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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF SHANGHAI SECURITIES COMPANY LIMITED* 上海證券有限責任公司 TO THE DIRECTORS OF 東方證券股份有限公司

Introduction

We report on the historical financial information of Shanghai Securities Company Limited* 上海證券有限責任公司 (the "Target Company") and its subsidiaries (together, the "Target Group") set out on pages II-4 to II-101, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2023, 2024 and 2025 and 31 March 2026, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-4 to II-101 forms an integral part of this report, which has been prepared for inclusion in the circular of 東方證券股份有限公司 (the "Company") dated 30 July 2026 (the "Circular") in connection with the proposed acquisition of 100% equity interests in Target Company.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

The Underlying Financial Statements of the Target Group as defined on page II-4, on which the Historical Financial Information is based, were prepared by the directors of the Target Company. The directors of the Target Company are responsible for the preparation of the Underlying Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Underlying Financial Statements that is free from material misstatement, whether due to fraud or error.

* *For identification purposes only*

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Target Group's financial position as at 31 December 2023, 2024 and 2025 and 31 March 2026 and of the Target Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Target Group which comprises the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended 31 March 2025 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our 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 ("IAASB"). A review consists of making enquiries, 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. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

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Certified Public Accountants

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30 JUL 2026

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Target Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Target Company in accordance with International Standards on Auditing issued by the IAASB ("Underlying Financial Statements").

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Revenue						
Commission and fee income	*6*	1,225,044	1,468,413	1,761,185	372,620	558,549
Interest income	*7*	1,533,120	1,445,574	1,401,767	333,427	388,130
Net investment gains/(losses)	*8*	178,932	1,387,478	1,726,898	565,864	(3,313)
Other income, gains and losses, net	*9*	74,219	68,097	79,268	3,281	7,276
Total revenue, other income and net gains and losses		3,011,315	4,369,562	4,969,118	1,275,192	950,642
Depreciation and amortisation	*10*	(183,292)	(209,949)	(217,040)	(61,460)	(51,073)
Staff costs	*11*	(774,137)	(1,025,511)	(1,152,271)	(296,956)	(195,286)
Commission and fee expenses	*12*	(408,874)	(516,650)	(599,811)	(123,869)	(202,454)
Interest expenses	*13*	(925,143)	(992,791)	(921,109)	(241,792)	(232,951)
Other operating expenses	*14*	(387,345)	(442,304)	(484,669)	(74,866)	(91,913)
Impairment losses under expected credit loss model, net of reversal	*15*	(26,788)	(125,347)	17,610	(255)	4,070
Total expenses		(2,705,579)	(3,312,552)	(3,357,290)	(799,198)	(769,607)
Profit before income tax		305,736	1,057,010	1,611,828	475,994	181,035
Income tax expense	*16*	47,497	(103,549)	(288,334)	(90,508)	(29,706)
Profit for the year/period		353,233	953,461	1,323,494	385,486	151,329

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit for the year/period		353,233	953,461	1,323,494	385,486	151,329
Other comprehensive income, net of income tax:						
Items that will not be reclassified to profit or loss:						
Fair value gains on investments in equity instruments at fair value through other comprehensive income	*49(4)*	63,471	386,645	262,601	27,806	154,711
Income tax relating to items that will not be reclassified to profit or loss	*49(4)*	(15,868)	(96,661)	(65,650)	(6,952)	(38,678)
Subtotal		47,603	289,984	196,951	20,854	116,033
Items that may be reclassified subsequently to profit or loss:						
Fair value gains/(losses) on debt instruments measured at fair value through other comprehensive income	*49(4)*					
– net fair value changes during the year/period		198,915	739,076	(164,732)	(209,637)	66,491
– reclassification adjustment to profit or loss on disposal		(175,900)	(322,144)	(248,375)	(200,114)	–
Impairment loss for debt instruments at fair value through other comprehensive income	*49(4)*	(1,460)	628	9,560	753	(2,034)
Income tax impact relating to items that may be reclassified subsequently to profit or loss	*49(4)*	(5,389)	(104,390)	100,887	102,249	(16,114)
Subtotal		16,166	313,170	(302,660)	(306,749)	48,343
Other comprehensive income for the year/period, net of income tax		63,769	603,154	(105,709)	(285,895)	164,376
Total comprehensive income for the year/period		417,002	1,556,615	1,217,785	99,591	315,705

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December			As at 31 March
	Note	**2023**	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	*17*	16,843,772	22,956,951	28,385,782	32,526,364
Clearing settlement funds	*19*	2,247,473	4,115,608	3,879,694	4,258,703
Deposits with exchanges and financial institutions	*20*	4,302,848	4,094,050	5,340,091	6,452,383
Derivative financial assets	*21*	15,273	6,586	23,491	26,788
Advances to customers	*22*	8,291,578	9,872,609	13,466,171	12,813,602
Accounts receivable	*23*	500,022	724,816	1,207,672	1,021,036
Reverse repurchase agreements	*24*	494,596	368,015	200,180	421,660
Financial assets at fair value through profit or loss	*25*	16,131,492	19,337,765	15,526,785	21,491,820
Debt instruments at fair value through other comprehensive income	*26*	21,345,100	20,838,044	22,775,425	18,761,451
Equity instruments at fair value through other comprehensive income	*27*	1,548,039	2,017,835	3,258,295	3,410,583
Right-of-use assets	*29*	212,738	177,521	152,560	148,422
Investment properties	*30*	45,757	43,502	41,247	40,684
Property and equipment	*31*	345,144	319,074	278,020	283,940
Other intangible assets	*32*	82,698	105,228	91,674	79,996
Goodwill	*34*	14,716	14,716	263,718	263,718
Deferred tax assets	*35*	209,245	20,545	88,394	46,747
Other assets	*36*	441,875	522,023	886,608	1,145,325
Total assets		73,072,366	85,534,888	95,865,807	103,193,222

The accompanying notes form part of the Historical Financial Information.

	Note	As at 31 December			As at 31 March
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Placements from banks and financial institutions	*37*	5,001,541	4,291,088	6,504,542	4,002,628
Short-term debt instruments	*38*	3,019,492	3,085,457	7,122,692	4,115,559
Accounts payable to brokerage clients	*39*	10,766,918	17,003,475	19,188,924	19,574,623
Repurchase agreements	*40*	12,104,404	15,177,707	10,625,578	13,320,984
Financial liabilities at fair value through profit or loss	*41*	253,715	327,895	194,559	271,932
Derivative financial liabilities	*21*	44,998	40,475	37,774	30,665
Contract liabilities	*42*	21	7,406	3,804	3,767
Current tax liabilities		1,130	31,017	21,058	60,218
Employee benefits payable	*43*	162,165	361,397	617,506	572,630
Borrowings	*44*	30,032	50,039	44,034	30,023
Lease liabilities	*45*	233,899	194,158	163,910	155,317
Debt securities issued	*46*	13,162,274	13,164,046	15,047,497	19,096,085
Deferred tax liabilities	*35*	112	6,671	3,876	5,209
Other liabilities	*47*	10,925,999	12,988,776	16,484,987	21,832,811
Total liabilities		55,706,700	66,729,607	76,060,741	83,072,451
Paid-in capital	*48*	5,326,532	5,326,532	5,326,532	5,326,532
Reserves	*49*	10,845,756	11,719,056	11,961,735	12,130,911
Retained earnings	*50*	1,193,378	1,759,693	2,516,799	2,663,328
Total equity		17,365,666	18,805,281	19,805,066	20,120,771
Total equity and liabilities		73,072,366	85,534,888	95,865,807	103,193,222

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Target Company						
		Reserves					
	Paid-in capital	**Capital reserve**	**Surplus reserve**	**General reserve**	**Investment revaluation reserve**	**Retained earnings**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 48)	*(Note 49)*	*(Note 49)*	*(Note 49)*	*(Note 49)*	*(Note 50)*	
As at 1 January 2023	5,326,532	7,776,642	963,611	1,946,539	(6,725)	1,050,065	17,056,664
Profit for the year	–	–	–	–	–	353,233	353,233
Other comprehensive income for the year	–	–	–	–	63,769	–	63,769
Total comprehensive income for the year	–	–	–	–	63,769	353,233	417,002
Appropriation to surplus reserve	–	–	27,334	–	–	(27,334)	–
Appropriation to general reserve	–	–	–	61,896	–	(61,896)	–
Dividends recognised as distribution	–	–	–	–	–	(108,000)	(108,000)
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	–	–	–	–	12,690	(12,690)	–
As at 31 December 2023	5,326,532	7,776,642	990,945	2,008,435	69,734	1,193,378	17,365,666

The accompanying notes form part of the Historical Financial Information.

