note (1)	RMB2,786,805	Note (1)

Name	*Book value as at 1 January 2023*	*Increase*	*Decrease*	*Book value as at 31 December 2023*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
22 HUATAI F1	4,105,269	4,731	(4,110,000)	-
22 HUATAI S2	5,032,777	7,417	(5,040,194)	-
23 HUATAI S1	-	5,060,551	(5,060,551)	-
23 HUATAI S2	-	5,069,456	(5,069,456)	-
23 HUATAI S3	-	3,010,680	-	3,010,680
23 HUATAI S4	-	4,012,072	-	4,012,072
23 HUATAI S5	-	2,003,626	-	2,003,626
23 HUATAI S6	-	5,004,805	-	5,004,805
HUATAI B2304a	697,585	21,280	(718,865)	-
HUATAI B2304b	697,585	21,280	(718,865)	-
HUATAI B2304c	697,585	21,280	(718,865)	-
HUATAI B2302a	354,203	7,484	(361,687)	-
HUATAI B2302b	271,621	4,659	(276,280)	-
HUATAI B2305a	354,025	10,148	(364,173)	-
HUATAI B2306	707,321	21,095	(728,416)	-
HUATAI B2308	105,092	4,327	(109,419)	-
HUATAI B2302d	126,321	3,015	(129,336)	-
HUATAI B2302e	269,950	5,850	(275,800)	-
HUATAI B2302f	74,030	1,755	(75,785)	-
HUATAI B2302g	445,902	9,804	(455,706)	-
HUATAI B2302h	38,132	816	(38,948)	-
HUATAI B2302i	20,749	447	(21,196)	-
HUATAI B2302j	132,878	3,052	(135,930)	-
HUATAI B2311	279,817	20,584	(300,401)	-
HUATAI B2302k	59,279	1,490	(60,769)	-
HUATAI B2302l	690,163	18,107	(708,270)	-
HUATAI B2302m	345,082	9,053	(354,135)	-
HUATAI B2303a	33,398	875	(34,273)	-
HUATAI B2303b	12,390	297	(12,687)	-
HUATAI B2303c	69,931	1,858	(71,789)	-
HUATAI B2312	440,604	14,710	(455,314)	-
HUATAI B2306b	420,182	18,945	(439,127)	-
HUATAI B2306c	225,057	10,102	(235,159)	-
HUATAI B2304d	-	215,101	(215,101)	-
HUATAI B2401a	-	191,563	-	191,563
HUATAI B2304e	-	56,924	(56,924)	-
HUATAI B2304f	-	141,654	(141,654)	-
HUATAI B2304g	-	143,508	(143,508)	-
HUATAI B2307d	-	145,186	(145,186)	-
HUATAI B2312a	-	444,697	(444,697)	-
HUATAI B2307e	-	185,885	(185,885)	-
HUATAI B2401b	-	149,401	-	149,401
HUATAI B2310	-	354,135	(354,135)	-
HUATAI B2402a	-	105,865	-	105,865
HUATAI B2308a	-	72,737	(72,737)	-

Name	*Book value as at 1 January 2023*	*Increase*	*Decrease*	*Book value as at 31 December 2023*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
HUATAI B2308b	-	332,887	(332,887)	-
HUATAI B2402b	-	145,320	-	145,320
HUATAI B2308c	-	145,553	(145,553)	-
HUATAI B2308d	-	708,270	(708,270)	-
HUATAI B2305b	-	46,746	(46,746)	-
HUATAI B2308e	-	106,241	(106,241)	-
HUATAI B2305c	-	94,554	(94,554)	-
HUATAI B2308h	-	218,234	(218,234)	-
HUATAI B2305d	-	107,639	(107,639)	-
HUATAI B2308i	-	708,270	(708,270)	-
HUATAI B2305e	-	182,966	(182,966)	-
HUATAI B2308f	-	362,576	(362,576)	-
HUATAI B2306a	-	83,718	(83,718)	-
HUATAI B2306d	-	141,654	(141,654)	-
HUATAI B2309b	-	708,270	(708,270)	-
HUATAI B2403a	-	215,457	-	215,457
HUATAI B2307f	-	120,406	(120,406)	-
HUATAI B2307g	-	44,621	(44,621)	-
HUATAI B2307h	-	127,489	(127,489)	-
HUATAI B2307i	-	143,549	(143,549)	-
HUATAI B2311a	-	46,216	(46,216)	-
HUATAI B2405b	-	442,864	-	442,864
HUATAI B2307a	-	71,473	(71,473)	-
HUATAI B2311b	-	145,617	(145,617)	-
HUATAI B2307b	-	285,979	(285,979)	-
HUATAI B2307c	-	89,328	(89,328)	-
HUATAI B2311c	-	72,848	(72,848)	-
HUATAI B2311d	-	36,476	(36,476)	-
HUATAI B2307j	-	181,646	(181,646)	-
HUATAI B2311g	-	185,557	(185,557)	-
HUATAI B2307k	-	91,342	(91,342)	-
HUATAI B2307l	-	107,241	(107,241)	-
HUATAI B2309a	-	107,815	(107,815)	-
HUATAI B2406c	-	365,627	-	365,627
HUATAI B2308g	-	228,339	(228,339)	-
HUATAI B2309c	-	186,275	(186,275)	-
HUATAI B2311f	-	276,225	(276,225)	-
HUATAI B2311h	-	74,368	(74,368)	-
HUATAI B2309d	-	71,809	(71,809)	-
HUATAI B2311i	-	184,773	(184,773)	-
HUATAI B2310a	-	334,828	(334,828)	-
HUATAI B2401c	-	200,207	-	200,207
HUATAI B2310b	-	71,862	(71,862)	-
HUATAI B2407a	-	80,069	-	80,069
HUATAI B2401d	-	92,848	-	92,848
HUATAI B2401e	-	143,770	-	143,770
HUATAI B2310c	-	183,689	(183,689)	-
HUATAI B2407b	-	130,051	-	130,051
HUATAI B2401h	-	108,958	-	108,958

Name	*Book value as at 1 January 2023*	*Increase*	*Decrease*	*Book value as at 31 December 2023*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
HUATAI B2401i	-	92,760	-	92,760
HUATAI B2311j	-	215,710	(215,710)	-
HUATAI B2407c	-	71,515	-	71,515
HUATAI B2408a	-	107,254	-	107,254
HUATAI B2311k	-	88,371	(88,371)	-
HUATAI B2408b	-	107,235	-	107,235
HUATAI B2408c	-	71,490	-	71,490
HUATAI B2312b	-	288,868	(288,868)	-
HUATAI B2408d	-	108,645	-	108,645
HUATAI B2402j	-	217,250	-	217,250
HUATAI B2311l	-	71,898	(71,898)	-
HUATAI B2311m	-	323,582	(323,582)	-
HUATAI B2402k	-	491	-	491
HUATAI B2402l	-	851	-	851
HUATAI B2409a	-	467,832	-	467,832
HUATAI B2312c	-	215,691	(215,691)	-
HUATAI B2403b	-	126,129	-	126,129
HUATAI B2409b	-	89,161	-	89,161
HUATAI B2403c	-	431,221	-	431,221
HUATAI B2409c	-	403,780	-	403,780
HUATAI B2312d	-	73,235	(73,235)	-
HUATAI B2404	-	71,719	-	71,719
HUATAI B2410	-	654,445	-	654,445
HUATAI B2401f	-	118,128	-	118,128
HUATAI B2405c	-	100,618	-	100,618
HUATAI B2407d	-	107,402	-	107,402
HUATAI B2401g	-	71,590	-	71,590
HUATAI B2407e	-	71,601	-	71,601
HUATAI B2411a	-	201,570	-	201,570
HUATAI B2402c	-	128,623	-	128,623
HUATAI B2402g	-	121,435	-	121,435
HUATAI B2402h	-	107,130	-	107,130
HUATAI B2402e	-	71,365	-	71,365
HUATAI B2411b	-	235,040	-	235,040
HUATAI B2402d	-	128,016	-	128,016
HUATAI B2402f	-	140,531	-	140,531
HUATAI B2402i	-	108,628	-	108,628
HUATAI B2405d	-	71,297	-	71,297
HUATAI B2405e	-	182,247	-	182,247
HUATAI B2409d	-	673,468	-	673,468
HUATAI B2406d	-	177,726	-	177,726
HUATAI B2406e	-	71,086	-	71,086
HUATAI B2403d	-	279,875	-	279,875
HUATAI B2406f	-	137,712	-	137,712
Structured note[s] [(1)]	9,065,676	702,082	(7,022,300)	2,745,458
Total	25,772,604	44,261,130	(44,558,227)	25,475,507

(1) During the year ended 31 December 2024, the Company has issued 186 tranches of structured notes, bearing interest ranging from 1.78% to 6.58% per annum, repayable within 1 year. Structured notes repayable more than 1 year are classified as "Long-term bonds" (Note 53). (During the year ended 31 December 2023, the Company has issued 182 tranches of structured notes, bearing interest ranging from 2.20% to 6.58% per annum).

45 Placements from other financial institutions

Current

	As at 31 December	
	2024	2023
Placements from banks	**30,113,661**	39,244,418
Placements from refinancing business	**-**	292,109
Total	**30,113,661**	39,536,527

As at 31 December 2024, the placements from banks are unsecured, bearing interest of 1.40% - 5.17% per annum, with maturities within 114 days (as at 31 December 2023, the placements from banks are unsecured, bearing interest of 1.00% -6.15% per annum, with maturities within 361 days), and the placements from CSF is nil (as at 31 December 2023: the placements from CSF are secured by the securities and refundable deposits held by the Group, bearing interest of 2.15%-2.90%per annum, with maturities within 170 days, and the placements from CSF is RMB292 million).

46 Accounts payable to brokerage clients

Current

	As at 31 December	
	2024	2023
Clients' deposits for brokerage trading	**162,456,364**	129,645,383
Clients' deposits for margin financing and securities lending	**22,130,612**	15,055,977
Total	**184,586,976**	144,701,360

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of these businesses.

47 Employee benefits payable

Non-current

	As at 31 December	
	2024	2023
Salaries, bonuses and allowance	**6,116,922**	6,431,780

Current

	As at 31 December	
	2024	2023
Salaries, bonuses and allowance	**4,194,639**	3,744,726
Contribution to pension scheme	**203**	4,284
Other social welfare	**394,171**	402,429
Total	**4,589,013**	4,151,439

48 Other payables and accruals

Non-current

	As at 31 December	
	2024	2023
Lease liabilities		
1 to 2 years (inclusive)	**296,568**	572,755
2 to 5 years (inclusive)	**251,721**	282,494
After 5 years	**33,657**	72,031
Total	**581,946**	927,280

The Group's leases are mainly land and buildings for operations. Most lease contracts are entered into terms from 1 year to 5 years.

(1) During year of 2024, the expenses related to short-term leases and low-value leases of RMB31 million (2023: RMB39 million) were recognised in profit or loss.

(2) As at 31 December 2024, the cash flows of lease contracts signed by the Group but lease not yet commenced are insignificant.

Current

	As at 31 December	
	2024	2023
Trade payable	**67,027,191**	98,159,066
Payable to brokers, dealers and clearing house	**3,967,684**	3,841,663
Payable to open-ended funds	**1,008,569**	7,825,379
Other tax payable	**344,952**	168,412
Restrictive repurchase obligation	**100,545**	228,371
Lease liabilities	**432,669**	540,881
Fee and commission payable	**42,640**	110,456
Futures risk reserve	**261,750**	238,043
Payable to outsourcing service	**115,275**	161,898
Payable to the securities investor protection fund	**66,545**	48,563
Funds payable to securities issuers	**69,650**	228,431
Payable for office building construction	**20,635**	24,314
Dividend payable	**13,097**	64,097
Accrued liabilities[(1)]	**746,108**	570,142
Others[(2)]	**1,219,109**	1,675,083
Total	**75,436,419**	113,884,799

(1) The balance of accrued liabilities mainly represents the provisions accrued for the outstanding litigations amounting to RMB746 million. (Note 58).

(2) The balance of others mainly represents payable to brokerage agents and sundry payables arising from normal course of business.

49 Contract liabilities

	As at 31 December	
	2024	2023
Advance fee and commission	**104,280**	158,581
Advance consideration from commodity trading	**412**	18,919
Total	**104,692**	177,500

50 Financial assets sold under repurchase agreements

(a) Analysed by collateral type:

	As at 31 December	
	2024	2023
Debt securities	**113,398,845**	130,284,994
Equity securities	**7,649,323**	13,771,155
Total	**121,048,168**	144,056,149

As at 31 December 2024, the Group's pledged collateral in connection with financial assets sold under repurchase agreements amounted to RMB 154,418 million (as at 31 December 2023: RMB177,096 million).

(b) Analysed by market:

	As at 31 December	
	2024	2023
Inter-bank market	**73,799,904**	91,007,974
Shanghai stock exchange	**33,351,190**	39,159,490
Shenzhen stock exchange	**13,897,074**	13,888,685
Total	**121,048,168**	144,056,149

51 Financial liabilities at fair value through profit or loss

Non-current

	As at 31 December	
	2024	2023
Financial liabilities designated at fair value through profit or loss	**6,973,421**	8,961,031

Current

	As at 31 December	
	2024	2023
Financial liabilities held for trading	**26,585,600**	35,932,137
Financial liabilities designated at fair value through profit or loss	**6,889,311**	7,777,998
Total	**33,474,911**	43,710,135

In the consolidated financial statements, the financial liabilities arising from consolidation of structured entities and private funds with the underlying investments related to listed equity investments in active markets and unlisted equity investments are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon maturity dates of the structured entities based on net book value and related terms of those consolidated asset management schemes or private equity funds.

In the consolidated financial statements, certain structured notes are designated at fair value through profit or loss by the Group, as the host contracts of structured notes contains embedded derivatives.

In the consolidated financial statements, certain bonds are designated at fair value through profit or loss by the Group, as the designation can significantly reduce the accounting mismatch.

As at 31 December 2024 and 31 December 2023, there were no significant fair value changes related to the changes in the credit risk of the Group, respectively.