	Equity attributable to equity holders of the Target Company						
		Reserves					
	Paid-in capital	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Retained earnings	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 48)	*(Note 49)*	*(Note 49)*	*(Note 49)*	*(Note 49)*	*(Note 50)*	
As at 1 January 2024	5,326,532	7,776,642	990,945	2,008,435	69,734	1,193,378	17,365,666
Profit for the year	–	–	–	–	–	953,461	953,461
Other comprehensive income for the year	–	–	–	–	603,154	–	603,154
Total comprehensive income for the year	–	–	–	–	603,154	953,461	1,556,615
Appropriation to surplus reserve	–	–	85,700	–	–	(85,700)	–
Appropriation to general reserve	–	–	–	179,619	–	(179,619)	–
Dividends recognised as distribution	–	–	–	–	–	(117,000)	(117,000)
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	–	–	–	–	4,827	(4,827)	–
As at 31 December 2024	5,326,532	7,776,642	1,076,645	2,188,054	677,715	1,759,693	18,805,281

The accompanying notes form part of the Historical Financial Information.

	Paid-in capital RMB'000 (Note 48)	Capital reserve RMB'000 (Note 49)	Surplus reserve RMB'000 (Note 49)	General reserve RMB'000 (Note 49)	Investment revaluation reserve RMB'000 (Note 49)	Retained earnings RMB'000 (Note 50)	Total equity RMB'000
	Equity attributable to equity holders of the Target Company						
		Reserves					
As at 1 January 2025	5,326,532	7,776,642	1,076,645	2,188,054	677,715	1,759,693	18,805,281
Profit for the year	–	–	–	–	–	1,323,494	1,323,494
Other comprehensive income for the year	–	–	–	–	(105,709)	–	(105,709)
Total comprehensive income for the year	–	–	–	–	(105,709)	1,323,494	1,217,785
Appropriation to surplus reserve	–	–	127,987	–	–	(127,987)	–
Appropriation to general reserve	–	–	–	266,797	–	(266,797)	–
Dividends recognised as distribution	–	–	–	–	–	(218,000)	(218,000)
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	–	–	–	–	(46,396)	46,396	–
As at 31 December 2025	5,326,532	7,776,642	1,204,632	2,454,851	525,610	2,516,799	19,805,066

The accompanying notes form part of the Historical Financial Information.

	Equity attributable to equity holders of the Target Company						
		Reserves					
	Paid-in capital	**Capital reserve**	**Surplus reserve**	**General reserve**	**Investment revaluation reserve**	**Retained earnings**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 48)	*(Note 49)*	*(Note 49)*	*(Note 49)*	*(Note 49)*	*(Note 50)*	
As at 1 January 2026	5,326,532	7,776,642	1,204,632	2,454,851	525,610	2,516,799	19,805,066
Profit for the period	–	–	–	–	–	151,329	151,329
Other comprehensive income for the period	–	–	–	–	164,376	–	164,376
Total comprehensive income for the period	–	–	–	–	164,376	151,329	315,705
Appropriation to surplus reserve	–	–	–	–	–	–	–
Appropriation to general reserve	–	–	–	1,231	–	(1,231)	–
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	–	–	–	–	3,569	(3,569)	–
As at 31 March 2026	5,326,532	7,776,642	1,204,632	2,456,082	693,555	2,663,328	20,120,771

The accompanying notes form part of the Historical Financial Information.

(Unaudited)	Paid-in capital	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Retained earnings	Total equity
	Equity attributable to equity holders of the Target Company						
		Reserves					
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	5,326,532	7,776,642	1,076,645	2,188,054	677,715	1,759,693	18,805,281
Profit for the period	–	–	–	–	–	385,486	385,486
Other comprehensive income for the period	–	–	–	–	(285,895)	–	(285,895)
Total comprehensive income for the period	–	–	–	–	(285,895)	385,486	99,591
Appropriation to surplus reserve	–	–	–	–	–	–	–
Appropriation to general reserve	–	–	–	275	–	(275)	–
Transfer to retained earnings for cumulative fair value change of equity instruments at fair value through other comprehensive income upon disposal	–	–	–	–	419	(419)	–
As at 31 March 2025	5,326,532	7,776,642	1,076,645	2,188,329	392,239	2,144,485	18,904,872

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Operating activities						
Profit before income tax		305,736	1,057,010	1,611,828	475,994	181,035
Adjustments for:						
Interest expenses		925,143	992,791	921,109	241,792	232,951
Depreciation and amortisation		183,292	209,949	217,040	61,460	51,073
Impairment losses under expected credit loss model, net of reversal		26,788	125,347	(17,610)	255	(4,070)
(Gains)/losses on disposal of property and equipment, right-of-use assets and investment properties		(1,409)	311	273	6	3,953
Foreign exchange gains, net		(706)	(758)	1,139	85	833
Interest income and net realised gains and income arising from debt instruments at fair value through other comprehensive income		(771,777)	(853,032)	(648,501)	(308,152)	(96,443)
Dividend income arising from equity instruments at fair value through other comprehensive income		(155,983)	(143,689)	(205,949)	(11,592)	(6,188)
Net realised losses arising from financial liabilities at fair value through profit or loss		4,479	11,524	7,753	2,801	63
Unrealised fair value change of financial assets at fair value through profit or loss		(24,125)	(275,953)	(98,393)	(84,052)	117,968
Unrealised fair value change of financial liabilities at fair value through profit or loss		292	3,550	(4,371)	(1,604)	2,685
Unrealised fair value change of derivative financial instruments		4,008	580,721	(49,657)	(43,531)	4,669
Operating cash flows before movements in working capital		495,738	1,707,771	1,734,661	333,462	488,529
(Increase)/decrease in advances to customers		(797,718)	(1,584,694)	(3,601,922)	133,066	654,075

The accompanying notes form part of the Historical Financial Information.

	Note	Year ended 31 December			Three months ended 31 March	
		2023	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Decrease in reverse repurchase agreements		107,003	143,447	37,822	–	–
(Increase)/decrease in financial assets at fair value through profit or loss and derivative financial assets		(4,774,805)	(3,501,996)	3,942,258	(4,552,059)	(6,090,969)
Decrease/(increase) in restricted deposits and deposits with exchanges and financial institutions		1,369,433	137,062	(1,505,427)	(726,879)	(1,107,415)
Decrease/(increase) in bank balances and clearing settlement funds restricted or held on behalf of customers		1,399,845	(9,457,764)	(2,922,026)	1,970,791	(3,328,372)
(Increase)/decrease in accounts receivable and other assets		(486,208)	(307,300)	(837,809)	(81,261)	(86,216)
(Decrease)/increase in other liabilities and contract liabilities		(880,793)	2,240,358	3,808,764	(240,012)	5,304,426
(Decrease)/increase in accounts payable to brokerage clients		(1,095,577)	6,236,557	2,185,449	(940,386)	385,699
Increase/(decrease) in financial liabilities at fair value through profit or loss and derivative financial liabilities		200,058	66,107	(131,666)	(10,036)	67,579
Increase/(decrease) in repurchase agreements		5,301,355	3,094,112	(4,547,549)	2,884,193	2,696,380
Increase/(decrease) in placements from banks and other financial institutions		1,500,000	(710,000)	2,210,000	810,000	(2,500,000)
Cash generated from/(used in) operations		2,338,331	(1,936,340)	372,555	(419,121)	(3,516,284)
Income taxes paid		6,949	(81,064)	(318,235)	(16,965)	(3,548)
Interest paid		(451,124)	(561,684)	(449,196)	(130,134)	(98,144)
Net cash generated from/(used in) operating activities		1,894,156	(2,579,088)	(394,876)	(566,220)	(3,617,976)

The accompanying notes form part of the Historical Financial Information.