52 Long-term bonds due within one year

As at 31 December 2024

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
21 HUATAI G1	RMB4,000,000	2021/01/20	2024/01/20	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	2021/04/26	2024/04/26	RMB5,000,000	3.42%
21 HUATAI G5	RMB4,000,000	2021/05/24	2024/05/24	RMB4,000,000	3.28%
21 HUATAI G7	RMB2,000,000	2021/06/15	2024/06/15	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	2021/06/21	2024/06/21	RMB2,500,000	3.45%
21 HUATAI 11	RMB1,500,000	2021/09/07	2024/09/07	RMB1,500,000	3.03%
21 HUATAI 13	RMB2,100,000	2021/10/18	2024/10/18	RMB2,100,000	3.25%
21 HUATAI 15	RMB2,200,000	2021/10/25	2024/10/25	RMB2,200,000	3.22%
22 HUATAI G2	RMB2,000,000	2022/08/15	2024/08/15	RMB2,000,000	2.43%
22 HUATAI G3	RMB3,000,000	2022/08/26	2024/08/26	RMB3,000,000	2.33%
22 HUATAI G6	RMB3,600,000	2022/11/21	2024/11/21	RMB3,600,000	2.87%
22 HUATAI G8	RMB1,500,000	2022/12/05	2024/12/05	RMB1,500,000	2.87%
22 HUATAI 12	RMB4,000,000	2022/12/22	2024/12/22	RMB4,000,000	3.24%
20 HUATAI G3	RMB3,500,000	2020/04/29	2025/04/29	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	2020/05/21	2025/05/21	RMB3,000,000	3.20%
22 HUATAI G1	RMB5,000,000	2022/02/14	2025/02/14	RMB5,000,000	2.79%
22 HUATAI G4	RMB2,000,000	2022/09/05	2025/09/05	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	2022/09/13	2025/09/13	RMB3,000,000	2.50%
22 HUATAI 10	RMB2,000,000	2022/12/12	2025/12/12	RMB2,000,000	3.35%
23 HUATAI G1	RMB4,000,000	2023/01/10	2025/01/10	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	2023/01/16	2025/01/16	RMB800,000	3.00%
23 HUATAI G8	RMB1,700,000	2023/05/10	2025/07/10	RMB1,700,000	2.82%
23 HUATAI 13	RMB1,000,000	2023/10/16	2025/10/16	RMB1,000,000	2.80%
20 HUATAI C1	RMB5,000,000	2020/11/13	2025/11/13	RMB5,000,000	4.48%
HUATAI B2404	USD900,000	2021/04/09	2024/04/09	USD900,000	1.30%
HUATAI B2503	USD1,000,000	2022/03/03	2025/03/03	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	2022/09/14	2025/09/14	RMB3,025,000	2.85%
Structured notes [(1)]	RMB500,843	Note (1)	Note (1)	RMB500,843	Note (1)

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
21 HUATAI G1	4,135,816	7,384	(4,143,200)	-
21 HUATAI G3	5,115,842	55,158	(5,171,000)	-
21 HUATAI G5	4,078,828	52,372	(4,131,200)	-
21 HUATAI G7	2,036,717	31,283	(2,068,000)	-
21 HUATAI 09	2,545,126	41,124	(2,586,250)	-
21 HUATAI 11	1,514,151	31,299	(1,545,450)	-
21 HUATAI 13	2,113,824	54,426	(2,168,250)	-
21 HUATAI 15	2,213,012	57,828	(2,270,840)	-
22 HUATAI G2	2,017,898	30,702	(2,048,600)	-
22 HUATAI G3	3,023,508	46,392	(3,069,900)	-
22 HUATAI G6	3,611,143	92,177	(3,703,320)	-
22 HUATAI G8	1,502,580	40,470	(1,543,050)	-
22 HUATAI 12	4,001,636	127,964	(4,129,600)	-
20 HUATAI G3	-	3,669,503	(101,500)	3,568,003
20 HUATAI G4	-	3,154,606	(96,000)	3,058,606
22 HUATAI G1	-	5,261,756	(139,500)	5,122,256
22 HUATAI G4	-	2,066,255	(50,400)	2,015,855
22 HUATAI G5	-	3,096,831	(75,000)	3,021,831
22 HUATAI 10	-	2,070,097	(67,000)	2,003,097
23 HUATAI G1	-	4,231,409	(116,800)	4,114,609
23 HUATAI G2	-	847,152	(24,000)	823,152
23 HUATAI G8	-	1,778,787	(47,940)	1,730,847
23 HUATAI 13	-	1,033,674	(28,000)	1,005,674
20 HUATAI C1	-	5,253,184	(224,000)	5,029,184
HUATAI B2404	6,388,692	67,244	(6,455,936)	-
HUATAI B2503	-	7,416,677	(170,846)	7,245,831
HUATAI B2509	-	3,135,411	(86,920)	3,048,491
Structured notes [1]	504,716	-	(504,716)	-
Total	44,803,489	43,751,165	(46,767,218)	41,787,436

As at 31 December 2023

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
13 HUATAI 02	RMB6,000,000	5/6/2013	5/6/2023	RMB6,000,000	5.10%
18 HUATAI G2	RMB1,000,000	26/11/2018	26/11/2023	RMB1,000,000	4.17%
20 HUATAI G1	RMB8,000,000	26/3/2020	26/3/2023	RMB8,000,000	2.99%
20 HUATAI G6	RMB3,200,000	18/6/2020	18/6/2023	RMB3,200,000	3.10%
20 HUATAI G7	RMB3,500,000	24/11/2020	24/11/2023	RMB3,500,000	3.90%
20 HUATAI G9	RMB4,000,000	9/12/2020	9/12/2023	RMB4,000,000	3.79%
21 HUATAI G1	RMB4,000,000	20/1/2021	20/1/2024	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	26/4/2021	26/4/2024	RMB5,000,000	3.42%
21 HUATAI G5	RMB4,000,000	24/5/2021	24/5/2024	RMB4,000,000	3.28%
21 HUATAI G7	RMB2,000,000	15/6/2021	15/6/2024	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	21/6/2021	21/6/2024	RMB2,500,000	3.45%
21 HUATAI 11	RMB1,500,000	7/9/2021	7/9/2024	RMB1,500,000	3.03%
21 HUATAI 13	RMB2,100,000	18/10/2021	18/10/2024	RMB2,100,000	3.25%
21 HUATAI 15	RMB2,200,000	25/10/2021	25/10/2024	RMB2,200,000	3.22%
22 HUATAI G2	RMB2,000,000	15/8/2022	15/8/2024	RMB2,000,000	2.43%
22 HUATAI G3	RMB3,000,000	26/8/2022	26/8/2024	RMB3,000,000	2.33%
22 HUATAI G6	RMB3,600,000	21/11/2022	21/11/2024	RMB3,600,000	2.87%
22 HUATAI G8	RMB1,500,000	5/12/2022	5/12/2024	RMB1,500,000	2.87%
22 HUATAI 12	RMB4,000,000	22/12/2022	22/12/2024	RMB4,000,000	3.24%
HUATAI B2302c	USD400,000	12/2/2020	12/2/2023	USD400,000	LIBOR+0.95%
HUATAI B2404	USD900,000	9/4/2021	9/4/2024	USD900,000	1.30%
Structured notes [(1)]	RMB500,843	Note (1)	Note (1)	RMB500,843	Note (1)

Name	*Book value as at 1 January 2023*	*Increase*	*Decrease*	*Book value as at 31 December 2023*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
13 HUATAI 02	6,177,782	128,218	(6,306,000)	-
18 HUATAI G2	1,003,869	37,831	(1,041,700)	-
20 HUATAI G1	8,182,656	56,544	(8,239,200)	-
20 HUATAI G6	3,251,653	47,547	(3,299,200)	-
20 HUATAI G7	3,513,690	122,810	(3,636,500)	-
20 HUATAI G9	4,009,121	142,479	(4,151,600)	-
21 HUATAI G1	-	4,279,016	(143,200)	4,135,816
21 HUATAI G3	-	5,286,842	(171,000)	5,115,842
21 HUATAI G5	-	4,210,028	(131,200)	4,078,828
21 HUATAI G7	-	2,104,717	(68,000)	2,036,717
21 HUATAI 09	-	2,631,376	(86,250)	2,545,126
21 HUATAI 11	-	1,559,601	(45,450)	1,514,151
21 HUATAI 13	-	2,182,074	(68,250)	2,113,824
21 HUATAI 15	-	2,283,852	(70,840)	2,213,012
22 HUATAI G2	-	2,066,498	(48,600)	2,017,898
22 HUATAI G3	-	3,093,408	(69,900)	3,023,508
22 HUATAI G6	-	3,714,463	(103,320)	3,611,143
22 HUATAI G8	-	1,545,630	(43,050)	1,502,580
22 HUATAI 12	-	4,131,236	(129,600)	4,001,636
HUATAI B2302c	2,802,824	11,082	(2,813,906)	-
HUATAI B2404	-	6,471,560	(82,868)	6,388,692
Structured notes (1)	121,154	504,716	(121,154)	504,716
Total	29,062,749	46,611,528	(30,870,788)	44,803,489

(1) As at 31 December 2024, no structured note would mature within one year (as at 31 December 2023: RMB504.72 million).

53 Long-term bonds

As at 31 December 2024

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
22 HUATAI G4	RMB2,000,000	5/9/2022	5/9/2025	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	13/9/2022	13/9/2025	RMB3,000,000	2.50%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI 10	RMB2,000,000	12/12/2022	12/12/2025	RMB2,000,000	3.35%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G8	RMB1,700,000	10/5/2023	10/7/2025	RMB1,700,000	2.82%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 13	RMB1,000,000	16/10/2023	16/10/2025	RMB1,000,000	2.80%
23 HUATAI 14	RMB1,600,000	16/10/2023	16/10/2033	RMB1,600,000	3.35%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI 16	RMB2,500,000	6/11/2023	6/11/2033	RMB2,500,000	3.30%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	14/9/2022	14/9/2025	RMB3,025,000	2.85%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR + 0.9%
Structured notes [(1)]	RMB3,030,000	Note (1)	Note (1)	RMB3,030,000	Note (1)

Name	*Book value as at 1 January 2024*	*Increase*	*Decrease*	*Book value as at 31 December 2024*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
20 HUATAI G3	3,567,318	-	(3,567,318)	-
20 HUATAI G4	3,058,017	-	(3,058,017)	-
21 HUATAI G4	6,135,944	223,782	(222,600)	6,137,126
21 HUATAI G6	2,042,945	72,994	(72,600)	2,043,339
21 HUATAI 12	2,730,840	102,230	(102,060)	2,731,010
21 HUATAI 14	3,427,143	135,724	(135,660)	3,427,207
21 HUATAI 16	1,107,853	43,361	(43,340)	1,107,874
22 HUATAI G1	5,120,528	-	(5,120,528)	-
22 HUATAI G4	2,015,297	-	(2,015,297)	-
22 HUATAI G5	3,020,889	-	(3,020,889)	-
22 HUATAI G7	1,404,717	44,576	(44,520)	1,404,773
22 HUATAI 10	2,002,581	-	(2,002,581)	-
22 HUATAI 11	500,628	17,524	(17,450)	500,702
23 HUATAI G1	4,113,345	-	(4,113,345)	-
23 HUATAI G2	822,900	-	(822,900)	-
23 HUATAI G3	2,065,894	69,841	(69,600)	2,066,135
23 HUATAI G4	4,629,523	146,281	(145,350)	4,630,454
23 HUATAI G5	4,117,997	136,000	(135,600)	4,118,397
23 HUATAI G6	1,539,132	47,358	(47,100)	1,539,390
23 HUATAI G7	2,261,221	74,139	(73,920)	2,261,440
23 HUATAI G8	1,730,405	-	(1,730,405)	-
23 HUATAI G9	713,520	21,560	(21,490)	713,590
23 HUATAI 10	2,017,583	53,243	(52,800)	2,018,026
23 HUATAI 11	2,518,935	72,673	(72,250)	2,519,358
23 HUATAI 13	1,005,417	-	(1,005,417)	-
23 HUATAI 14	1,610,427	53,671	(53,600)	1,610,498
23 HUATAI 15	1,003,315	29,197	(28,300)	1,004,212
23 HUATAI 16	2,510,029	84,620	(82,500)	2,512,149
23 HUATAI F2	2,808,118	85,960	(85,960)	2,808,118
23 HUATAI F4	3,601,796	111,953	(110,880)	3,602,869
20 HUATAI C1	5,028,420	-	(5,028,420)	-
21 HUATAI C1	9,370,679	406,805	(405,000)	9,372,484
HUATAI B2604	3,550,894	130,349	(71,904)	3,609,339
HUATAI B2503	7,123,519	-	(7,123,519)	-
HUATAI B2509	3,044,890	-	(3,044,890)	-
HUATAI B2608	2,876,402	201,996	(151,001)	2,927,397
HUATAI B2611	5,685,678	452,832	(360,562)	5,777,948
Structured notes [(i)]	3,127,773	99,773	-	3,227,546
Total	115,012,512	2,918,442	(44,259,573)	73,671,381

As at 31 December 2023

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
21 HUATAI G1	RMB4,000,000	20/1/2021	20/1/2024	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	26/4/2021	26/4/2024	RMB5,000,000	3.42%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G5	RMB4,000,000	24/5/2021	24/5/2024	RMB4,000,000	3.28%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
21 HUATAI G7	RMB2,000,000	15/6/2021	15/6/2024	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	21/6/2021	21/6/2024	RMB2,500,000	3.45%
21 HUATAI 11	RMB1,500,000	7/9/2021	7/9/2024	RMB1,500,000	3.03%
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 13	RMB2,100,000	18/10/2021	18/10/2024	RMB2,100,000	3.25%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 15	RMB2,200,000	25/10/2021	25/10/2024	RMB2,200,000	3.22%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
22 HUATAI G2	RMB2,000,000	15/8/2022	15/8/2024	RMB2,000,000	2.43%
22 HUATAI G3	RMB3,000,000	26/8/2022	26/8/2024	RMB3,000,000	2.33%
22 HUATAI G4	RMB2,000,000	5/9/2022	5/9/2025	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	13/9/2022	13/9/2025	RMB3,000,000	2.50%
22 HUATAI G6	RMB3,600,000	21/11/2022	21/11/2024	RMB3,600,000	2.87%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI G8	RMB1,500,000	5/12/2022	5/12/2024	RMB1,500,000	2.87%
22 HUATAI 10	RMB2,000,000	12/12/2022	12/12/2025	RMB2,000,000	3.35%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
22 HUATAI 12	RMB4,000,000	22/12/2022	22/12/2024	RMB4,000,000	3.24%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G8	RMB1,700,000	10/5/2023	10/7/2025	RMB1,700,000	2.82%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 13	RMB1,000,000	16/10/2023	16/10/2025	RMB1,000,000	2.80%
23 HUATAI 14	RMB1,600,000	16/10/2023	16/10/2033	RMB1,600,000	3.35%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI 16	RMB2,500,000	6/11/2023	6/11/2033	RMB2,500,000	3.30%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
HUATAI B2404	USD900,000	9/4/2021	9/4/2024	USD900,000	1.30%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
HUATAI B2509	CNH3,025,000	14/9/2022	14/9/2025	CNH3,025,000	2.85%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR + 0.90%
Structured notes [1]	RMB3,030,000	Note (1)	Note (1)	RMB3,030,000	Note (1)

Name	*Book value as at 1 January 2023*	*Increase*	*Decrease*	*Book value as at 31 December 2023*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
20 HUATAI G3	3,566,652	102,166	(101,500)	3,567,318
20 HUATAI G4	3,057,447	96,570	(96,000)	3,058,017
21 HUATAI G1	4,134,487	-	(4,134,487)	-
21 HUATAI G3	5,114,197	-	(5,114,197)	-
21 HUATAI G4	6,134,805	223,739	(222,600)	6,135,944
21 HUATAI G5	4,077,517	-	(4,077,517)	-
21 HUATAI G6	2,042,565	72,980	(72,600)	2,042,945
21 HUATAI G7	2,036,063	-	(2,036,063)	-
21 HUATAI 09	2,544,308	-	(2,544,308)	-
21 HUATAI 11	1,513,806	-	(1,513,806)	-
21 HUATAI 12	2,730,676	102,224	(102,060)	2,730,840
21 HUATAI 13	2,113,678	-	(2,113,678)	-
21 HUATAI 14	3,427,081	135,722	(135,660)	3,427,143
21 HUATAI 15	2,212,859	-	(2,212,859)	-
21 HUATAI 16	1,107,833	43,360	(43,340)	1,107,853
22 HUATAI G1	5,118,848	141,180	(139,500)	5,120,528
22 HUATAI G2	2,017,070	-	(2,017,070)	-
22 HUATAI G3	3,022,110	-	(3,022,110)	-
22 HUATAI G4	2,014,753	50,944	(50,400)	2,015,297
22 HUATAI G5	3,019,971	75,918	(75,000)	3,020,889
22 HUATAI G6	3,610,774	-	(3,610,774)	-
22 HUATAI G7	1,404,662	44,575	(44,520)	1,404,717
22 HUATAI G8	1,502,007	-	(1,502,007)	-
22 HUATAI 10	2,002,083	67,498	(67,000)	2,002,581
22 HUATAI 11	500,556	17,522	(17,450)	500,628
22 HUATAI 12	3,999,798	-	(3,999,798)	-
23 HUATAI G1	-	4,113,345	-	4,113,345
23 HUATAI G2	-	822,900	-	822,900
23 HUATAI G3	-	2,065,894	-	2,065,894
23 HUATAI G4	-	4,629,523	-	4,629,523
23 HUATAI G5	-	4,117,997	-	4,117,997
23 HUATAI G6	-	1,539,132	-	1,539,132
23 HUATAI G7	-	2,261,221	-	2,261,221
23 HUATAI G8	-	1,730,405	-	1,730,405
23 HUATAI G9	-	713,520	-	713,520
23 HUATAI 10	-	2,017,583	-	2,017,583
23 HUATAI 11	-	2,518,935	-	2,518,935
23 HUATAI 13	-	1,005,417	-	1,005,417
23 HUATAI 14	-	1,610,427	-	1,610,427
23 HUATAI 15	-	1,003,315	-	1,003,315
23 HUATAI 16	-	2,510,029	-	2,510,029
23 HUATAI F2	-	2,808,118	-	2,808,118
23 HUATAI F4	-	3,601,796	-	3,601,796
20 HUATAI C1	5,027,690	224,730	(224,000)	5,028,420
21 HUATAI C1	9,368,951	406,728	(405,000)	9,370,679
HUATAI B2404	6,280,411	-	(6,280,411)	-
HUATAI B2604	3,491,943	129,778	(70,827)	3,550,894
HUATAI B2503	7,000,146	291,941	(168,568)	7,123,519
HUATAI B2509	3,041,406	89,697	(86,213)	3,044,890
HUATAI B2608	-	2,876,402	-	2,876,402
HUATAI B2611	-	5,685,678	-	5,685,678
Structured notes [1]	2,119,436	1,359,181	(350,844)	3,127,773
Total	110,356,589	51,308,090	(46,652,167)	115,012,512

(1) The Company has not issued long-term structured notes for the year ended 31 December 2024 (for the year ended 31 December 2023: 2 tranches). As at 31 December 2024, no long-term structured note due within one year is classified as "Long-term bonds due within one year" (as at 31 December 2023: 2 tranches) (Note 52).

54 Long-term bank loans

(a) Analysed by nature:

	As at 31 December	
	2024	2023
Unsecured bank loans	-	647,052
Less: credit bank loans due within one year	-	-
Total	-	647,052

(b) Analysed by maturity:

	As at 31 December	
	2024	2023
Maturity within five years	-	647,052

55 Share capital, reserves and retained profits

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

					Reserves						
	Note	*Share capital*	*Other equity instruments*	*Treasury shares*	*Capital reserve*	*Surplus reserve*	*General reserve*	*Fair value reserve*	*Translation reserve*	*Retained profits*	*Total*
As at 1 January 2024		9,074,663	25,700,000	(1,064,173)	67,999,460	8,838,000	17,889,908	35,605	18,981	26,560,769	155,053,213
Changes in equity for 2024											
Profit for the year		-	-	-	-	-	-	-	-	8,890,757	8,890,757
Other comprehensive income		-	-	-	-	-	-	372,834	-	-	372,834
Total comprehensive income		-	-	-	-	-	-	372,834	-	8,890,757	9,263,591
Issue of perpetual subordinated bonds		-	2,600,000	-	(2,698)	-	-	-	-	-	2,597,302
Equity-settled share-based payments		-	-	112,478	31,852	-	-	-	-	-	144,330
Acquisition of treasury shares		(47,361)	-	851,150	(803,789)	-	-	-	-	-	-
Appropriation to surplus reserve		-	-	-	-	889,076	-	-	-	(889,076)	-
Appropriation to general reserve		-	-	-	-	-	1,779,050	-	-	(1,779,050)	-
Dividends declared to ordinary shareholders for the year		-	-	-	-	-	-	-	-	(5,236,731)	(5,236,731)
Dividends payable to perpetual subordinated bonds		-	-	-	-	-	-	-	-	(935,130)	(935,130)
Others		-	-	-	(117)	(14)	(29)	-	-	(100)	(260)
As at 31 December 2024	64	9,027,302	28,300,000	(100,545)	67,224,708	9,727,062	19,668,929	408,439	18,981	26,611,439	160,886,315

	Note	Share capital	Other equity instruments	Treasury shares	Reserves					Retained profits	Total
					Capital reserve	Surplus reserve	General reserve	Fair value reserve	Translation reserve		
As at 1 January 2023		9,075,589	19,200,000	(1,202,324)	68,927,383	7,790,909	15,795,052	28,164	18,981	24,000,453	143,634,207
Adjustments		-	-	-	-	419	839	-	-	2,937	4,195
As at 1 January 2023		9,075,589	19,200,000	(1,202,324)	68,927,383	7,791,328	15,795,891	28,164	18,981	24,003,390	143,638,402
Changes in equity for 2023											
Profit for the year		-	-	-	-	-	-	-	-	10,466,721	10,466,721
Other comprehensive income		-	-	-	-	-	-	7,441	-	-	7,441
Total comprehensive income		-	-	-	-	-	-	7,441	-	10,466,721	10,474,162
Issue of perpetual subordinated bonds		-	6,500,000	-	(7,148)	-	-	-	-	-	6,492,852
Equity-settled share-based payments		-	-	130,514	72,582	-	-	-	-	-	203,096
Appropriation to surplus reserve		-	-	-	-	1,046,672	-	-	-	(1,046,672)	-
Appropriation to general reserve		-	-	-	-	-	2,094,017	-	-	(2,094,017)	-
Dividends declared to ordinary shareholders for the year		-	-	-	-	-	-	-	-	(4,063,223)	(4,063,223)
Dividends payable to perpetual subordinated bonds		-	-	-	-	-	-	-	-	(705,430)	(705,430)
Others		(926)	-	7,637	(993,357)	-	-	-	-	-	(986,646)
As at 31 December 2023	64	9,074,663	25,700,000	(1,064,173)	67,999,460	8,838,000	17,889,908	35,605	18,981	26,560,769	155,053,213

(b) Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	As at 31 December 2024		As at 31 December 2023	
	Number of shares	Nominal value	Number of shares	Nominal value
	(Thousand)		(Thousand)	
Registered, issued and fully paid:				
A shares of RMB1 each	**7,308,256**	**7,308,256**	7,355,617	7,355,617
H shares of RMB1 each	**1,719,046**	**1,719,046**	1,719,046	1,719,046
Total	**9,027,302**	**9,027,302**	9,074,663	9,074,663

On 1 June 2015, the Company completed its initial public offering of 1,400,000,000 H shares on the Main Board of the Hong Kong Stock Exchange. On 19 June 2015, the Company partially exercised the over-allotment option and issued 162,768,800 H shares.

According to the relevant requirements of PRC regulators, existing shareholders of the state-owned shares of the Company have transferred an aggregate number of 156,276,880 state-owned shares of the Company to the National Social Security Fund of the PRC, and such shares were then converted into H shares on a one-for-one basis.

In July 2018, the Company completed private placement of issuance of 1,088,731,200 new A shares.

On 20 June 2019, the Company completed its issuance of 75,013,636 GDRs, representing 750,136,360 underlying A shares, and listed on the London Stock Exchange. On 27 June 2019, the Company exercised the over-allotment option and issued additional 7,501,364 GDRs, representing 75,013,640 underlying A shares. In total, the Company has issued 82,515,000 GDRs, representing 825,150,000 new A shares with nominal value of RMB1.00 each. The total paid-up share capital of the Company after the change was RMB9,076,650,000.

In 2022, the Company completed the repurchase and cancellation of 1,060,973 restricted A Shares, after which the Company's registered capital was RMB9,075,589,027 and the total share capital of the Company was 9,075,589,027 shares of RMB1 each.

In 2023, the Company completed the repurchase and cancellation of 925,692 restricted A Share, after which the Company's registered capital was RMB9,074,663,335 and the total share capital of the Company was 9,074,663,335 shares of RMB1 each.

In January 2024, the Company completed the repurchase and cancellation of 45,278,495 A-share shares stored in the Company's special securities account, after which the Company's registered capital was RMB 9,029,384,840 and the total share capital of the Company was 9,029,384,840 shares of RMB1 each.

In September 2024, the Company completed the repurchase and cancellation of 2,082,559 restricted A Share, after which the Company's registered capital was RMB 9,027,302,281 and the total share capital of the Company was 9,027,302,281 shares of RMB1 each.

The H shares and GDRs representing A shares rank pari passu in all respects with the existing A shares including the right to receive all dividends and distributions declared or made.

(c) Other equity instruments

	As at 31 December	
	2024	2023
Perpetual subordinated bonds	**28,300,000**	25,700,000

As approved by the CSRC, the Company issued nine batches of perpetual subordinated bonds ("21 Huatai Y1", "21 Huatai Y2", "21 Huatai Y3", "22 Huatai Y1", "22 Huatai Y2", "22 Huatai Y3","23 Huatai Y1","23 Huatai Y2" and "24 Huatai Y1") with an initial interest rate of 3.85%, 4.00%, 3.80%, 3.49%, 3.59%, 3.20%, 3.46%, 3.58% and 2.39% on 15 September 2021, 26 October 2021, 16 November 2021, 26 January 2022, 11 July 2022, 21 October 2022, 8 September 2023, 20 October 2023 and 26 November 2024, respectively. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 200 or 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

.As the Company declared dividend distribution to ordinary equity holders during the 2023 annual general meeting held on 20 June 2024, the Company has recognised interest payable to the perpetual subordinated bonds amounted to RMB 935,130 thousand.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the Group's statement of financial position.

(d) Treasury shares

	As at 1 January 2024	*Increase for the year*	*Decrease for the year*	*As at 31 December 2024*
Share repurchase	**835,802**	**-**	**(835,802)**	**-**
Restricted Share Incentive Scheme of A Shares	**228,371**	**-**	**(127,826)**	**100,545**
Total	**1,064,173**	**-**	**(963,628)**	**100,545**

On 24 November 2023, the Company held 2023 Second Extraordinary General Meeting, 2023 Third A Share Class Meeting and 2023 Third H Share Class Meeting, where the resolution on "The Company's Cancellation of Repurchased A shares and Reduction of Registered Capital" was considered and approved. It was agreed that the Company would cancel the remaining repurchased A shares totaling 45,278,495 shares and accordingly reduce the registered capital. On 10 January 2024, the Company completed the cancellation of the repurchased A shares, reducing the share capital and registered capital by RMB45.28 million, reducing the capital reserve by RMB790.52 million, and reducing the treasury shares by RMB835.80 million.

On 12 April 2024, the Board and the Supervisory Committee of the Company respectively considered and approved the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company. Based on the achievement of performance conditions at the company level and individual level, the total number of restricted shares that could be unlocked this time was 13,269,954 shares, which became floating shares not subject to selling restrictions on 16 May 2024, and shares subject to selling restrictions was reduced to 16,008,438 Shares in total. According to the Restricted Share Incentive Scheme of A Shares Plan, the share repurchase's obligation was reduced accordingly by RMB103.51 million.

On 20 June 2024, pursuant to the decision of the 2023 Annual General Meeting, the annual profit distribution was carried out in the form of cash dividends. A cash dividend of RMB4.30 (tax included) per 10 shares was distributed to the shareholders. The company's cash dividends for the 2023 fiscal year were paid on August 16, 2024. In accordance with the rules of the Restricted Share Incentive Scheme of A Shares, the share repurchase obligation was reduced by RMB6.88 million accordingly.

On 20 June 2024, the 2023 annual general meeting of shareholders of Huatai Securities Co., Ltd., the First A share Shareholders' Meeting in 2024 and the First H share Shareholders' Meeting in 2024 reviewed and approved the "Proposal on the Company's Repurchase and Cancellation of Part of A share Restricted Shares". A total of 2,082,559 A share restricted stocks that had been granted but not yet released from the restricted sale status by 175 incentive targets were repurchased and cancelled. The repurchase price was RMB7.37 per share, and the obligation for stock repurchase was correspondingly reduced by RMB15.35 million.