	Note	Year ended 31 December 2023 RMB'000	2024 RMB'000	2025 RMB'000	Three months ended 31 March 2025 RMB'000 (Unaudited)	2026 RMB'000
Investing activities						
Dividends and interest received from investments		950,147	1,064,834	854,470	328,060	175,798
Proceeds on disposal of property and equipment and investment properties		–	–	262	6	49
Proceeds on disposal or redemption of:						
– equity instruments at fair value through other comprehensive income		272,165	13,301	445,660	988	7,181
– debt instruments at fair value through other comprehensive income		20,929,485	29,333,607	21,123,356	10,538,952	5,704,462
Purchases of:						
– equity instruments at fair value through other comprehensive income		(1,395,974)	(90,015)	(1,485,380)	(898,080)	–
– debt instruments at fair value through other comprehensive income		(24,223,498)	(26,987,644)	(24,524,885)	(9,134,350)	(2,812,344)
Purchases of property and equipment and other intangible assets		(184,329)	(103,922)	(82,058)	(10,126)	(36,037)
Payment made on acquisition of subsidiary, net of cash acquired		–	–	(322,339)	–	–
Net cash (used in)/generated from investing activities		(3,652,004)	3,230,161	(3,990,914)	825,450	3,039,109
Financing activities						
Proceeds from issuance of debt securities, short-term debt instruments and income certificates designated at fair value through profit and loss	*57*	9,400,000	4,075,160	15,996,030	3,406,410	6,119,980
Repayments on debt securities issued, short-term debt instruments and income certificates designated at fair value through profit and loss	*57*	(9,100,000)	(4,000,000)	(10,095,890)	(3,279,160)	(5,102,200)

The accompanying notes form part of the Historical Financial Information.

	Note	Year ended 31 December			Three months ended 31 March	
		2023	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Proceeds from borrowings	*57*	30,000	143,163	86,605	–	–
Repayments of borrowings	*57*	–	(123,173)	(92,595)	(12,000)	(14,000)
Repayments of lease liabilities	*57*	(75,982)	(87,407)	(81,831)	(23,286)	(21,566)
Dividends paid to ordinary shareholders		(108,000)	(117,000)	(218,000)	–	–
Interest paid on debt securities issued, short-term debt instruments and income certificates designated at fair value through profit and loss	*57*	(479,709)	(444,884)	(438,534)	(99,366)	(107,739)
Interest paid on borrowings	*57*	(591)	(1,783)	(718)	(402)	(240)
Interest paid on lease liabilities	*57*	(18,160)	(13,846)	(10,630)	(1,470)	(2,438)
Net cash (used in)/generated from financing activities		(352,442)	(569,770)	5,144,437	(9,274)	871,797
Net (decrease)/increase in cash and cash equivalents		(2,110,290)	81,303	758,647	249,956	292,930
Cash and cash equivalents at the beginning of the year/period		4,379,196	2,269,612	2,351,673	2,351,673	3,109,181
Effect of foreign exchange rate changes		706	758	(1,139)	(85)	(833)
Total cash and cash equivalents at the end of the year/period	*18*	2,269,612	2,351,673	3,109,181	2,601,544	3,401,278

The accompanying notes form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Shanghai Securities Company Limited* 上海證券有限責任公司 (the "Target Company") was established in the PRC on 27 April 2001 as a limited liability company, through the merger of the securities department of the former Shanghai International Trust and Investment Company* 上海國際信託投資公司 and the former Shanghai Finance Securities Company* 上海財政證券公司.

The Target Company and its subsidiaries (together, "the Target Group") are principally engaged in securities brokerage, securities investment consulting, financial advisory services related to securities trading and investment activities, securities underwriting (excluding stocks and corporate bonds issued by listed companies), proprietary securities trading, securities asset management, margin financing and securities lending, public offering securities investment fund distribution, agency distribution of financial products, market making of listed securities (limited to stock market making on the Beijing Stock Exchange), commodity futures brokerage, financial futures brokerage, futures investment consulting, public offering securities investment fund management, fund distribution and specific customer asset management.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information adopted are set out in Note 3.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Target Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 2.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

The statutory financial statements of the Target Company for the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with the *China Accounting Standards for Business Enterprises* (《企業會計準則》) issued by the Ministry of Finance of the PRC (the "PRC GAAP") and audited by KPMG Huazhen LLP* 畢馬威華振會計師事務所(特殊普通合夥). The financial statements of the subsidiaries of the Target Group for which there are statutory requirements were prepared in accordance with the PRC GAAP, details of which are disclosed in Note 33.

2 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

As at the date of this report, the IASB has issued a number of amendments, new standards and interpretations, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information.

These developments include:

	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21, Translation to a Hyperinflationary Presentation Currency	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Effective date has been deferred indefinitely

* *For identification purposes only*

The Target Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidate financial statements of the Group except for the following.

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statements of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Target Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Target Group.

3 MATERIAL ACCOUNTING POLICY INFORMATION

(1) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial assets/liabilities at fair value through profit or loss (see Note 3(6));
- financial assets at fair value through other comprehensive income (see Note 3(6));
- derivative financial instruments (see Note 3(7)); and
- warehouse receipts designated at fair value through profit or loss (see Note 3(20)).

(2) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 4.

(3) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Target Company and entities (including structured entities) controlled by the Target Company and its subsidiaries for the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2026. The financial statements of the subsidiaries are prepared for the same reporting period as the Target Company (also referred to as the "Parent"), using consistent accounting policies.

The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Target Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Target Group loses control over a subsidiary, it:

(a) derecognises the assets (including goodwill) and liabilities of the subsidiary;

(b) derecognises the carrying amount of any non-controlling interest;

(c) derecognises the cumulative translation differences recorded in equity;

(d) recognises the fair value of the consideration received;

(e) recognises the fair value of any investment retained;

(f) recognises any resulting surplus or deficit in profit or loss; and

(g) reclassifies the Target Group's share of components previously recognised in other comprehensive income ("OCI") to profit or loss.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Target Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position separately from the equity attributable to owners of the Parent. An acquisition of non-controlling interests is accounted for as an equity transaction.

(4) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid assets, which are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents include cash and assets with original maturity of three months or less under cash and bank balances.

(5) Foreign currency transactions and foreign currency translation

The consolidated financial statements are presented in RMB, which is the Target Company's functional and presentation currency. The recording currency of the Target Company's subsidiaries is determined based on the primary economic environment in which they operate.

Foreign currency transactions recorded by the entities in the Target Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the prevailing functional currency exchange rates at the end of the reporting period. All differences are taken to the statement of profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions.

The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(6) Financial instruments

(a) Initial recognition, classification and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Target Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Target Group commits to purchase or sell the asset.

At initial recognition, the Target Group measures a financial asset or financial liability at its fair value, in the case of a financial asset or financial liability not at fair value through profit or loss, plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

Financial assets are classified on the basis of the Target Group's business model for managing the asset and the cash flow characteristics of the assets:

(i) Amortised cost;

(ii) Fair value through other comprehensive income ("FVOCI"); or

(iii) Fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Target 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.

Business model reflects how the Target Group manages the assets in order to generate cash flows. That is, whether the Target Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVTPL. Factors considered by the Target Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Target Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Target Group considers whether the contractual cash flows are consistent with a basic lending arrangement. i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determine whether their cash flows are SPPI.

Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on: (i) the Target Group's business model for managing the asset; and (ii) the cash flow characteristics of asset.

Based on these factors, the Target Group classifies its debt instruments into one of the following three measurement categories:

(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortised cost.

(ii) FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI.

(iii) FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL.

The Target Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Target Group subsequently measures all equity investments at FVTPL, except where the Target Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, except for financial liabilities at FVTPL, which is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading books) and other financial liabilities designated as such at initial recognition.

Contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. Such contingent consideration shall subsequently be measured at fair value with changes recognised in profit or loss.

An entity may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss: (i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch"); (ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Target Group is provided internally on that basis to the entity's key management personnel.

(b) Reclassification of financial assets

When the Target Group changes the business model for managing its financial assets, it shall reclassify all affected financial assets, and apply the reclassification prospectively from the reclassification date. The Target Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. Reclassification date is the first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets.

(c) 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. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Target Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices. If there is no active market, the Target Group establishes fair value by using valuation techniques. These include the use of market approach, income approach and cost approach. When using valuation techniques, the Target Group uses observable inputs. Unobservable market inputs would not be used unless relevant observable inputs are not available or not practicable to access.

Default Valuation Adjustments are applied to the Target Group's financial liabilities at fair value through profit or loss, and assumes that Default Valuation Adjustments stay the same before and after the transfer of the liability. Default Valuation Adjustments refer to risk that enterprises fail to perform the obligation, including but not limited to their own credit risk.