On 30 August 2024, according to the resolution of the 12th meeting of the 6th session of the Board of Directors, the Company's interim profit distribution in 2024 was carried out in the form of cash dividends, with a cash dividend of RMB0.15 per share (tax included) distributed. The Company's interim cash dividends in 2024 were paid on October 25, 2024. According to the rules of the Restricted Share Incentive Scheme of A Shares, the obligation for this stock repurchase was correspondingly reduced by RMB2.09 million.

(e) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

(f) Surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

(g) General reserve

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates 10% from its annual net profit to the transaction risk reserve.

In accordance with the requirements of the CSRC No. 94 Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds, the Company appropriates 2.5% from its fund custody fee income to the general risk reserve.

The Company's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

(h) Fair value reserve

The fair value reserve comprises:

- The cumulative net changes in the fair value of equity securities designated at FVOCI; and

- The cumulative net changes in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

(i) Cash flow hedges reserve

The cash flow hedges reserve comprises the effective portion of the gain or loss on the hedging instrument.

(j) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

(k) Dividends

Pursuant to the resolution of the general meeting of the shareholders dated 20 June 2024, the Company was approved to distribute cash dividends of RMB4.30 (tax inclusive) per 10 shares to the shareholders based on 9,029,384,840 shares, with total cash dividends amounting to RMB3,883 million(tax inclusive). The cash dividends of the Company were paid on 16 August 2024.

Approved at the 12th meeting of the sixth session of the board of directors on 30 August 2024, the Company resolved to distribute an interim cash dividend for 2024. Based on the total share capital of 9,027,302,281 shares outstanding prior to the implementation of the plan, a cash dividend of RMB 0.15 per share (tax inclusive) will be distributed, amounting to a total cash distribution of RMB1,354 million (tax inclusive). The interim cash dividends of the Company were paid on 25 October 2024.

56 Commitments

(a) Capital commitments

Capital commitments outstanding at 31 December 2024 and 31 December 2023 not provided for in the consolidated financial statements were as follows:

	As at 31 December	
	2024	2023
Contracted, but not provided for	**7,174,588**	7,156,300

The aforementioned capital commitments mainly represent securities underwriting commitments, subscribed capital contributions to funds, construction of properties and purchase of equipment of the Group.

57 Interests in structured entities

(a) Interests in structured entities consolidated by the Group

Structured entities consolidated by the Group mainly stand for the asset management schemes where the Group involves as manager and / or as investor. The Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the asset management schemes to a level of such significance that it indicates that the Group is a principal.

As at 31 December 2024, the Group consolidates 55 structured entities (as at 31 December 2023: 59 structured entities), which are mainly asset management schemes. As at 31 December 2024, the total assets of the consolidated structured entities are RMB 35,723 million (as at 31 December 2023: RMB94,908 million), and the carrying amount of interests held by the Group in the consolidated structured entities are RMB 32,309 million (as at 31 December 2023: RMB86,408 million). For the year ended 31 December 2024 and year ended 31 December 2023, the Group did not provide financial support to these structured entities.

(b) Interests in structured entities sponsored by the Group but not consolidated

Structured entities for which the Group served as general partner or manager, therefore has power over them during the reporting periods are asset management schemes. Except for the structured entities that the Group has consolidated as set out in Note 57(a), the Group's exposure to the variable returns in the remaining structured entities in which the Group has interests is not significant. Besides, the Group did not provide financial support to these structured entities. The Group therefore did not consolidate these structured entities.

As at 31 December 2024, the total assets of these unconsolidated structured entities managed by the Group amounted to RMB 621,057 million(as at 31 December 2023: RMB530,502 million). As at 31 December 2024, the carrying amount of interests held by the Group in these unconsolidated structured entities are RMB 6,252 million(as at 31 December 2023: RMB7,101 million).

During the year ended 31 December 2024, the Group's profit or loss from these unconsolidated structured entities including asset management fee and commission income and net investment losses, amounted to a total gain of RMB 513 million (during the year ended 31 December 2023: asset management fee and commission income and net investment gains amounted to a total gain of RMB1,576 million)

(c) Interests in structured entities sponsored by third party institutions

The types of structured entities sponsored by third party institutions that the Group does not consolidate but in which it holds interests include funds, asset management schemes, trust schemes, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The carrying amount of the related accounts in the consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at 31 December 2024 and 31 December 2023, which are listed as below:

	As at 31 December 2024	
	Financial assets at FVTPL	***Total***
Funds	**60,952,406**	**60,952,406**
Wealth management products	**7,300,893**	**7,300,893**
Debt securities	**383,852**	**383,852**
Total	**68,637,151**	**68,637,151**

	As at 31 December 2023	
	Financial assets at FVTPL	*Total*
Funds	60,597,720	60,597,720
Wealth management products	22,714,060	22,714,060
Debt securities	460,035	460,035
Total	83,771,815	83,771,815

58 Outstanding litigations

From time to time in the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 31 December 2024 and 31 December 2023, based on the court rulings and advices from legal representatives and management judgement, provision had been made to the claim amounts for the major legal action as listed below.

During the year of 2020, the Group's subsidiary Huatai United Securities Co., Ltd. received the Notice of Legal Action and relevant litigation materials sent by Shanghai Financial Court. The plaintiff, Postal Savings Bank of China Co., Ltd., failed to fully cash its investment in "Huatai Magnate Light Asset-backed Securities", sued to the Court to require the manager (the first defendant), the legal adviser (the second defendant), the rating agency (the third defendant), the issuer (the fourth defendant) and Huatai United Securities Co., Ltd., the financial adviser (the fifth defendant), to bear joint and several liability for the compensation for the plaintiff's investment loss of RMB527 million and relevant interest. The Shanghai Financial Court made the judgment of the first instance on 14 April 2023 that Huatai United Securities Co., Ltd. shall bear joint and several liability. Huatai United Securities Co., Ltd. submitted an application for appeal, the second-instance trial officially commenced on 26 December 2024, but no verdict has been rendered as of the approval and issuance date of the financial statements. According to the opinion of the legal representative and the judgment of the management, the Group has accrued provision amounting to RMB 675 million for the claim amount.

During the year of 2024, Zhejiang Securities Co., Ltd. and Zhejiang Securities Asset Management Co., Ltd. filed a tort liability dispute lawsuit against Huatai United Securities Co., Ltd. and the manager, alleging that the defendants' improper performance of duties resulted in substantial losses. The plaintiffs claim joint and several liability for compensation of investment principal and interest totaling RMB 142 million. The case is currently under trial. According to the opinion of the legal representative and the judgment of the management, the Group has accrued provision amounting to RMB 71 million for the claim amount.

As of December 31, 2024, except for the aforementioned cases, the Group is not involved in any other legal proceedings or arbitrations for which an unfavorable judgment, ruling, or decision, if rendered, would reasonably be expected to result in a material adverse effect on the Group's financial position or operating results.

59 Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

Name of the shareholders	*Place of registration*	*Registered share capital*	*Percentage of equity interest (%)*	*Voting rights (%)*
Jiangsu Guoxin Investment Group Limited	Nanjing	RMB50 billion	15.21	15.21
Jiangsu Communications Holdings Co., Ltd.	Nanjing	RMB16.8 billion	5.42	5.42

The detailed information of the transactions and balances with Group's major shareholders and their subsidiaries is set out in Note 59(b)(i).

(ii) Subsidiaries of the Group

The detailed information of the Group's subsidiaries is set out in Note 24.

(iii) Associates of the Group

The detailed information of the Group's associates is set out in Note 25.

(iv) Joint ventures of the Group

The detailed information of the Group's joint ventures is set out in Note 26.

(v) Other related parties

Other related parties are individuals which include: members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

(b) Related parties transactions and balances

Other than as disclosed elsewhere in these consolidated financial statements, the Group had the following related party transactions and balances:

(i) Transactions and balances between the Group and major shareholders and their subsidiaries:

	As at 31 December	
	2024	*2023*
Balances at the end of the year:		
Right-of-use assets	**142**	-
Other receivables and prepayments	**43**	43
Financial assets at FVTPL	**-**	138,331
Accounts payable to brokerage clients	**327,636**	14,389
Other payables and accruals	**3,211**	3,211

	Year ended 31 December	
	2024	2023
Transactions during the year:		
Fee and commission income	**9,064**	20,769
Net investment gains	**703**	2,162
Operating expense	**(3,237)**	(199)

During the year of 2024, the Group has not subscribed the bonds issued by major shareholders (during the year of 2023: RMB138 million) .

During the year of 2024, the Group has redeemed the bonds issued by major shareholders amounting to RMB91 million(during the year of 2023: RMB53 million).

During the year of 2024, the Group has paid rental fee to major shareholders and their subsidiaries for the total amounts of RMB0.18 million(During the year of 2023: nil).

(ii) Transactions and balances between the Group and associates:

	As at 31 December	
	2024	2023
Balances at the end of the year:		
Cash and bank balances	**1,240,337**	1,244,329
Right-of-use assets	**66,870**	17,489
Accounts receivable	**109,501**	111,881
Other receivables and prepayments	**3,204**	2,828
Financial assets at FVTPL	**30,559**	50,510
Accounts payable to brokerage clients	**77,858**	96,223
Other payables and accruals	**378**	1,893
Placements from other financial institutions	**-**	1,000,383
Lease liabilities	**68,342**	19,078

	Year ended 31 December	
	2024	2023
Transactions during the year:		
Fee and commission income	**244,139**	311,402
Fee and commission expenses	**(777)**	(682)
Other income and gains	**3,233**	2,600
Operating expense	**(546)**	(2,302)
Interest income	**34,704**	23,979
Interest expenses	**(12,413)**	(17,544)
Net investment losses	**3,491**	7,710

During the year of 2024, the Group has subscribed the corporate bond issued by associates for the total amounts of RMB31 million (during the year of 2023: RMB51 million).

During the year of 2024, the associates have subscribed the non-public corporate bonds issued by the Group for RMB51 million (during the year of 2023: nil).

During the year of 2024, the capital injection made by the Group into the associates are RMB 211 million (during the year of 2023: RMB1,438 million).

During the year of 2024, the divestment made by the Group from the associates are RMB50 million (during the year of 2023: RMB177 million).

During the year of 2024, the Group has made repurchase agreements with associates for the total amount of RMB81,389 million (during the year of 2023: RMB89,406 million).

During the year of 2024 , the Group has taken placements from other financial institutions with associates for the total amount of RMB20,500 million (during the year of 2023: RMB89,320 million).

During the year of 2024, the Group has received dividends from associates for the total amounts of RMB 1,038 million (during the year of 2023: RMB1,634 million).

During the year of 2024, the Group has paid rental fee to associates for the total amounts of RMB 31 million (during the year of 2023: RMB40 million).

(iii) Transactions and balances between the Group and joint ventures:

	As at 31 December	
	2024	*2023*
Balances at the end of the year:		
Accounts receivable	**8,168**	-
Accounts payable to brokerage clients	**70,950**	2,885

	Year ended 31 December	
	2024	*2023*
Transactions during the year:		
Fee and commission income	**15,772**	8,525

During the year of 2024, the capital injection made by the Group into the joint ventures are RMB75 million (during the year of 2023: RMB182 million). During the year of 2024, the divestment made by the Group from the joint ventures are RMB 34 million (during the year of 2023: RMB171 million).

During the year of 2024, the Group has not received dividends from joint venture (during the year of 2023: RMB22million).

(iv) Transactions and balances between the Group and other related parties:

	As at 31 December	
	2024	2023
Balances at the end of the year:		
Accounts payable to brokerage clients	**939**	5,002

	Year ended 31 December	
	2024	2023
Transactions during the year:		
Fee and commission income	**154**	77

(c) Key management personnel remuneration

During the year ended 31 December 2024, the pre-tax remuneration of current year accrued and paid to key management personnel of the Company amounted to RMB18.69 million, the total compensation packages of the key management personnel for the fiscal year 2024 have not been finalised and will be further disclosed when they are confirmed (the total finalised compensation packages of the key management personnel for the fiscal year 2023 amounted to RMB48.67 million). This amount includes those payable to the Company's directors and supervisors as disclosed in Note 16. For the year ended 31 December 2024, the post-employment benefits of the key management personnel amounted to RMB2.71 million (for the year ended 31 December 2023: RMB2.61 million).

(d) Applicability of the Listing Rules relating to connected transactions

The related party transactions set out in Note 59(b) which constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1) and 14A.93.

60 Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided, and the performance measure of business segments utilised by the Group is profit before income tax:

- The wealth management segment engages in the trading of stocks, funds, bonds and futures on behalf of clients, to provide customers with a variety of financial products sales services and asset allocation services. Moreover, the activities of providing margin financing, securities lending, securities-backed lendings and sell financial products are included in this segment.

- The institutional services segment mainly provides investment banking business to clients, research and institutional sales, equity securities investments and transactions, fixed income investments and transactions, OTC financial products and transactions.

- The investment management segment mainly consists of asset management, private equity investment, alternative investments and commodities trading and arbitrage.

- The international business segment mainly includes the overseas business of overseas subsidiaries.

- Other segments include other operations of head office, mainly including interest income, share of profit of associates and joint ventures, interest expenses of working capitals, and costs and expenses of middle offices and back offices.

(a) Business segments

For the year ended 31 December 2024

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	19,091,303	8,254,568	2,444,882	14,038,765	1,491,570	45,321,088
- Inter-segment	1,938	-	-	-	744,617	746,555
Other income and gains	4,715,500	(85,012)	214,965	4,154,850	33,309	9,033,612
Segment revenue and other income	23,808,741	8,169,556	2,659,847	18,193,615	2,269,496	55,101,255
Segment expenses	(17,586,912)	(7,172,421)	(1,530,117)	(11,260,104)	(4,569,796)	(42,119,350)
Segment operating profit / (loss)	6,221,829	997,135	1,129,730	6,933,511	(2,300,300)	12,981,905
Share of profit of associates and joint ventures	-	25	(767,099)	8,641	3,112,386	2,353,953
Profit before income tax	6,221,829	997,160	362,631	6,942,152	812,086	15,335,858
Interest income	9,364,162	1,378,940	125,641	1,629,306	1,368,675	13,866,724
Interest expenses	(2,981,624)	(3,254,880)	(460,188)	(3,125,104)	(1,367,324)	(11,189,120)
Depreciation and amortisation expenses	(542,946)	(188,263)	(71,322)	(403,144)	(602,981)	(1,808,656)
Net reversal of / (provision for) impairment loss on financial assets	(194,720)	5,011	(1,503)	(38,485)	(16,572)	(246,269)
Segment assets	327,720,741	241,651,881	42,330,013	140,070,224	165,201,418	916,974,277
Additions to non-current segment assets during the year	151,125	222,101	21,756	257,846	1,035,017	1,687,845
Segment liabilities	(322,892,047)	(237,296,888)	(18,742,412)	(117,355,571)	(28,793,438)	(725,080,356)

For the year ended 31 December 2023

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	19,338,998	10,618,400	3,040,257	10,405,808	1,823,151	45,226,614
- Inter-segment	539	-		-	1,778,984	1,779,523
Other income and gains	3,985,258	(69,048)	318,566	2,535,500	342,500	7,112,776
Segment revenue and other income	23,324,795	10,549,352	3,358,823	12,941,308	3,944,635	54,118,913
Segment expenses	(16,634,272)	(7,907,900)	(1,589,098)	(10,648,760)	(4,697,057)	(41,477,087)
Segment operating profit / (loss)	6,690,523	2,641,452	1,769,725	2,292,548	(752,422)	12,641,826
Share of profit of associates and joint ventures	-	(58)	30,034	(21,713)	2,576,521	2,584,784
Profit before income tax	6,690,523	2,641,394	1,799,759	2,270,835	1,824,099	15,226,610
Interest income	10,574,301	1,265,381	162,001	1,242,067	1,700,094	14,943,844
Interest expenses	(4,349,186)	(3,554,129)	(503,181)	(3,787,857)	(1,828,237)	(14,022,590)
Depreciation and amortisation expenses	(546,262)	(201,901)	(85,673)	(457,062)	(598,367)	(1,889,265)
Net reversal of / (provision for) impairment loss on financial assets	485,571	(9,051)	(110)	(44,423)	(21,041)	410,946
Segment assets	285,438,957	351,844,346	28,552,772	185,801,651	185,514,044	1,037,151,770
Additions to non-current segment assets during the year	183,050	117,929	1,823	379,242	889,528	1,571,572
Segment liabilities	(280,739,909)	(347,319,611)	(5,705,664)	(166,977,124)	(54,192,030)	(854,934,338)

Reconciliations of segment revenues, profit or loss, assets and liabilities:

	Year ended 31 December	
	2024	*2023*
Revenue		
Total revenue, gains and other income for segments	**55,101,255**	54,118,913
Elimination of inter-segment revenue	**(815,772)**	(1,858,492)
Consolidated revenue, gains and other income	**54,285,483**	52,260,421
Profit		
Total profit before income tax for segments	**15,335,858**	15,226,610
Elimination of inter-segment profit	**16,482**	(1,021,946)
Consolidated profit before income tax	**15,352,340**	14,204,664

	As at 31 December	
	2024	*2023*
Assets		
Total assets for segments	**916,974,277**	1,037,151,770
Elimination of inter-segment assets	**(102,703,783)**	(131,643,381)
Consolidated total assets	**814,270,494**	905,508,389
Liabilities		
Total liabilities for segments	**(725,080,356)**	(854,934,338)
Elimination of inter-segment liabilities	**102,703,783**	131,643,381
Consolidated total liabilities	**(622,376,573)**	(723,290,957)

For the year ended 31 December 2024 and 31 December 2023, the Group's customer base is diversified and no customer had transactions which exceeded 10% of the Group's revenue.

(b) Geographical informatio

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property and equipment, investment properties, goodwill, land-use rights and other intangible assets, interest in associates, interest in joint ventures and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment and other non-current assets, the location of the operation to which they are allocated, in the case of goodwill, land-use rights and other intangible assets, and the location of operations, in the case of interest in associates and interest in joint ventures.

	Year ended 31 December 2024			*Year ended 31 December 2023*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Revenue from external customers	**31,282,323**	**14,038,765**	**45,321,088**	34,820,806	10,405,808	45,226,614
Other income and gains	**4,809,545**	**4,154,850**	**8,964,395**	4,498,307	2,535,500	7,033,807
Total	**36,091,868**	**18,193,615**	**54,285,483**	39,319,113	12,941,308	52,260,421

	Year ended 31 December 2024			*Year ended 31 December 2023*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Specified non-current assets	**30,727,297**	**718,465**	**31,445,762**	28,603,135	10,054,267	38,657,402

61 Financial instruments and risk management

(a) Risk management policies and structure

(i) Risk management policies

In order to enhance the Group's scientific, standardised and effective management and operation, strengthen the capability of defending against risks and ensure the continuous, stable and rapid development of the Group's businesses, the Group had formulated the Basic System for Risk Management which had been deliberated and approved by the Board of Directors in accordance with the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines on the Internal Control of Securities Companies, the Regulation on Comprehensive Risk Management of Securities Companies and other relevant regulations in combination with the business operation and business management. This has clarified the risk management objectives and principles, the risk appetite and risk tolerance level of the Group as a whole and for different risk types, the risk management procedures, and the relevant resource assurance and appraisal mechanisms. In terms of operation management, the Group had formulated and issued various professional risk management guidelines to clearly establish the management processes and measures, risk indicators and limits for various types of risks; in addition, the Group had also formulated policies such as the Administration Measures for Risk Control Indicators, the Rules on the Risk Management of Subsidiaries, the Implementation Plan for Stress Test and the Detailed Implementation Rules for Stress Test at the operation level. In the specific business level, the Group had established business risk management system or risk management manual based on the risk points of different business areas and business management lines.

The principal types of risk faced by the Group in daily operation mainly include market risk, credit risk, liquidity risk, operational risk, information technology risk, reputational risk, model risk, compliance risk, legal risk, money laundering risk and integrity risk, etc. The Group had formulated corresponding policies and procedures to identify and analyse these risks, and set up risk indicators, risk limits and internal risk control processes in combination with the actual circumstances with a view to continuously manage the above risks through the support of information systems and effective mechanisms.

Risk management is a shared responsibility of all the Group's employees. The Group continuously enhances the risk management awareness and risk sensitivity of all its employees through training and assessment to cultivate the risk management culture.

(ii) Risk governance structure

The risk management structure of the Company covers five major parts: The Board and its Compliance and Risk Management Committee, Board of Supervisors, Business Operation Management and Risk Control Committee, Risk Management Department and various risk management departments as well as other departments, branches and subsidiaries.

The Board of Directors takes ultimate responsibilities for the Company's comprehensive risk management. The Compliance and Risk Management Committee is set up by the Board to review and make recommendations on the overall risk management targets, fundamental policies; and evaluate and make recommendations on the risks of major decisions which require the Board's review as well as the solutions to these major risks; and review and make recommendations on risk assessment reports which require the Board's review. The Board of Supervisors is responsible for the supervision of overall risk management, supervising and examining the Board and the management on the performance of their risk management duties and urging them to make rectifications. Based on the authorisation and approval of the Board and in combination with the operational targets of the Company, the management is specifically responsible for the implementation of risk management activities, with the Risk Control Committee established under it. The Chief Risk Officer of the Company is responsible for leading the overall risk management initiatives. The Risk Management Department is charged with comprehensive risk management duties. It reports to the management and is responsible for managing the overall risks of the Company, taking the lead in managing market risk, credit risk and operational risk. Relevant functional departments of the Company are responsible for taking the lead in managing other types of risks according to their responsibilities and positioning. Other departments, branches and subsidiaries of the Company are responsible for the management of risks in respective lines, implementing policies, procedures and measures formulated by the Company and risk management departments, accepting the guidance from risk management departments and the decomposition of risk management and implementation responsibilities by the risk management departments. The Audit Department is responsible for conducting independent and objective reviews and evaluations of the comprehensiveness and effectiveness of the risk management, and is also in charge of leading or entrusting external professional institutions to regularly assess the company's comprehensive risk management system.

(b) Credit risk management

Credit risk refers to the risk of loss of the Company resulting from the default of borrowers or bond issuer or counterparty (customer). The Company has established a credit risk management system covering self-owned capital and entrusted funding business. The system is applied to all subsidiaries domestic or overseas, and also to the sub-subsidiaries managed with reference to the subsidiary's management approach, thereby achieving full credit risk management coverage.

The Group mainly faced three types of credit risks, namely (i) the risks of suffering from loss in respect of the financing bills and interest lent out due to borrower's default in financing business; (ii) the risks caused by default of the issuer in bond investment business; (iii) the risks of assets suffering from loss due to the default by the counterparty in transaction business (including guarantee settlement business).

With respect to credit risk management of financing business, the Group implemented stringent control measures through continuous monitoring for risky customers and risky assets and timely risk mitigation. The Company intensified the dynamic counter-cyclical adjustment mechanism, established a market systemic risk monitoring and handling mechanism and strengthened the post-credit management of related businesses, in order to control routine business risks, prevent bottom-line risks and flexibly adjust the business structure.

With respect to credit risk management of issuers, the Company established a unified monitoring management system for issuers to realize the unified monitoring of credit bond targets for the Company's various businesses. In the meantime, the Company deepened the credit bonds' risk management and control in the whole process, established a screening and disposal mechanism of normalization for risky securities, and continuously to strengthen the monitoring and early warning mechanism of bond positions, thereby enhancing the effectiveness of the Company's prevention and control capabilities of credit risk.

With respect to credit risk management of counterparties, the Company constantly promoted the optimization construction of the unified management system for counterparties, and further strengthened counterparties' credit management in accordance with internal and external public sentiment to strictly control tail risks. For guaranteed settlement business, the Company continued to improve the front-end control of risk indicator design and promoted the establishment of systematic measures, as well as strengthened its risk event handling and risk transmission control capabilities.

The Company continued to optimize and improve its unified credit risk management system, in order to enhance its ability to cope with the complex external credit environment and provide strong risk control guarantee for the development of various credit businesses. During the reporting period, the Company did not experience any major credit risk events, and its businesses operated smoothly.

The Group provided credit loss allowances for securities-backed lendings of financial assets sold under repurchase agreements. The Group assessed the continuous repayment, solvency and the collateral to loan ratios of the borrowers to analyse the degree of default risk and identified the three stages of credit loss allowances of the securities-backed lendings assets. The details are as below:

Description	Stage of credit loss allowances	
Collateral to loan ratios above the force liquidation thresholds, with no past due days	12-month ECL	Stage 1
Collateral to loan ratios above the force liquidation thresholds, with less than 90 days past due on its contractual payments		
Collateral to loan ratios below the force liquidation thresholds but above 100%, with no past due days	Lifetime ECL-not credit impaired	Stage 2
Collateral to loan ratios below the force liquidation thresholds but above 100%, with less than 90 days past due on its contractual payments		
Collateral to loan ratios below 100%		
Collateral to loan ratios above 100%, with more than 90 days past due on its contractual payments	Lifetime ECL- credit impaired	Stage 3
Borrowers in default or lawsuit		
Borrowers in significant financial difficulties or about to bankruptcy or undertaking a financial restructuring		

The Group set different force liquidation thresholds, normally no less than 130%, for different borrowers and assets.

For assets classified under Stage 1 and Stage 2, the Group assessed credit loss allowances using the risk parameters modeling approach that incorporated key parameters inclusive of collateral to loan ratios and past due days. As at 31 December 2024, the average credit loss rate was 0.29% assets classified under Stage 1 and no asset under Stage 2 (as at 31 December 2023, the average credit loss rate was 0.35% assets classified under Stage 1 and no asset under Stage 2).

For credit impaired assets classified under Stage 3, the Group assessed credit loss allowances taking into account the collateral securities under each contract and the financial situation of the borrower. The factors which the Group considered when assessing the credit loss allowances included but not limited to: the industry sector of the borrower, the stock price of the collateral securities, the average daily trading volume of the stock, the percentage of goodwill of the stock issuer, significant risk parameters of the securities, whether the borrowers are the holding shareholders, the liquidity and restriction on sales, the history of blacklist or defaults of the borrower, the total market pledged ratios of the stock, the collateral situation, and the credit enhancement measures implemented by the borrower. The Group assessed the above factors as well as collateral to loan ratios and past due days to evaluate and provide credit loss allowances, ranging from 10% to 100%.

For margin accounts receivable, the Group classified the exposures into three stages, considering the collateral coverage ratios as the main indicator, the concentration of positions as the supplementary index, and taking into account the borrowers' continuous repayment, the total balance of margin accounts, the liquidity of the collateral and other relevant information. The Group applied corresponding loss rates for assets at different stages, and calculates the expected credit loss accordingly.

As at 31 December 2024, the average credit loss rate was 0.52%, 8.33% and 82.99% for assets classified under Stage 1, 2 and 3, respectively (as at 31 December 2023, the average credit loss rate was 0.55%, 7.53% and 58.30% for assets classified under Stage 1, 2 and 3, respectively).

For credit business, when calculating the expected credit loss, the Group identified a number of indicators from three dimensions: macroeconomic indicators, market environment and asset quality, taking into account forward-looking information that can be obtained without unnecessary additional costs or efforts. By constructing the relationship between these specific indicators and the loss rate, forward-looking adjustments were made to the expected credit loss of credit business.