The Target Group uses the following hierarchy for determining and disclosing the fair values of financial assets and financial liabilities based on the inputs used when determining the fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Valuation technique using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuation technique using inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The level of fair value measurement depends on the lowest level of input that is significant to the entire fair value measurement.

(d) Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on the categories:

Amortised cost

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Financial assets at fair value through other comprehensive income

Debt instruments

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue on the instrument's amortised cost which are recognised in profit or loss. Interest income from these financial assets is included in "interest income" using the effective interest rate method. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net investment gains".

Equity instruments

The equity instrument investments that are held for purposes other than to generate investment returns are designated as FVOCI. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as net investment gains when the Target Group's right to receive payments is established, and it is probable that future economic benefits associated with the item will flow to the Target Group, and the amounts of the dividends can be measured reliably.

Financial assets at fair value through profit or loss

Debt instruments

A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within "Net investment gains" in the period in which it arises.

Equity instruments

Gains and losses on equity investments at FVTPL are included in the "Net investment gains" line in the statement of profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL are measured at fair value with all gains or losses recognised in profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

(i) changes in fair value of such financial liabilities due to changes in the Target Group's own credit risk are recognised in OCI; and

(ii) other changes in fair value of such financial liabilities are recognised in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (i) will create or enlarge accounting mismatches in profit or loss, the Target Group recognises all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

When financial liabilities designated as at FVTPL are derecognised, fair value gains and losses are subsequently reclassified from OCI to retained earnings.

(e) Impairment of financial instruments

The Target Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Target Group in accordance with the contract and all the cash flows that the Target Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired ("POCI") financial assets).

The Target Group measures the ECL of a financial instrument reflects:

(i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(ii) the time value of money; and

(iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For financial instruments whose impairment losses are measured using the ECL model, the Target Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

– Stage I: The Target Group measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL if the credit risk of that financial instrument has not increased significantly since initial recognition.

– Stage II: The Target Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk of that financial instrument has increased significantly since initial recognition, but is not yet deemed to be credit-impaired.

– Stage III: The Target Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the financial instrument is credit-impaired.

The Target Group applies the impairment requirements for the recognition and measurement of loss allowance for debt instruments that are measured at FVOCI. The loss allowance is recognised in OCI and the impairment loss is recognised in profit or loss, and it should not reduce the carrying amount of the financial asset in the statement of financial position.

The Target Group has measured the loss allowance for a financial instrument at an amount equal to the lifetime ECL in the previous reporting period, but determines to measure it at an amount equal to the next 12 months ECL at the current reporting date since the credit risk of that financial instrument has increased significantly since initial recognition is no longer met, and the amount of ECL reversal is recognised in profit or loss. Excluding POCI financial assets.

(f) Derecognition of financial instruments

A financial asset is derecognised, when one of the following criteria is satisfied:

(i) the contractual rights to receive cash flows from the assets have expired; or

(ii) the Target Group has transferred its rights to receive cash flows from the asset; or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and (a) the Target Group has transferred substantially all the risks and rewards of ownership of the financial asset; or (b) the Target Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but not retain control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

When the Target Group has made substantial modifications to a part of the contract terms of an existing financial liability, the relevant portion of the existing financial liability is derecognised, while the financial liability under modified terms is recognised as a new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognised in profit or loss.

If the Target Group repurchases a part of a financial liability, the Target Group shall allocate the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognised and the consideration paid (including any non-cash assets transferred or liabilities assumed) for the part derecognised shall be recognised in profit or loss.

(7) Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

(8) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(9) Margin financing and securities lending services

Margin financing and securities lending services refer to the lending of funds by the Target Group to customers for purchase of securities, or lending of securities by the Target Group to customers, for which the customers provide the Target Group with collateral.

The Target Group recognises margin accounts at initial recognition, and recognises interest income accordingly. Securities lent are not derecognised, but still accounted for as the original financial assets, and interest income is recognised accordingly.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

For impairment of financial assets arising from margin financing and securities lending, refer to Note 3(6)(e).

(10) Reverse repurchase agreements and repurchase agreements

Financial assets transferred as collateral in connection with repurchase agreements, involving fixed repurchase dates and prices, are not derecognised. They continue to be recorded as original financial assets before transferred. The corresponding liability is included in repurchase agreements.

Consideration paid for financial assets held under agreements to resell are recorded as reverse repurchase agreements, the related collateral accepted is not recognised in the consolidated financial statements.

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 recognised through interest income or expenses.

For impairment of reverse repurchase agreements, refer to Note 3(6)(e).

(11) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Target Group has control. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. When the Target Group assesses whether it has power over an investee, the Target Group's voting rights or potential voting rights and other contractual arrangements are considered.

(12) Investment properties

Investment properties comprise real estate properties for the purpose of earning rental income and/or for capital appreciation, including buildings that have been leased out. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Target Group. Ongoing repairs and maintenance are expensed as incurred.

The Target Group's investment properties are accounted for using cost model. The initial recognition and subsequent measurement of buildings and properties that are leased out are accounted for using the same measurement and depreciation methods as those for property and equipment.

When an investment property is transferred to owner-occupied property, it is reclassified to property and equipment with the carrying amount determined at the carrying amount of the investment property at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the property and equipment is transferred to investment properties with the carrying amount determined at the carrying amount at the date of the transfer.

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. When an investment property is sold, transferred, retired or damaged, the Target Group recognises the amount of any proceeds on disposal, net of the carrying amount and related expenses, in the consolidated statement of profit or loss.

(13) Property and equipment

(a) Recognition criteria for property and equipment

Property and equipment comprise properties and buildings, transportation vehicles and electronic devices that the Target Group expects to use for more than one year and other tangible assets that are expected to be used for more than one year.

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(b) Property and equipment initially measured at cost

Cost of an item of purchased property and equipment comprises purchase price, tax and any costs directly attributable to bringing the asset to the condition necessary for its intended use and it includes transportation costs, installation and assembly costs, and professional service fees. The cost of a self-constructed asset comprises all costs incurred before the asset is ready for its intended use.

Subsequent expenditure incurred for the property and equipment is included in the cost of the property and equipment if it is probable that economic benefits associated with the asset will flow to the Target Group and the subsequent expenditure can be measured reliably, while the carrying amount of the replaced part is derecognised. Other subsequent expenditure is recognised in the consolidated income statement in the period in which they are incurred.

Depreciation of property and equipment is calculated on the straight-line basis.

Estimated useful life, depreciation rate and estimated residual value of each item of property and equipment which are required by the operation of the Target Group are as follows:

Types of property and equipment	Estimated useful lives	Yearly depreciation rate	Estimated residual value rate
Leasehold land and buildings	35 years	2.71%	5%
Machinery and equipment	5 years	19.00%	5%
Electronic equipment	3-5 years	19.00%-31.67%	5%
Communication equipment	5-9 years	10.56%-19.00%	5%
Motor vehicles	9 years	10.56%	5%
Other equipment	5-8 years	11.88%-19.00%	5%
Leasehold improvements	5 years	nil	nil

The years that property and equipment were already in use upon purchase were excluded when determining the estimated useful lives of these types of property and equipment. The estimated useful lives, the estimated residual value rate and the depreciation method of each type of property and equipment are reviewed, and adjusted if appropriate, at each financial year end. Gains and losses on disposal of property and equipment, the costs of disposal and taxes in connection with such disposal are considered in the determination of the estimated residual value rate.

(c) Impairment of property and equipment

The Target Group assesses whether there is any indication that assets are impaired at each financial reporting date. When any such indication exists, the Target Group estimates the recoverable amount. When recoverable amounts of assets are lower than carrying amounts, the Target Group decreases the carrying amount to recoverable amount, the decreased amount recognised in the consolidated income statement.

An impairment loss recognised for property and equipment is not reversed in subsequent periods.

(d) Disposal of property and equipment

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

(e) Construction in progress

Costs of construction in progress are determined based on the actual expenditure incurred which include all necessary expenditure 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.

(14) Land-use rights and intangible assets

(a) Land-use rights

Land-use rights acquired by the Target Group are amortised over the period that is confirmed by the land use permit.