Margin accounts receivable	*Stage 1 12m ECL*	*Stage 2 Lifetime ECL (not credit impaired)*	*Stage 3 Lifetime ECL (credit impaired)*	*Total ECL*
As at 1 January, 2024	560,203	843,096	118,048	1,521,347
Changes in the expected credit losses:				
— Transfer to Stage 1	176,032	(175,880)	(152)	-
— Transfer to Stage 2	-	-	-	-
— Transfer to Stage 3	-	(1,067)	1,067	-
—(Credit)/charged to profit or loss	(96,247)	298,057	40,890	242,700
— Other	15	161	1,401	1,577
As at 31 December 2024	640,003	964,367	161,254	1,765,624

Financial assets held under resale agreements	*Stage 1 12m ECL*	*Stage 2 Lifetime ECL (not credit impaired)*	*Stage 3 Lifetime ECL (credit impaired)*	*Total ECL*
As at 1 January, 2024	17,974	-	635,152	653,126
Changes in the expected credit losses:				
— Transfer to Stage 1	-	-	-	-
— Transfer to Stage 2	-	-	-	-
— Transfer to Stage 3	-	-	-	-
— Credit to profit or loss	(9,085)	-	(27,070)	(36,155)
— Other	29	-	2,009	2,038
As at 31 December 2024	8,918	-	610,091	619,009

Debt instruments at fair value through other comprehensive income	*Stage 1 12m ECL*	*Stage 2 Lifetime ECL (not credit impaired)*	*Stage 3 Lifetime ECL (credit impaired)*	*Total ECL*
As at 1 January, 2024	39,022	-	-	39,022
Changes in the expected credit losses:				
— Transfer to Stage 1	-	-	-	-
— Transfer to Stage 2	-	-	-	-
— Transfer to Stage 3	-	-	-	-
—Credit to profit or loss	(32,659)	-	-	(32,659)
— Other	(199)	-	-	(199)
As at 31 December 2024	6,164	-	-	6,164

(i) Maximum exposure to credit risk

Maximum exposure to credit risk of the Group without taking account of any collateral and other credit enhancements:

	As at 31 December	
	2024	2023
Debt instruments at amortised cost	**47,793,722**	50,116,812
Refundable deposits	**33,451,298**	40,544,278
Accounts receivable	**5,587,233**	9,743,761
Other receivables	**219,195**	403,399
Margin accounts receivable	**132,546,005**	112,341,094
Debt instruments at fair value through other comprehensive income	**10,135,553**	16,262,000
Financial assets held under resale agreements	**15,228,401**	12,460,232
Financial assets at fair value through profit or loss	**173,544,758**	199,732,670
Derivative financial assets	**9,991,125**	16,259,881
Clearing settlement funds	**11,136,757**	9,129,266
Cash held on behalf of brokerage clients	**170,880,569**	137,210,295
Bank balances	**39,521,272**	46,296,177
Assets classified as held for sale	**10,399**	-
Total maximum credit risk exposure	**650,046,287**	650,499,865

The Group's credit risk exposure of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL:

	As at 31 December 2024			
Impairment and loss allowance	*12-month ECL*	*Lifetime ECL- not credit impaired*	*Lifetime ECL- credit impaired*	*Total*
Bank balances	**351**	**-**	**-**	**351**
Cash held on behalf of brokerage clients	**15**	**-**	**-**	**15**
Margin accounts receivable	**640,003**	**964,367**	**161,254**	**1,765,624**
Financial assets held under resale agreements	**8,918**	**-**	**610,091**	**619,009**
Accounts receivable	**-**	**131,600**	**48,624**	**180,224**
Debt instruments at amortised cost	**5,391**	**-**	**-**	**5,391**
Debt instruments at fair value through other comprehensive income	**6,164**	**-**	**-**	**6,164**
Other receivables and interest receivable	**179**	**61,171**	**706,514**	**767,864**
Total	**661,021**	**1,157,138**	**1,526,483**	**3,344,642**

	As at 31 December 2023			
Impairment and loss allowance	*12-month ECL*	*Lifetime ECL- not credit impaired*	*Lifetime ECL- credit impaired*	*Total*
Bank balances	512	-	-	512
Margin accounts receivable	560,203	843,096	118,048	1,521,347
Financial assets held under resale agreements	17,974	-	635,152	653,126
Accounts receivable	-	115,458	-	115,458
Debt instruments at amortised cost	5,499	-	-	5,499
Debt instruments at fair value through other comprehensive income	39,022	-	-	39,022
Other receivables and interest receivable	393	47,358	715,714	763,465
Total	623,603	1,005,912	1,468,914	3,098,429

(ii) Risk concentrations

The Group's maximum credit risk exposure without taking account of any collateral and other credit enhancements, as categorised by geographical area:

	By geographical area		
	Mainland China	***Outside Mainland China***	***Total***
31 December 2024			
Debt instruments at amortised cost	**47,557,179**	**236,543**	**47,793,722**
Refundable deposits	**25,812,561**	**7,638,737**	**33,451,298**
Accounts receivable	**2,984,582**	**2,602,651**	**5,587,233**
Other receivables	**188,154**	**31,041**	**219,195**
Margin accounts receivable	**130,578,012**	**1,967,993**	**132,546,005**
Debt instruments at fair value through other comprehensive income	**6,692,111**	**3,443,442**	**10,135,553**
Financial assets held under resale agreements	**9,234,426**	**5,993,975**	**15,228,401**
Financial assets at fair value through profit or loss	**143,564,589**	**29,980,169**	**173,544,758**
Derivative financial assets	**4,141,156**	**5,849,969**	**9,991,125**
Clearing settlement funds	**10,505,924**	**630,833**	**11,136,757**
Cash held on behalf of brokerage clients	**167,622,790**	**3,257,779**	**170,880,569**
Bank balances	**23,703,274**	**15,817,998**	**39,521,272**
Assets classified as held for sale	**10,399**	**-**	**10,399**
Total maximum credit risk exposure	**572,595,157**	**77,451,130**	**650,046,287**

	By geographical area		
	Mainland China	*Outside Mainland China*	*Total*
31 December 2023			
Debt instruments at amortised cost	49,866,999	249,813	50,116,812
Refundable deposits	31,882,359	8,661,919	40,544,278
Accounts receivable	5,447,675	4,296,086	9,743,761
Other receivables	300,952	102,447	403,399
Margin accounts receivable	109,994,638	2,346,456	112,341,094
Debt instruments at fair value through other comprehensive income	12,414,774	3,847,226	16,262,000
Financial assets held under resale agreements	10,787,973	1,672,259	12,460,232
Financial assets at fair value through profit or loss	169,171,262	30,561,408	199,732,670
Derivative financial assets	7,966,431	8,293,450	16,259,881
Clearing settlement funds	6,611,930	2,517,336	9,129,266
Cash held on behalf of brokerage clients	134,879,413	2,330,882	137,210,295
Bank balances	29,829,183	16,466,994	46,296,177
Total maximum credit risk exposure	569,153,589	81,346,276	650,499,865

(c) Liquidity risk management

Liquidity risk refers to the risk of the Group not being able to obtain sufficient funds at a reasonable cost in time to meet due debts, perform payment obligations and meet the capital requirements of normal businesses. The Group established a fully functional liquidity risk management system to identify, measure, monitor, control and report on its overall liquidity risk to improve the information of liquidity risk management, enhance the capabilities in the identification, measurement and monitoring of liquidity risk, and strengthen the Group ability in addressing liquidity risk. In addition, the Group also established a right-sized liquidity assets reserves based on the risk appetite and maintained sufficient liquidity assets with high quality to ensure the satisfaction of liquidity needs under stressful scenarios in a timely manner.

The following tables show the details of the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivate financial liabilities. Analysis of non-derivative financial liabilities are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2024								
Financial Liabilities	*Carrying amount*	*Overdue/ repayable on demand*	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Undated*	*Total*
Short-term bank loans	3,362,980	-	2,273,870	1,087,069	12,635	-	-	-	3,373,574
Short-term debt instruments issued	28,852,939	-	3,197,084	5,425,790	20,714,438	-	-	-	29,337,312
Placements from other financial institutions	30,113,661	-	28,301,738	1,248,620	589,441	-	-	-	30,139,799
Accounts payable to brokerage clients	184,586,976	184,586,976	-	-	-	-	-	-	184,586,976
Other payables and accruals	74,656,220	72,385,981	1,208,179	100,843	322,785	695,835	39,217	-	74,752,840
Financial assets sold under repurchase agreements	121,048,168	-	104,293,812	6,957,041	8,861,069	1,185,205	-	-	121,297,127
Derivative financial liabilities	10,943,785	-	5,216,144	2,879,429	1,891,877	956,016	319	-	10,943,785
Financial liabilities at fair value through profit or loss	40,448,332	14,000,834	1,596,739	1,872,196	6,987,017	19,736,089	1,665,071	-	45,857,946
Liabilities associated with assets classified as held for sale	13,328	8,809	-	659	1,995	2,003	-	-	13,466
Long-term bonds	115,458,817	-	5,415,400	12,933,454	28,488,659	60,862,797	11,717,160	-	119,417,470
Long-term bank loans	-	-	-	-	-	-	-	-	-
Total	609,485,206	270,982,600	151,502,966	32,505,101	67,869,916	83,437,945	13,421,767	-	619,720,295

	As at 31 December 2023								
Financial Liabilities	*Carrying amount*	*Overdue/ repayable on demand*	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Undated*	*Total*
Short-term bank loans	11,478,573	-	7,490,289	4,018,259	7,226	-	-	-	11,515,774
Short-term debt instruments issued	25,475,507	-	3,374,114	8,108,499	14,717,440	-	-	-	26,200,053
Placements from other financial institutions	39,536,527	-	34,236,630	2,559,335	2,788,710	-	-	-	39,584,675
Accounts payable to brokerage clients	144,701,360	144,701,360	-	-	-	-	-	-	144,701,360
Other payables and accruals	113,825,742	110,539,646	1,635,576	102,104	429,774	1,164,412	85,632	-	113,957,144
Financial assets sold under repurchase agreements	144,056,149	-	126,317,070	13,977,152	3,486,110	2,646,542	-	-	146,426,874
Derivative financial liabilities	16,881,641	-	9,493,502	5,738,758	1,300,092	335,246	14,043	-	16,881,641
Financial liabilities at fair value through profit or loss	52,671,166	18,167,058	3,274,374	2,928,070	9,537,915	16,652,468	2,495,190	-	53,055,075
Long-term bonds	159,816,001	-	4,920,750	1,085,281	43,152,379	105,349,249	11,717,160	-	166,224,819
Long-term bank loans	647,052	-	-	10,640	31,919	733,686	-	-	776,245
Total	709,089,718	273,408,064	190,742,305	38,528,098	75,451,565	126,881,603	14,312,025	-	719,323,660

(d) Market risk management

Market risk refers to the risk of asset loss for the Company due to fluctuations in risk factors such as stock prices, interest rates, exchange rates, and commodities. The objective of market risk management is to manage and control the market risk within the acceptable range and to maximise the risk adjusted return.

(i) Interest rate risk

Interest rate risk refers to the risk that movements in market interest rate will cause fluctuation in the Group's consolidated financial position and cash flow. The Group's interest-bearing assets mainly include bank balances, clearing settlement funds, margin accounts receivable, financial assets purchased under resale agreements, refundable deposits and bond investments; interest-bearing liabilities mainly include short-term bank loans, short-term debt instruments issued, placements from other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients, long-term bonds and long-term bank loans, amongst others.

For financial instruments held on the reporting date that expose the Group to fair value interest rate risk, the Group adopts sensitivity analysis as the primary instrument for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and potential changes to the interest rate on the net profits and shareholders' equity under the assumption that all the other variables remain constant.

The following tables indicate the assets and liabilities as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on which is earlier:

	As at 31 December 2024						
Financial assets	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Unlisted investment in a joint venture at fair value through profit or loss	-	-	-	-	-	208,769	208,769
Debt instruments at amortised cost	269,990	410,455	6,167,119	11,747,158	28,694,296	504,704	47,793,722
Debt instruments at fair value through other comprehensive income	624,414	866,111	5,213,898	211,894	3,120,396	98,840	10,135,553
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	125,860	125,860
Assets classified as held for sale	10,399	-	-	-	-	318,042	328,441
Financial assets held under resale agreements	11,559,192	292,219	3,037,614	333,951	-	5,425	15,228,401
Refundable deposits	2,601,703	-	-	-	-	30,849,596	33,451,299
Accounts receivable	-	-	-	-	-	5,587,233	5,587,233
Other receivables	-	-	-	-	-	219,195	219,195
Margin accounts receivable	5,052,293	13,443,692	110,672,925	5,543	25,854	3,345,698	132,546,005
Financial assets at fair value through profit or loss	4,963,918	8,073,497	43,536,438	56,636,854	58,353,969	129,973,081	301,537,757
Derivative financial assets	608,203	-	-	-	-	9,382,922	9,991,125
Clearing settlement funds	11,136,757	-	-	-	-	-	11,136,757
Cash held on behalf of brokerage clients	170,669,083	-	46,285	-	-	165,201	170,880,569
Cash and bank balances	31,727,490	5,601,238	2,086,303	-	-	106,427	39,521,458
Total	239,223,442	28,687,212	170,760,582	68,935,400	90,194,515	180,890,993	778,692,144

	As at 31 December 2024						
Financial liabilities	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Short-term bank loans	(2,264,814)	(1,078,575)	(12,428)	-	-	(7,163)	(3,362,980)
Short-term debt instruments issued	(3,131,010)	(5,316,000)	(20,327,750)	-	-	(78,179)	(28,852,939)
Placements from other financial institutions	(28,282,608)	(1,236,405)	(575,071)	-	-	(19,577)	(30,113,661)
Accounts payable to brokerage clients	(184,583,358)	-	-	-	-	(3,618)	(184,586,976)
Other payables and accruals	(22,999)	(98,381)	(311,290)	(548,288)	(33,657)	(73,641,605)	(74,656,220)
Financial assets sold under repurchase agreements	(104,041,516)	(6,836,593)	(8,752,065)	(1,176,069)	-	(241,925)	(121,048,168)
Derivative financial liabilities	(760,937)	-	-	-	-	(10,182,848)	(10,943,785)
Financial liabilities at fair value through profit or loss	(12,197,346)	(1,872,196)	(6,780,054)	(14,533,439)	(154,610)	(4,910,687)	(40,448,332)
Liabilities associated with assets classified as held for sale	(8,809)	(626)	(1,920)	(1,973)	-	-	(13,328)
Long-term bonds	(4,800,000)	(12,188,400)	(26,225,000)	(58,950,280)	(11,300,000)	(1,995,137)	(115,458,817)
Long-term bank loans	-	-	-	-	-	-	-
Total	(340,093,397)	(28,627,176)	(62,985,578)	(75,210,049)	(11,488,267)	(91,080,739)	(609,485,206)
Net interest rate risk exposure	(100,869,955)	60,036	107,775,004	(6,274,649)	78,706,248	89,810,254	169,206,938

	As at 31 December 2023						
Financial liabilities	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Unlisted investment in a joint venture at fair value through profit or loss	-	-	-	-	-	380,612	380,612
Debt instruments at amortised cost	19,997	330,129	4,272,515	17,004,533	27,915,484	574,154	50,116,812
Debt instruments at fair value through other comprehensive income	66,381	276,085	704,011	12,434,424	2,546,873	234,226	16,262,000
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	124,506	124,506
Financial assets held under resale agreements	7,678,941	914,662	3,716,892	128,762	-	20,975	12,460,232
Refundable deposits	2,726,297	-	-	-	-	37,817,981	40,544,278
Accounts receivable	-	-	-	-	-	9,743,761	9,743,761
Other receivables	-	-	-	-	-	403,399	403,399
Margin accounts receivable	34,688,633	19,190,616	53,851,817	-	-	4,610,028	112,341,094
Financial assets at fair value through profit or loss	8,006,000	11,967,448	58,371,182	67,122,640	49,493,564	218,118,550	413,079,384
Derivative financial assets	945,881	-	-	-	-	15,314,000	16,259,881
Clearing settlement funds	9,129,266	-	-	-	-	-	9,129,266
Cash held on behalf of brokerage clients	137,161,030	-	-	-	-	49,265	137,210,295
Cash and bank balances	41,190,662	1,853,683	3,158,240	-	-	93,781	46,296,366
Total	241,613,088	34,532,623	124,074,657	96,690,359	79,955,921	287,485,238	864,351,886

	As at 31 December 2023						
Financial assets	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Short-term bank loans	(7,406,019)	(3,964,154)	(7,087)	-	-	(101,313)	(11,478,573)
Short-term debt instruments issued	(3,311,150)	(7,811,521)	(14,263,031)	-	-	(89,805)	(25,475,507)
Placements from other financial institutions	(34,219,619)	(2,549,218)	(2,740,314)	-	-	(27,376)	(39,536,527)
Accounts payable to brokerage clients	(144,695,879)	-	-	-	-	(5,481)	(144,701,360)
Other payables and accruals	(41,872)	(96,955)	(402,053)	(855,249)	(72,031)	(112,357,582)	(113,825,742)
Financial assets sold under repurchase agreements	(123,923,219)	(13,897,025)	(3,373,685)	(2,441,046)	-	(421,174)	(144,056,149)
Derivative financial liabilities	(89,473)	-	-	-	-	(16,792,168)	(16,881,641)
Financial liabilities at fair value through profit or loss	(17,750,530)	(2,928,070)	(9,333,168)	(16,473,306)	-	(6,186,092)	(52,671,166)
Long-term bonds	(4,158,100)	(342,743)	(39,774,430)	(101,878,290)	(11,300,000)	(2,362,438)	(159,816,001)
Long-term bank loans	-	-	-	(647,052)	-	-	(647,052)
Total	(335,595,861)	(31,589,686)	(69,893,768)	(122,294,943)	(11,372,031)	(138,343,429)	(709,089,718)
Net interest rate risk exposure	(93,982,773)	2,942,937	54,180,889	(25,604,584)	68,583,890	149,141,809	155,262,168

For those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period, the Group adopts sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net profit and equity. Assuming all other variables remain constant and without taking into consideration of the management's activities to reduce interest rate risk, interest rate sensitivity analysis is as follows:

	Sensitivity of net profit	
	As at 31 December	
Move in yield curve	***2024***	*2023*
Up 100 basis points	**(4,343,453)**	(3,983,526)
Down 100 basis points	**4,990,742**	4,623,149

	Sensitivity of net equity	
	As at 31 December	
Move in yield curve	***2024***	*2023*
Up 100 basis points	**(4,409,516)**	(4,147,742)
Down 100 basis points	**5,058,907**	4,792,250

The sensitivity analysis above indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

(ii) Currency risk

Currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation of foreign exchange rates. Apart from the assets and liabilities held by the Group's overseas subsidiaries which use Hong Kong dollars or U.S. dollars as their functional currency, other assets and liabilities denominated in foreign currencies mainly represent foreign currency cash and bank balances held by domestic enterprises, foreign currency financial assets and liabilities arising from cross-border business, as well as foreign currency financial assets acquired by subsidiaries. In respect of assets and liabilities denominated in foreign currencies such as cash and bank balances, clearing settlement funds, refundable deposits, accounts receivable, cash held on behalf of brokerage clients, accounts payable and long-term bonds that are not accounted for with their functional currency, the Group has ensured that their net risk exposure are maintained at an acceptable level by buying or selling foreign currencies at market exchange rates where necessary to address the short-term imbalances.

Assuming all other risk variables remained constant and without consideration of risk management measures undertaken by the Group, a 10% strengthening of the RMB against USD and HKD at the reporting date would have increased / (decreased) the Group's equity and net profit by the amount shown below, whose effect is in RMB and translated using the spot rate at the reporting date:

	Sensitivity of net profit	
	As at 31 December	
Currency	***2024***	*2023*
USD	**(222,714)**	(723,668)
HKD	**(340,754)**	(1,591,456)

	Sensitivity of net equity	
	As at 31 December	
Currency	***2024***	*2023*
USD	**(222,714)**	(723,668)
HKD	**(2,376,794)**	(3,276,332)

A 10% weakening of the RMB against the USD and HKD at balance date would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

Due to the above assumptions, the result of sensitivity analysis on exchange rate changes may be different, compared with the actual changes in the Group's net profit and equity of may arise with this.

(iii) Price risks

The Group is exposed to equity price changes arising from equity investments concluded in financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income. Price risk the Group facing is mainly the proportionate fluctuation in the Group's net profits due to the price fluctuation of the financial instruments at fair value through profit or loss and the proportionate fluctuation in the Group's equity due to the price fluctuation of the financial instruments measured at fair value.

Sensitivity analysis

The analysis below is performed to show the impact on Group's net profit and equity due to change in the prices of equity securities by 10% with all other variables held constant.

	Sensitivity of net profit	
	As at 31 December	
	2024	*2023*
Increase by 10%	**5,421,007**	7,169,444
Decrease by 10%	**(5,421,007)**	(7,169,444)

	Sensitivity of net equity	
	As at 31 December	
	2024	*2023*
Increase by 10%	**5,430,614**	7,178,930
Decrease by 10%	**(5,430,614)**	(7,178,930)

The sensitivity analysis indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2024 and 2023.

(e) Operational risk management

Operational risk refers to the risk on the Company's losses caused by inadequate or problematic internal procedures, staff, system or external events, which lead to inefficient internal procedures, mistakes of staff in operation or failure to strictly enforce the established procedures. The Risk Management Department takes the lead in managing the operational risk of the Group. Each department, business department and subsidiary actively perform the operational risk management in their respective lines and are responsible for the management effect, and bear the first responsibility. The Company adopts technological measures to prevent the emergence of operational risks in different business and management procedures as well as key segments, whilst at the same time strengthens process controls, to ensure effective implementation of operational risk management policies and systems. The Group carries out self-assessment of risk and control, monitoring of key risk indicators and gathering of loss data as additional approaches to strengthen the management of operational risks.

Based on the Basic Standard for Enterprise Internal Control jointly issued by the Ministry of Finance, the CSRC, the National Audit Office and the Former China Banking and Insurance Regulatory Commission as well as its supporting guidelines and the relevant requirements of the regulatory authorities and the Company, the Group has developed the risk-based internal control standards and carried out relevant continuous improvement initiatives. It has combined the self-assessment of operational risk with the self-assessment of internal controls; comprehensively sorted out and evaluated the inherent risks and control activities in various business processes; tested the effectiveness of control design and implementation; rectified the internal control weaknesses; comprehensively sorted out and optimised various business segments, systems and processes of the Group in order to ensure that the Group internal control measures are properly in place and the effectiveness of risk management. In addition, the Group has also integrated the management of operational risk and internal controls into daily operation; participated in the design of system, procedures and plan for new business throughout the entire process; fully identified and comprehensively evaluated the operational risks; and performed various pre-, middle- and post management measures such as setting up front-end controls, standardising business processes, creating risk-discovery indicators and conducting training and inspection in order to implement internal controls at key risk points.

(f) Capital management

The Group's objectives of capital management are:

(i) To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Group's stability and growth;

(iii) To maintain a strong capital base to support the development of their business; and

(iv) To comply with the capital requirements under the PRC, Hong Kong and the United States regulations.

On 23 January 2020 and 16 June 2020, the revised Rules on Standards for the Calculation of Risk Control Indicators of Securities Companies and the revised Administrative Measures for Risk Control Indicators of Securities Companies were issued by the CSRC ("Revised Administrative Measures"). The Company is required to meet the following standards for risk control indicators on a continual basis from 1 June 2020:

(i) The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;

(ii) The ratio of net capital divided by net assets shall be no less than 20%;

(iii) The ratio of net capital divided by liabilities shall be no less than 8%;

(iv) The ratio of net assets divided by liabilities shall be no less than 10%;

(v) The ratio of the value of equity securities and derivatives held divided by net capital shall not exceed 100%;

(vi) The ratio of the value of non-equity securities and derivatives held divided by net capital shall not exceed 500%;

(vii) The ratio of core net capital divided by on balance sheet and off balance sheet assets shall be no less than 8%;

(viii) The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days shall be no less than 100%;

(ix) The ratio of available stable funds divided by required stable funds shall be no less than 100%; and

(x) The ratio of margin financing (including securities lending) divided by net capital shall not exceed 400%.

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Administrative Measures.

As at 31 December 2024 and 31 December 2023, the Company maintained net capital and the above ratios as follows:

	Year ended 31 December	
	2024	*2023*
Net Capital	**94,142,061**	94,076,764
The ratio of net capital divided by the sum of its various risk capital provisions	**362.37%**	247.80%
The ratio of net capital divided by net assets	**58.51%**	60.67%
The ratio of net capital divided by liabilities	**27.25%**	22.15%
The ratio of net assets divided by liabilities	**46.57%**	36.51%
The ratio of the value of equity securities and derivatives held divided by net capital	**26.98%**	28.58%
The ratio of the value of non-equity securities and derivatives held divided by net capital	**254.96%**	366.74%
The ratio of core net capital divided by on balance sheet and off balance sheet assets	**18.05%**	13.98%
The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days	**221.41%**	152.51%
The ratio of available stable funds divided by required stable funds	**150.36%**	130.84%
The ratio of margin financing (including securities lending) divided by net capital	**142.72%**	139.45%

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements under the Mainland China, Hong Kong and the United States regulatory requirements, respectively. These subsidiaries comply with the capital requirements during the year ended 31 December 2024 and 31 December 2023.

(g) Transfer of financial assets

The Group transferred financial assets to certain counterparties through repurchase agreements and securities lending. These securities are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these securities.

The Group entered into repurchase agreements with certain counterparties to sell debt securities classified as financial assets at fair value through profit or loss and debt instruments at amortised cost. Sales and repurchase agreements are transactions in which the Group sell a security, and agree to repurchase it at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities sold. These securities are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these financial assets.

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as financial assets at fair value through profit or loss. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have obligations to return these securities to the Group at specified future dates. The Group has determined that it retains substantially all the risks and interests of these securities and therefore has not derecognised these securities in the consolidated statement of financial position.

The following tables provide a summary of carrying amounts and fair values of the transferred financial assets that are not derecognised in their entirety and the associated liabilities:

As at 31 December 2024

	Financial assets at fair value through profit or loss		
	Sales and repurchase agreements	***Securities lending***	***Total***
Carrying amount of transferred assets	**7,136,485**	**1,274,563**	**8,411,048**
Carrying amount of associated liabilities	**(6,065,887)**	**-**	**(6,065,887)**
Net position	**1,070,598**	**1,274,563**	**2,345,161**

As at 31 December 2023

	Financial assets at fair value through profit or loss		
	Sales and repurchase agreements	*Securities lending*	*Total*
Carrying amount of transferred assets	1,848,651	1,791,118	3,639,769
Carrying amount of associated liabilities	(1,733,189)	-	(1,733,189)
Net position	115,462	1,791,118	1,906,580

62 Fair value information

(a) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

(i) Financial instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in Level I.

(ii) Financial instruments in Level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level II.

(iii) Financial instruments in Level III

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level III.

(b) Fair value of other financial instruments (carried at other than fair value)

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated by the active market quotation or determined in accordance with discounted cash flow method.

The main parameters used in discounted cash flow method for financial instruments held by the Group that are not measured at fair value on a recurring basis include bond interest rates, foreign exchange rates and counterparty credit spreads.

The carrying amount and fair value of debt instruments at amortised cost investments, short-term debt instruments issued and long-term bonds which are not presented at fair value are listed as below:

Carrying amount

	As at 31 December	
	2024	*2023*
Financial assets		
- Debt instruments at amortised cost	**47,793,722**	50,116,812
Total	**47,793,722**	50,116,812
Financial liabilities		
- Short-term debt instruments issued	**(28,852,939)**	(25,475,507)
- Long-term bonds	**(115,458,817)**	(159,816,001)
Total	**(144,311,756)**	(185,291,508)

Fair value

	As at 31 December 2024			
	Level I	**Level II**	**Level III**	**Total**
Financial assets				
- Debt instruments at amortised cost	**-**	**51,458,276**	**-**	**51,458,276**
Total	**-**	**51,458,276**	**-**	**51,458,276**
Financial liabilities				
- Short-term debt instruments issued	**-**	**16,841,267**	**12,022,923**	**28,864,190**
- Long-term bonds	**-**	**92,483,912**	**25,836,552**	**118,320,464**
Total	**-**	**109,325,179**	**37,859,475**	**147,184,654**

	As at 31 December 2023			
	Level I	*Level II*	*Level III*	*Total*
Financial assets				
- Debt instruments at amortised cost	-	51,189,494	-	51,189,494
Total	-	51,189,494	-	51,189,494
Financial liabilities				
- Short-term debt instruments issued	-	14,047,389	11,444,324	25,491,713
- Long-term bonds	-	129,176,100	32,302,564	161,478,664
Total	-	143,223,489	43,746,888	186,970,377

The fair value of the financial assets and financial liabilities included in the level II and III categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the Group's consolidated statement of financial position approximate their fair value.

(c) Fair value of financial instruments carried at fair value

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 31 December 2024			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	446,496	170,876,044	242,137	171,564,677
- Equity securities	55,932,255	-	4,954,385	60,886,640
- Mutual funds	56,680,115	4,138,639	257,505	61,076,259
- Private funds	-	3,548,646	-	3,548,646
- Wealth management products	-	3,280,955	475,063	3,756,018
- Other debt instruments	-	-	705,518	705,518
Debt instruments at fair value through other comprehensive income	-	10,135,553	-	10,135,553
Equity instruments at fair value through other comprehensive income	-	21,109	104,751	125,860
Other investment				
- Unlisted investment in a joint venture	-	-	208,769	208,769
Derivative financial assets	350,714	7,349,069	2,291,342	9,991,125
Total	113,409,580	199,350,015	9,239,470	321,999,065
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(1,165,039)	(25,420,561)	-	(26,585,600)
- Financial liabilities designated at fair value through profit or loss	-	(5,062,579)	(8,800,154)	(13,862,733)
Derivative financial liabilities	(376,897)	(8,735,144)	(1,831,744)	(10,943,785)
Total	(1,541,936)	(39,218,284)	(10,631,898)	(51,392,118)

	As at 31 December 2023			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	1,247,948	193,929,712	586,617	195,764,277
- Equity securities	114,529,748	8,985	15,068,652	129,607,385
- Mutual funds	59,389,427	2,199,859	178,042	61,767,328
- Private funds	-	22,344,489	-	22,344,489
- Wealth management products	-	1,418,630	-	1,418,630
- Other debt instruments	-	-	2,177,275	2,177,275
Debt instruments at fair value through other comprehensive income	-	16,081,537	180,463	16,262,000
Equity instruments at fair value through other comprehensive income	-	18,849	105,657	124,506
Other investment				
- Unlisted investment in a joint venture	-	-	380,612	380,612
Derivative financial assets	197,373	10,353,460	5,709,048	16,259,881
Total	175,364,496	246,355,521	24,386,366	446,106,383
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(1,457,566)	(34,474,571)	-	(35,932,137)
- Financial liabilities designated at fair value through profit or loss	(828,545)	(5,031,459)	(10,879,025)	(16,739,029)
Derivative financial liabilities	(247,954)	(13,176,576)	(3,457,111)	(16,881,641)
Total	(2,534,065)	(52,682,606)	(14,336,136)	(69,552,807)

For the year ended 31 December 2024, there were no financial instruments transfer from Level II to Level I (for the year ended 31 December 2023: Nil).