(b) Intangible assets

Intangible assets are recognised only when it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item shall be measured reliably, and measured initially at cost. Intangible assets acquired from business combination and their fair value can be measured reliably are recognised as intangible assets individually and measured at their fair value as at date of combination.

Useful lives of intangible assets are determined as the period that the assets are expected to generate economic benefits for the Target Group, and when there is no foreseeable limit on the period of time over which the asset is expected to generate economic benefits for the Target Group, the intangible assets are regarded as having indefinite useful life.

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

Intangible assets with indefinite useful lives need to be assessed for impairment no matter if there is any impairment evidence. These assets need not to be amortised, and their useful lives shall be reviewed each reporting date. If there is any evidence to support that the useful lives are definite, these intangible assets shall apply the policies of intangible assets with definite useful lives.

Internal research and development expenses are classified as research phase expense and development phase expenses. Expenditure on research phase of an internal project shall be recognised as an expense when it is incurred. Development phase expense can be capitalised only an entity can demonstrate all of the following:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) its intention to complete the intangible asset and use or sell it;

(iii) its ability to use or sell the intangible asset;

(iv) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The development phase expenses that do not meet the above conditions shall be recognised in profit or loss when incurred.

(15) Revenue

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Target Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Where the contract contains a variable consideration, the Target 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 Target Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Target 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 Target Group's revenue and other income recognition policies are as follows:

Revenue from the securities brokerage services is recognised on the date of the securities transaction.

Revenue from underwriting services is recognised when the Target 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 Target Group's performance, or at a point in time when the service is completed.

Revenue from asset management services is recognised when management services are provided in accordance with the asset management contract.

When the Target Group recognises revenue in accordance with the progress of completed services, the part of unconditional receivables that the Target Group has acquired will be recognised as accounts receivables, and the rest will be recognised as contract assets. The Target Group identifies loss allowance on the basis of expected credit losses for accounts receivable and contractual assets; if the Target Group's received consideration or receivable consideration exceed the completed services, the excess part will be recognised as contractual liabilities. The Target Group's contractual assets and liabilities under the same contract are shown in net.

(16) Income tax

Income tax comprises current tax and deferred income tax. Current tax is the amount of current income tax payable calculated based on current taxable income. Taxable income is calculated based on the adjustment to the current year pre-tax accounting profit according to the applicable tax laws.

For current income tax liabilities or current income tax assets generated from the current and prior periods, the expected income tax payable or the income tax deduction is calculated according to the applicable tax laws.

The Target Group measures deferred income tax using balance sheet liability method according to the temporary differences between the carrying amount of an asset or liability at the end of the reporting period and its tax base, and the temporary difference between the carrying amount of an item not recognised as an asset or liability at the end of the reporting period and its tax base.

All taxable temporary differences are recognised as deferred income tax liabilities, except:

(i) The deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses; and

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, unused tax credits carried forward and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax credits carried forward and unused tax losses can be utilised, except that deferred income tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period and reflect the corresponding tax effect.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

(17) Employee compensation

Employee compensation refers to all forms of consideration and other related expenditure given or incurred by the Target Group in exchange for services rendered by employees. The benefits payable are recognised as liabilities during the period in which the employees have rendered the services to the Target Group.

(a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(b) 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.

(c) Termination benefits

Termination benefits are recognised at the earlier of when the Target Group can no longer withdraw the offer of those benefits and when the Target Group recognises restructuring costs involving the payment of termination benefits.

(d) Other long-term employee benefits

Other long-term employee benefits are applicable to the rules on post-employment benefits, to recognise their net liabilities or net assets, while the changes are recorded in current profit or loss or related asset cost.

(18) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all the attaching conditions will be complied with. Where the Target Group receives grants of monetary assets, the grants are recorded at the amount received or receivable. Where the Target Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets. When fair value cannot be reliably measured, they are recognised at nominal amount.

Government grants for purchasing, building or other development of long-term assets regulated in government documents are recognised as government grants related to assets. Judgments should be made based on the necessary basic conditions for obtaining the government grants when government documents are unclearly stated. Government grants with purchasing, building or other development of long-term assets as basic condition are recognised as government grants related to assets, and the remaining type of grants are recognised as related to income.

Government grants related to income which are to compensate relevant expenditures or losses in future periods are recognised as deferred income and released to profit or loss during the period when the expense is incurred. Government grants that are to compensate the incurred expenses or losses are recognised into profit or loss directly.

Government grants related to assets are recognised as deferred income, and released to profit or loss over the expected useful life of the relevant assets by equal annual instalments. Government grants measured at nominal amount are recorded into profit or loss directly.

(19) Leases

As a lessee

(a) Initial measurement of the right-of-use asset and lease liability

Initial measurement of the right-of-use asset

The right-of-use asset is defined as the right of underlying assets in the lease term for the Target Group as a lessee. The lease term is defined as the non-cancellable period of the lease for the Target Group as a lessee.

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

(i) the amount of the initial measurement of the lease liability;

(ii) any lease payments made at or before the commencement date, less any lease incentives received;

(iii) any initial direct costs incurred by the lessee; and

(iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Initial direct costs are defined as incremental costs that would not have been incurred if a lease had not been obtained.

Initial measurement of the lease liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The lessee uses as the discount rate the interest rate implicit in the lease – this is the rate of interest that causes the present value of lease payments and the unguaranteed residual value to equal the sum of the fair value of the underlying asset and any initial direct costs of the lessor.

(b) Subsequent measurement of the right-of-use asset and lease liability

Subsequent measurement of the right-of-use asset

At the commencement date, the Target Group as a lessee shall measure the right-of-use asset at cost and apply the depreciation requirements in IAS 16 Property and equipment in depreciating the right-of-use asset. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. When the recoverable amount is less than the book value of the right-of-use assets, the Target Group shall write down its book value to the recoverable amount.

Subsequent measurement of the lease liability

After the commencement date, the Target Group shall recognise interest on the lease liability in profit or loss. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

(c) Recognition of short-term leases and leases for which the underlying asset is of low value

Short-term leases are defined as leases with a lease term of less than 12 months from the commencement date. Leases for which the underlying asset is of low value are defined as underlying assets of low value when new. The right-of-use asset and lease liability are not recognised by the Target Group for short-term leases and leases for which the underlying asset is of low value. The lessee shall recognise the lease payments associated with those leases as an expense.

(20) Inventories and warehouse receipts designated at fair value through profit or loss

For transactions involving frequent trading of standard warehouse receipts to earn price differentials without taking physical delivery of the corresponding commodities, the Target Group elects to measure the standard warehouse receipts acquired under the aforementioned contracts at fair value through profit or loss upon initial recognition if such election eliminates or significantly reduces an accounting mismatch, and applies this election consistently to all eligible warehouse receipts. The Target Group may not revoke this election in subsequent periods for standard warehouse receipts initially measured at fair value through profit or loss.

Except for the above circumstances, other inventories held by the Target Group are measured initially at cost. The cost of inventories issued is determined using the specific identification method. Inventory cost comprises purchase costs and other costs. At the reporting date, inventories are measured at the lower of cost and net realisable value. Inventory write-downs are made for any excess of the carrying amount over net realisable value. Net realisable value is estimated as the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs of sale and related taxes and expenses.

The Target Group adopts the perpetual inventory system.

(21) Impairment of goodwill

The Target Group assesses goodwill acquired from business combination, no matter there is objective evidence of impairment or not, impairment should be assessed at each annual financial reporting date.

The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset. The Target Group estimates the recoverable amount on the basis of individual asset. When it is difficult to estimate the recoverable amount individually, the recoverable value of the cash generating units to which the asset belongs will be estimated. The recognition of a group of assets shall base on whether the main cash flow generated by the Target Group of assets is independent from those generated by other assets or groups of assets.

When recoverable amounts of assets or groups of assets are lower than their carrying amounts, the Target Group decreases their carrying amount to recoverable amount. The decreased amounts are recognised in profit or loss and corresponding allowances are made.

For impairment test of goodwill, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Target Group's cash-generating units, or groups of cash-generating units when being unable to be allocated to each of the cash-generating units. Cash-generating units or groups of cash-generating units refer to those that can benefit from the synergies of the combination and are not larger than the reportable segment determined by the Target Group.

When performing impairment test for the (groups of) cash-generating unit to which goodwill is allocated, the Target Group firstly tests the (groups of) cash-generating unit excluding goodwill, calculates the recoverable amount and recognises relevant impairment losses. The Target Group then tests the (groups of) cash-generating units including goodwill, and compares the carrying amount and recoverable amount. If the carrying amount exceeds the recoverable amount, the amount of impairment loss is firstly deducted from the carrying amount of goodwill allocated to the (groups of) cash-generating unit, and then from the carrying amount of each of other assets (other than goodwill) within the (groups of) cash-generating unit, on a pro rata basis. An impairment loss recognised for goodwill cannot be reversed in subsequent periods.

(22) Related parties

A party is considered to be related to the Target Group if:

(a) the party is a person or a close family member of that person and that person

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group;

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Target Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) 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).

(23) Provisions and contingencies

The obligation pertinent to contingencies shall be recognised as provisions when the following conditions are satisfied concurrently:

(i) the obligation is a present obligation of the Target Group;

(ii) the obligation is probable to cause a future outflow of resources from the Target Group as a result of performance of the obligation; and

(iii) the amount of the obligation can be reliably measured.

The amount of a provision is initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation. To determine the best estimate, the Target Group takes into full consideration of risks, uncertainty, time value of money and other factors pertinent to the contingencies. The Target Group reviews the book value of the provisions at the end of the reporting period. If there is substantial evidence that the amount of provisions cannot actually reflect the current best estimate, the Target Group will adjust the amount in accordance with the current best estimate.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or, a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

(24) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, and non-current assets are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Target Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgements assumptions and estimates could result in outcomes that could require an adjustment to the carrying amounts of the assets or liabilities.

(1) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements is included in the following note:

Note 3 (3) – consolidation: whether the Target Group has control over a structured entity.

(2) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3 (6) (c) – measurement of fair value;

Note 3 (6) (e) – measurement of ECL allowance for financial assets;

Note 3 (16) – recognition of deferred tax assets; and

Note 3 (21) – impairment of goodwill.

5 SEGMENT REPORTING

For management purposes, the Target Group divides its businesses into business segments based on business categories. The Target Group has five reportable segments as follows:

(a) Wealth management – securities broking, margin financing and securities lending, and futures brokerage services;

(b) Securities trading and investment;

(c) Asset management – securities asset management, futures asset management and mutual fund management services;

(d) Investment banking;

(e) Others.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the period from 1 January 2023 to 31 March 2026.

Operating segment

For the year ended 31 December 2023	Wealth management *RMB'000*	Securities trading and investment *RMB'000*	Asset management *RMB'000*	Investment banking *RMB'000*	Others *RMB'000*	Consolidated total *RMB'000*
Segment revenue and results						
Fee and commission income	1,099,966	–	49,993	75,085	–	1,225,044
Interest income	880,994	618,131	362	1,521	32,112	1,533,120
Investment (losses)/income	(23,445)	155,565	21,827	–	24,985	178,932
Other income and gains	11,494	–	–	–	62,725	74,219
Subtotal	1,969,009	773,696	72,182	76,606	119,822	3,011,315
Segment expenses	(1,550,902)	(622,064)	(41,776)	(63,040)	(427,797)	(2,705,579)
Segment results	418,107	151,632	30,406	13,566	(307,975)	305,736
Profit/(loss) before income tax	418,107	151,632	30,406	13,566	(307,975)	305,736
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation and amortisation	149,314	19,080	6,092	6,856	1,950	183,292
Charge for impairment losses	28,052	(1,264)	–	–	–	26,788
Capital expenditure	111,651	8,691	9,141	9,441	45,405	184,329
As at 31 December 2023						
Segment assets and liabilities						
Segment assets	32,248,344	38,889,990	432,546	49,794	1,451,692	73,072,366
Segment liabilities	27,412,998	25,189,091	223,244	63,561	2,817,806	55,706,700

For the year ended 31 December 2024	Wealth management *RMB'000*	Securities trading and investment *RMB'000*	Asset management *RMB'000*	Investment banking *RMB'000*	Others *RMB'000*	Consolidated total *RMB'000*
Segment revenue and results						
Fee and commission income	1,349,181	–	74,843	44,389	–	1,468,413
Interest income	876,633	540,693	311	222	27,715	1,445,574
Investment income	141,012	1,174,416	14,501	–	57,549	1,387,478
Other income and gains	11,370	2,573	–	–	54,154	68,097
Subtotal	2,378,196	1,717,682	89,655	44,611	139,418	4,369,562
Segment expenses	(1,736,132)	(742,195)	(57,053)	(51,732)	(725,440)	(3,312,552)
Segment results	642,064	975,487	32,602	(7,121)	(586,022)	1,057,010
Profit/(loss) before income tax	642,064	975,487	32,602	(7,121)	(586,022)	1,057,010

For the year ended 31 December 2024	Wealth management RMB'000	Securities trading and investment RMB'000	Asset management RMB'000	Investment banking RMB'000	Others RMB'000	Consolidated total RMB'000
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation and amortisation	118,243	11,063	11,445	11,826	57,372	209,949
Charge for impairment losses	117,454	8,382	–	–	(489)	125,347
Capital expenditure	62,829	4,976	5,147	5,319	25,651	103,922
As at 31 December 2024						
Segment assets and liabilities						
Segment assets	41,213,574	42,056,083	468,822	38,918	1,757,491	85,534,888
Segment liabilities	34,211,798	29,860,028	281,514	39,413	2,336,854	66,729,607

For the year ended 31 December 2025	Wealth management RMB'000	Securities trading and investment RMB'000	Asset management RMB'000	Investment banking RMB'000	Others RMB'000	Consolidated total RMB'000
Segment revenue and results						
Fee and commission income	1,644,627	194	67,235	43,968	5,161	1,761,185
Interest income	969,196	406,798	563	96	25,114	1,401,767
Investment income	44,561	1,611,079	14,717	–	56,541	1,726,898
Other income and gains	7,842	–	–	–	71,426	79,268
Subtotal	2,666,226	2,018,071	82,515	44,064	158,242	4,969,118
Segment expenses	(1,714,172)	(715,678)	(75,519)	(45,657)	(806,264)	(3,357,290)
Segment results	952,054	1,302,393	6,996	(1,593)	(648,022)	1,611,828
Profit/(loss) before income tax	952,054	1,302,393	6,996	(1,593)	(648,022)	1,611,828
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation and amortisation	112,523	12,150	13,347	13,770	65,250	217,040
Charge for impairment losses	(28,981)	9,599	–	–	1,772	(17,610)
Capital expenditure	54,491	3,247	3,267	3,680	17,373	82,058
As at 31 December 2025						
Segment assets and liabilities						
Segment assets	50,260,621	41,705,053	716,492	38,182	3,145,459	95,865,807
Segment liabilities	43,266,959	30,760,444	478,726	59,931	1,494,681	76,060,741

For the three months ended 31 March 2026	Wealth management RMB'000	Securities trading and investment RMB'000	Asset management RMB'000	Investment banking RMB'000	Others RMB'000	Consolidated total RMB'000
Segment revenue and results						
Fee and commission income	533,706	–	19,000	5,712	131	558,549
Interest income	282,691	97,364	1,094	26	6,955	388,130
Investment income/(losses)	8,189	(37,739)	6,399	–	19,838	(3,313)
Other income and gains	3,493	–	51	–	3,732	7,276
Subtotal	828,079	59,625	26,544	5,738	30,656	950,642
Segment expenses	(491,918)	(157,055)	(27,633)	(8,564)	(84,437)	(769,607)
Segment results	336,161	(97,430)	(1,089)	(2,826)	(53,781)	181,035
Profit/(loss) before income tax	336,161	(97,430)	(1,089)	(2,826)	(53,781)	181,035
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation and amortisation	24,789	2,860	4,953	3,193	15,278	51,073
Charge for impairment losses	(1,857)	(2,031)	–	–	(182)	(4,070)
Capital expenditure	22,633	1,604	1,483	1,791	8,526	36,037
As at 31 March 2026						
Segment assets and liabilities						
Segment assets	55,394,076	43,290,198	1,057,467	41,189	3,410,292	103,193,222
Segment liabilities	48,702,999	31,924,120	630,753	54,129	1,760,450	83,072,451