(i) Valuation methods for financial instruments in Level II

Financial assets and liabilities	*Fair value hierarchy*	*Valuation technique(s) and key input(s)*
Debt securities at fair value through profit or loss	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Equity securities at fair value through profit or loss	Level II	Recent transaction prices.
Funds at fair value through profit or loss	Level II	Net asset value as published by the fund managers.
Wealth management products at fair value through profit or loss	Level II	Net asset value as published by the managers of products.
Debt instruments at fair value through other comprehensive income	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Equity instruments at fair value through other comprehensive income	Level II	Recent transaction prices.
Derivative financial assets/ derivative financial liabilities	Level II	Future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties; or calculated based on the difference between the equity return of underlying equity securities and the fixed income agreed in the swap agreements.
Financial liabilities held for trading	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the debt instruments.
Financial liabilities designated at fair value through profit or loss	Level II	Calculated based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.

(ii) Valuation methods for Financial instruments in Level III

Financial assets and liabilities	*Fair value hierarchy*	*Valuation technique(s)*	*Significant unobservable input(s)*	*Relationship of unobservable input(s) to fair value*
Other debt instruments and debt securities at fair value through profit or loss	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Unlisted equity securities at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Funds at fair value through profit or loss	Level III	Black-Scholes option pricing model	Indicators such as price volatility of comparable funds, and discount rate.	The higher the price volatility, the higher the discount rate; the higher the discount rate, the lower the fair value.
Debt instruments at fair value through other comprehensive income	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Equity instruments at fair value through other comprehensive income	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Unlisted investment in a joint venture	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Derivative financial assets/ derivative financial liabilities	Level III	Black-Scholes option pricing model /Monte-Carlo option pricing model	Price volatility of underlying assets.	The higher the price volatility, the greater the impact on the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability of the underlying portfolios	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Black-Scholes option pricing model /Monte-Carlo option pricing model	Price volatility of underlying assets.	The higher the price volatility, the greater the impact on the fair value.

(iii) Financial instruments in Level III

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level III of the fair value hierarchy:

	Financial assets at fair value through profit or loss	*Other investment*	*Other investment Debt instruments at fair value through other comprehensive income*	*Equity instruments assets at fair value through other comprehensive income*	*Derivative financial assets*	*Total*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2024	18,010,586	380,612	180,463	105,657	5,709,048	24,386,366	(10,879,025)	(3,457,111)	(14,336,136)
Transfer in	49,537	-	-	-	-	49,537	-	-	-
Transfer out	(7,307,070)	-	-	-	-	(7,307,070)	-	-	-
Gains or losses for the year	(2,843,033)	(171,843)	(1,524)	-	(3,009,600)	(6,026,000)	325,211	1,968,392	2,293,603
Changes in fair value recognised in other comprehensive income	-	-	10,420	(1,106)	-	9,314	-	(136,318)	(136,318)
Additions	676,939	-	-	400	47,598	724,937	(16,786,700)	317,237	(16,469,463)
Sales	(1,833,936)	-	-	-	(67,722)	(1,901,658)	-	(492,533)	(492,533)
Settlements	(118,415)	-	(189,359)	(200)	(387,982)	(695,956)	18,540,360	(31,411)	18,508,949
As at 31 December 2024	6,634,608	208,769	-	104,751	2,291,342	9,239,470	(8,800,154)	(1,831,744)	(10,631,898)
Total gains or losses for the period included in profit or loss for assets/liability held at the end of the reporting period	(1,604,416)	(171,844)	-	-	(3,418,295)	(5,194,555)	296,442	1,641,673	1,938,115

	Financial assets at fair value through profit or loss	*Other investment*	*Debt instruments at fair value through other comprehensive income*	*Equity instruments assets at fair value through other comprehensive income*	*Derivative financial assets*	*Total*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2023	20,403,033	741,464	677,873	87,794	3,235,282	25,145,446	(9,660,147)	(1,281,649)	(10,941,796)
Transfer in	66,381	-	-	-	-	66,381	-	-	-
Transfer out	(9,737,580)	-	-	-	-	(9,737,580)	-	-	-
Gains or losses for the year	(43,469)	(360,852)	1,819	-	3,167,323	2,764,821	(483,933)	(1,618,490)	(2,102,423)
Changes in fair value recognised in other comprehensive income	-	-	(5,179)	17,863	(31,121)	(18,437)	-	(32,763)	(32,763)
Additions	9,511,417	-	-	-	21,555	9,532,972	(6,989,522)	564,316	(6,425,206)
Sales	(1,746,812)	-	-	-	(46,394)	(1,793,206)	-	(608,437)	(608,437)
Settlements	(442,384)	-	(494,050)	-	(637,597)	(1,574,031)	6,254,577	(480,088)	5,774,489
As at 31 December 2023	18,010,586	380,612	180,463	105,657	5,709,048	24,386,366	(10,879,025)	(3,457,111)	(14,336,136)
Total gains or losses for the period included in profit or loss for assets/liability held at the end of the reporting period	391,908	(360,852)	-	-	2,487,619	2,518,675	1,515,251	(2,030,084)	(514,833)

For the year ended 31 December 2024, the Group's investments in financial assets at fair value through profit or loss of RMB 49,537 thousand were transferred from Level I to Level III, as the fair values of these securities were determined using valuation techniques instead of quoted prices, due to delisting (For the year ended 31 December 2023: RMB66,381 thousand).

For the year ended 31 December 2024, the Group's investments in financial assets at fair value through profit or loss of RMB7,334 million were transferred from Level III to Level I, as the fair values of these securities were determined using quoted prices instead of valuation techniques, due to expiration of lock-up period (For the year ended 31 December 2023: 9,738 million).

63 Share-based payments

	Notes	As at 1 January 2024	Accrued for the year	Decrease for the year	As at 31 December 2024
Restricted Share Incentive Scheme of A Shares	(a)	**180,789**	**31,852**	**(108,017)**	**104,624**
Share-based payments of an overseas subsidiary		**1,388,553**	**69,352**	**(1,457,905)**	**-**
Total		**1,569,342**	**101,204**	**(1,565,922)**	**104,624**

	Notes	As at 1 January 2023	Accrued for the year	Decrease for the year	As at 31 December 2023
Restricted Share Incentive Scheme of A Shares	(a)	223,981	72,582	(115,774)	180,789
Share-based payments of an overseas subsidiary		1,273,641	114,912	-	1,388,553
Total		1,497,622	187,494	(115,774)	1,569,342

(a) Restricted share incentive scheme of A shares

The Company carried out a Restricted Share Incentive Scheme of A Shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. On 29 March 2021, 45,640,000 restricted A Shares were granted to 813 incentive participants at the grant price of RMB9.10 per Share. As at 30 March 2021, the Company had in aggregate received subscription proceeds of RMB413,940,800 from 810 incentive participants. On 30 March 2023, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 14,222,943 shares at the end of the first locking period. On 12 April 2024, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 13,269,954 shares at the end of the second locking period (Note 55).

As at 31 December 2024, there are one remaining unlocking periods under the incentive scheme, the weighted average remaining contractual life of the incentive scheme is 0.25 years.

Details of the scheme as at 31 December 2024 and 31 December 2023 are set out below:

	Year ended 31 December	
Number of shares	**2024**	2023
Outstanding at the beginning of the year	**27,793,201**	43,788,054
Granted during the year	**-**	-
Exercised during the year	**-**	-
Forfeited during the year	**(799,597)**	(1,771,910)
Unlocked during the year	**(13,269,954)**	(14,222,943)
Outstanding at the end of the year	**13,723,650**	27,793,201
Exercisable at the end of the year	**13,723,650**	27,793,201

As at 31 December 2024, cumulative amount of RMB 104.62 million were recognised in the capital reserve and non-controlling interests of the Group (as at 31 December 2023: RMB180.79 million). The total expenses recognised for the year ended 31 December 2024 were RMB 31.85 (as at 31 December 2023: RMB72.58 million).

For the year ended 31 December 2024, the Company recognised share-based payment expense amounted to RMB 4.88 million, for the restricted shares granted to the Company's key management personnel (for the year ended 31 December 2023: RMB10.22 million).

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date, which is RMB17.24 per share.

64 Company-level statement of financial position

		As at 31 December	
	Note	***2024***	*2023*
Non-current assets			
Property and equipment		**4,458,811**	4,187,944
Investment properties		**824,668**	858,046
Land-use rights and other intangible assets		**853,119**	833,036
Investments in subsidiaries		**24,728,426**	24,611,100
Interest in associates		**17,935,690**	15,486,356
Debt instruments at amortised cost		**40,618,221**	4,697,309
Financial assets held under resale agreements		**199,610**	-
Debt instruments at fair value through other comprehensive income		**2,317,359**	-
Equity instruments at fair value through other comprehensive income		**39,759**	52,694
Financial assets at fair value through profit or loss		**518,602**	542,102
Refundable deposits		**8,022,200**	13,790,464
Deferred tax assets		**844,145**	-
Other non-current assets		**211,190**	262,158
Total non-current assets		**101,571,800**	65,321,209
Current assets			
Accounts receivable		**2,340,263**	3,437,465
Other receivables and prepayments		**10,444,530**	11,057,194
Margin accounts receivable		**130,578,012**	109,994,639
Debt instruments at amortised cost		**6,938,958**	45,169,690
Financial assets held under resale agreements		**8,763,800**	10,262,018
Debt instruments at fair value through other comprehensive income		**3,351,809**	11,663,753
Financial assets at fair value through profit or loss		**205,061,120**	284,201,311
Derivative financial assets		**7,017,269**	11,313,833
Clearing settlement funds		**13,700,234**	13,863,172
Cash held on behalf of brokerage clients		**138,397,191**	102,305,180
Cash and bank balances		**16,697,767**	14,891,188
		543,290,953	618,159,443
Assets classified as held for sale		**104,570**	-
Total current assets		**543,395,523**	618,159,443
Total assets		**644,967,323**	683,480,652

	Note	As at 31 December 2024	2023
Current liabilities			
Short-term debt instruments issued		**28,852,939**	16,776,642
Placements from other financial institutions		**30,113,661**	39,536,527
Accounts payable to brokerage clients		**137,719,349**	95,945,088
Employee benefits payable		**2,697,793**	2,038,688
Other payables and accruals		**63,966,019**	88,953,603
Current tax liabilities		**158**	-
Financial assets sold under repurchase agreements		**99,120,033**	116,230,125
Financial liabilities at fair value through profit or loss		**14,705,969**	20,737,753
Derivative financial liabilities		**8,767,418**	11,885,585
Long-term bonds due within one year		**31,474,933**	38,411,570
Total current liabilities		**417,418,272**	430,515,581
Net current assets		**125,977,251**	187,643,862
Total assets less current liabilities		**227,549,051**	252,965,071
Non-current liabilities			
Long-term bonds		**61,356,697**	92,708,296
Non-current employee benefits payable		**4,564,615**	4,495,899
Financial liabilities at fair value through profit or loss		**334,954**	130,342
Deferred tax liabilities		**-**	80,495
Other payable and accruals		**406,470**	496,826
Total non-current liabilities		**66,662,736**	97,911,858
Net assets		**160,886,315**	155,053,213

	Note	As at 31 December 2024	2023
Equity			
Share capital	55(b)	**9,027,302**	9,074,663
Other equity instruments		**28,300,000**	25,700,000
Treasury shares		**(100,545)**	(1,064,173)
Reserves		**97,048,119**	94,781,954
Retained profits		**26,611,439**	26,560,769
Total equity		**160,886,315**	155,053,213

Approved and authorised for issue by the board of directors on 28 March 2025.

Zhang Wei	Wang Bing
Chairman of the Board,Director	Director

65 Comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.

66 Events after the reporting date

(a) Issuance of bonds

From 31 December 2024 to the date of the consolidated financial statements approved and authorised for issue, the Company has issued 8 corporate bonds with a cumulative amount of RMB 23,200 million bearing interest of 1.60% to 2.05% per annum. Huatai International Finance Limited, a subsidiary of Huatai International Financial Holdings Limited, has issued 1 medium-term note with a cumulative amount of USD50 million.

(b) Profit distribution plan after accounting periods

In March 2025, based on the Company's total share capital of 9,027,302,281 shares as at the end of the reporting period, the Board proposed a cash dividend distribution of RMB0.37 per share (tax inclusive), amounting to a total cash dividend of RMB3,340 million (tax inclusive). During 2024, the Company had already implemented an interim profit distribution, distributing a cash dividend of RMB0.15 per share (tax inclusive), totaling RMB 1,354 million (tax inclusive). The total cash dividends distributed by the Company for the year (including the interim dividends already allocated) amount to RMB4,694 million (tax inclusive), equivalent to a combined cash dividend of RMB0.52 per share (tax inclusive), representing 30.58% of the consolidated net profit attributable to the Company's shareholders in 2024. The proposal is pending for the approval of the general meeting of the shareholders. The cash dividends are not recognised as a liability as at 31 December 2024.

(c) Disposal of a subsidiary

In January 2025, the Company completed the closing of the transfer of its 20% equity interest in Jiangsu Equity Exchange Center to Jiangsu Jincai Investment Co., Ltd. Consequently, the Company's shareholding in Jiangsu Equity Exchange Center has been reduced to 32%, and the entity has been reclassified as an associate of the Company.

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