For the three months ended 31 March 2025 (Unaudited)	Wealth management RMB'000	Securities trading and investment RMB'000	Asset management RMB'000	Investment banking RMB'000	Others RMB'000	Consolidated total RMB'000
Segment revenue and results						
Fee and commission income	352,843	–	13,005	6,451	321	372,620
Interest income	220,087	109,592	53	20	3,675	333,427
Investment income	9,604	542,551	1,552	–	12,157	565,864
Other income and (losses)/gains	1,504	–	(1)	–	1,778	3,281
Subtotal	584,038	652,143	14,609	6,471	17,931	1,275,192
Segment expenses	(334,025)	(191,252)	(9,139)	(7,121)	(257,661)	(799,198)
Segment results	250,013	460,891	5,470	(650)	(239,730)	475,994
Profit/(loss) before income tax	250,013	460,891	5,470	(650)	(239,730)	475,994

For the three months ended 31 March 2025 (Unaudited)	Wealth management	Securities trading and investment	Asset management	Investment banking	Others	Consolidated total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other segment information						
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation and amortisation	31,496	3,568	3,629	3,875	18,892	61,460
Charge for impairment losses	(500)	755	–	–	–	255
Capital expenditure	8,437	202	205	219	1,063	10,126
As at 31 March 2025						
Segment assets and liabilities						
Segment assets	39,997,414	45,794,958	472,155	36,914	1,756,209	88,057,650
Segment liabilities	33,543,198	34,493,989	313,003	47,992	754,596	69,152,778

The Target Group's non-current assets are mainly located in the PRC (country of domicile). The Target Group's revenue is substantially derived from its operations in the PRC.

The Target Group has no single customer which contributes to 10 percent or more of the Target Group's revenue for the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2026.

6 COMMISSION AND FEE INCOME

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Commission on securities broking, dealing and handling fee income	665,431	789,478	1,117,891	247,293	328,127
Commission on futures and options contracts broking, dealing and handling fee income	428,462	550,614	521,869	104,329	202,170
Asset and fund management fee income	49,993	74,843	67,235	13,005	19,000
Underwriting, sponsors and financial advisory fee income	75,085	44,389	43,968	6,451	5,712
Consultancy fee income	2,658	2,426	4,669	799	3,404
Others	3,415	6,663	5,553	743	136
Total	1,225,044	1,468,413	1,761,185	372,620	558,549

7 INTEREST INCOME

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest income from advances to customers and securities lending	469,934	451,976	544,789	127,997	154,028
Interest income from reverse repurchase agreements	25,085	8,281	3,741	1,269	721
Interest income from deposits with exchanges and financial institutions	431,053	448,291	448,180	95,253	136,285
Interest income from debt instruments at FVOCI	595,877	530,888	400,126	108,038	96,443
Other interest income	11,171	6,138	4,931	870	653
Total	1,533,120	1,445,574	1,401,767	333,427	388,130

8 NET INVESTMENT GAINS/(LOSSES)

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Net realised gains from disposal of debt instruments at FVOCI	175,900	322,144	248,375	200,114	–
Net realised (losses)/gains from disposal of financial assets at FVTPL	(434,353)	116,954	601,149	142,900	6,355
Net realised losses arising from financial liabilities at FVTPL	(4,479)	(11,524)	(7,753)	(2,801)	(63)
Net realised (losses)/gains arising from derivative financial instruments	(55,172)	9,720	(76,801)	(5,638)	(120,970)
Dividend income from equity instruments at FVOCI					
– relating to investments derecognised during the year/period	22,265	45	31,223	–	–
– relating to investments held at the end of the reporting period	133,718	143,644	174,726	11,592	6,188
Dividend income and interest income from financial assets at FVTPL	315,178	522,389	502,487	104,838	88,649
Unrealised fair value change of financial assets at FVTPL	24,125	275,953	98,393	84,052	(117,968)
Unrealised fair value change of financial liabilities at FVTPL	(292)	(3,550)	4,371	1,604	(2,685)
Unrealised fair value change of derivative financial instruments	1,134	29,617	(109,338)	38,188	72,244
Others	908	(17,914)	260,066	(8,985)	64,937
Total	178,932	1,387,478	1,726,898	565,864	(3,313)

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9 OTHER INCOME, GAINS AND LOSSES, NET

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Government grants	44,663	42,847	37,693	296	507
Foreign exchange gains/(losses)	706	758	(1,139)	(85)	(833)
Rental income	20,216	14,764	12,529	2,046	4,264
Others	8,634	9,728	30,185	1,024	3,338
Total	74,219	68,097	79,268	3,281	7,276

10 DEPRECIATION AND AMORTISATION

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Depreciation of property and equipment	57,693	69,919	78,569	19,120	18,719
Depreciation of right-of-use assets	82,368	90,181	78,395	27,584	18,330
Amortisation of other intangible assets	40,976	47,594	57,821	14,192	13,460
Depreciation of investment properties	2,255	2,255	2,255	564	564
Total	183,292	209,949	217,040	61,460	51,073

11 STAFF COSTS

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, bonus and allowances	572,760	824,588	964,181	250,635	147,457
Social welfare	182,873	185,450	173,890	42,421	43,928
Contributions to annuity schemes	18,504	15,473	14,200	3,900	3,901
Total	774,137	1,025,511	1,152,271	296,956	195,286

Note: The domestic employees of the Target Group in the PRC participate in state-managed retirement benefit schemes operated by the respective local government in the PRC. Apart from participating in various defined contribution retirement benefit plans organised by municipal and provincial governments in Mainland China, the Target Group is also required to make monthly contributions to annuity schemes at fixed rates of the employees' salary and bonus for the period. The Target Group's contributions to these pension plans are charged to profit or loss in the period to which they relate.

12 COMMISSION AND FEE EXPENSES

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Securities and futures broking and dealing expenses	(399,001)	(491,395)	(578,638)	(121,729)	(199,019)
Underwriting, sponsors and financial advisory fee expenses	(2,881)	(9,854)	(3,549)	(453)	–
Other service expenses	(6,992)	(15,401)	(17,624)	(1,687)	(3,435)
Total	(408,874)	(516,650)	(599,811)	(123,869)	(202,454)

13 INTEREST EXPENSES

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Debt securities issued	365,973	393,870	379,642	92,577	110,808
Repurchase agreements	324,334	347,775	274,162	85,092	57,850
Placements from banks and financial institutions	37,778	82,356	82,211	24,873	15,256
Accounts payable to brokerage clients	111,331	110,290	91,697	18,877	22,150
Short-term debt instruments	64,132	43,587	79,449	16,362	20,596
Borrowings	636	1,800	702	415	229
Lease liabilities	9,080	6,923	5,315	1,470	1,219
Others	11,879	6,190	7,931	2,126	4,843
Total	925,143	992,791	921,109	241,792	232,951

14 OTHER OPERATING EXPENSES

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
IT expenses	95,174	106,528	107,575	19,649	22,881
Communication expenses	34,112	44,389	49,119	8,566	11,038
Sundry expenses	38,857	41,183	43,780	8,393	10,753
Tax and surcharges	14,334	18,726	24,857	6,042	8,151
Marketing and advertising expenses	43,736	78,666	90,515	6,357	7,144
Stock exchanges management fees	19,711	23,590	31,172	6,000	7,119
Administrative expenses	37,140	33,799	34,322	6,950	6,520
Entertainment expenses	34,975	21,351	19,918	2,653	3,455

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Property management expenses	19,298	17,918	16,941	3,574	3,329
Advisory expenses	26,586	23,752	29,933	1,844	3,243
Business travel expenses	10,461	6,553	5,891	837	840
Auditor's remuneration	2,463	2,603	2,815	340	–
Others	10,498	23,246	27,831	3,661	7,440
Total	387,345	442,304	484,669	74,866	91,913

15 IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Expected credit losses in respect of:					
– Reverse repurchase agreements	27,797	113,184	(37,822)	–	–
– Advances to customers	302	3,663	8,360	(498)	(1,506)
– Accounts receivable and other assets	149	7,872	2,292	–	(530)
– Debt instruments at FVOCI	(1,460)	628	9,560	753	(2,034)
Total	26,788	125,347	(17,610)	255	(4,070)

16 INCOME TAX EXPENSE

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current tax:					
– PRC Enterprise Income Tax	(49,295)	109,547	300,301	65,467	42,708
Subtotal	(49,295)	109,547	300,301	65,467	42,708
Adjustments in respect of current income tax in relation to prior years:					
– PRC Enterprise Income Tax	(25,674)	1,404	7,689	–	–
Subtotal	(25,674)	1,404	7,689	–	–
Deferred tax	27,472	(7,402)	(19,656)	25,041	(13,002)
Total	(47,497)	103,549	288,334	90,508	29,706

Under the *Enterprise Income Tax of the PRC* (the "EIT Law") (《中華人民共和國企業所得稅法》) and the *Implementation Regulation of the EIT Law* (《企業所得稅法實施條例》), the tax rate of the Target Group's PRC subsidiaries is 25% for the Track Record Period.

The income tax expense for the Track Record Period can be reconciled to the profit before income tax as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit before income tax	305,736	1,057,010	1,611,828	475,994	181,035
Tax at the statutory tax rate of 25%	76,434	264,253	402,957	118,998	45,259
Adjustments for prior years	(25,674)	1,404	7,689	–	–
Tax effect of expenses not deductible for tax purpose	7,635	5,749	7,760	–	1,748
Tax effect of income not taxable for tax purpose	(105,892)	(167,857)	(133,069)	(28,920)	(18,667)
Tax effect of deductible temporary differences and tax losses not recognised	–	–	2,997	–	962
Others	–	–	–	430	404
Income tax expense for the year/period	(47,497)	103,549	288,334	90,508	29,706

17 CASH AND BANK BALANCES

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
House accounts	1,257,061	1,044,768	2,248,080	2,256,853
Cash held on behalf of clients *(Note a)*	15,586,711	21,912,183	26,137,702	30,269,511
Total	16,843,772	22,956,951	28,385,782	32,526,364

Cash and bank balances comprise cash on hand and demand deposits which bear interest at the prevailing market rates.

As at 31 December 2023, 2024, 2025 and 31 March 2026, the Target Group's restricted bank deposits were RMB42,177 thousand, RMB113,959 thousand, RMB376,829 thousand and RMB376,733 thousand, respectively.

Note a: The Target Group maintains bank accounts to hold customers' deposits arising from normal business transactions. The Target Group has recognised the corresponding amount in accounts payable to brokerage clients (Note 39).

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	1,255,281	1,042,594	2,245,693	2,255,524
Clearing settlement funds	844,351	1,079,726	1,061,143	1,118,110
Reverse repurchase agreements	237,300	368,015	200,180	421,660
Less: Bank deposits with original maturity of more than three months	(36,090)	(30,191)	(32,332)	(31,829)
Restricted bank deposits	(31,230)	(108,471)	(365,503)	(362,187)
Total	2,269,612	2,351,673	3,109,181	3,401,278

19 CLEARING SETTLEMENT FUNDS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Clearing settlement funds held with clearing houses for:				
House accounts	844,680	1,080,243	1,062,301	1,119,660
Clients	1,402,793	3,035,365	2,817,393	3,139,043
Total	2,247,473	4,115,608	3,879,694	4,258,703

20 DEPOSITS WITH EXCHANGES AND FINANCIAL INSTITUTIONS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trading deposits	77,236	89,135	112,623	135,392
Credit deposits	23,165	21,668	89,222	100,580
Futures deposits	3,779,857	3,574,036	4,798,022	5,767,740
Performance deposits	100	10,232	10,469	14,820
Other deposits	422,490	398,979	329,755	433,851
Total	4,302,848	4,094,050	5,340,091	6,452,383

21 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December 2023		
		Fair Value	
	Notional amounts	Assets	Liabilities
	RMB'000	*RMB'000*	*RMB'000*
Non-hedging instruments			
– Interest rate derivatives	2,266,812	–	–
– Equity derivatives	1,085,839	–	(346)
– Other derivative instruments	10,080,530	15,273	(44,652)
Total	13,433,181	15,273	(44,998)

	As at 31 December 2024		
		Fair Value	
	Notional amounts	Assets	Liabilities
	RMB'000	*RMB'000*	*RMB'000*
Non-hedging instruments			
– Interest rate derivatives	123,723	–	–
– Equity derivatives	257,366	–	(15,477)
– Other derivative instruments	4,310,892	6,586	(24,998)
Total	4,691,981	6,586	(40,475)

	As at 31 December 2025		
		Fair Value	
	Notional amounts	Assets	Liabilities
	RMB'000	*RMB'000*	*RMB'000*
Non-hedging instruments			
– Interest rate derivatives	152,377	–	–
– Equity derivatives	367,819	5,665	(1,903)
– Other derivative instruments	13,227,513	17,826	(35,871)
Total	13,747,709	23,491	(37,774)

	As at 31 March 2026		
		Fair Value	
	Notional amounts	Assets	Liabilities
	RMB'000	*RMB'000*	*RMB'000*
Non-hedging instruments			
– Interest rate derivatives	–	–	–
– Equity derivatives	714,654	14,162	(2,570)
– Other derivative instruments	6,330,275	12,626	(28,095)
Total	7,044,929	26,788	(30,665)

(i) Treasury bond futures, commodity futures, stock index futures, and interest rate swap: Under the daily mark-to-market settlement arrangement, any gains or losses of the Target Group's position in these derivatives were settled daily and the corresponding receipts and payments were included in "clearing settlement funds".

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22 ADVANCES TO CUSTOMERS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Loans to margin clients	8,309,961	9,894,655	13,496,577	12,842,502
Less: impairment allowance	(18,383)	(22,046)	(30,406)	(28,900)
Total	8,291,578	9,872,609	13,466,171	12,813,602

Advances to customers were secured by the customers' securities and cash collateral, which were pledged to the Target Group as collateral. The total undiscounted market values of collaterals held in clients' margin accounts in respect of margin financing business amounted to approximately RMB33,073 million as at 31 March 2026 (31 December 2023, 2024, 2025: RMB20,549 million, RMB25,024 million, RMB36,628 million).

The directors of the Target Company are of the opinion that the ageing analysis does not give additional value in view of the nature of margin financing business. As a result, no ageing analysis is disclosed.

The following table shows reconciliation of loss allowances that has been recognised for advances to customers.

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	15,135	–	2,946	18,081
– Impairment losses recognised/(reversed)	1,683	–	(1,381)	302
– Write off	–	–	–	–
As at 31 December 2023	16,818	–	1,565	18,383

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	16,818	–	1,565	18,383
– Impairment losses recognised/(reversed)	2,996	–	667	3,663
– Write off	–	–	–	–
As at 31 December 2024	19,814	–	2,232	22,046

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	19,814	–	2,232	22,046
– Impairment losses recognised/(reversed)	8,724	2	(366)	8,360
– Write off	–	–	–	–
As at 31 December 2025	28,538	2	1,866	30,406

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	28,538	2	1,866	30,406
– Impairment losses (reversed)/recognised	(1,384)	–	(122)	(1,506)
– Write off	–	–	–	–
As at 31 March 2026	27,154	2	1,744	28,900

23 ACCOUNTS RECEIVABLE

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accounts receivable from/related to:				
– Settlement	349,381	598,253	1,043,417	814,396
– Accounts receivable from bond investments	149,927	149,438	149,418	149,418
– Fee and commission	34,332	17,105	26,101	26,993
– Rental and other deposits receivable	22,429	22,611	15,329	17,093
– Settlement guarantee receivables	19,929	12,194	20,584	26,633
– Others	68,607	77,669	107,496	140,720
Subtotal	644,605	877,270	1,362,345	1,175,253
Less: impairment allowance	(144,583)	(152,454)	(154,673)	(154,217)
Total	500,022	724,816	1,207,672	1,021,036

Aging analysis of accounts receivable from the revenue recognition dates is as follows:

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	452,633	674,037	1,188,511	1,000,788
Between 1 and 2 years	8,256	24,992	4,288	7,115
Between 2 and 3 years	6,047	3,997	3,328	3,084
Over 3 years	33,086	21,790	11,545	10,049
Total	500,022	724,816	1,207,672	1,021,036

The following table shows reconciliation of loss allowances that has been recognised for accounts receivable.

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2023	–	144,434	144,434
– Impairment losses recognised	–	149	149
– Write off	–	–	–
– Others	–	–	–
As at 31 December 2023	–	144,583	144,583

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2024	–	144,583	144,583
– Impairment losses recognised	–	7,871	7,871
– Write off	–	–	–
– Others	–	–	–
As at 31 December 2024	–	152,454	152,454

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2025	–	152,454	152,454
– Impairment losses recognised	1,725	494	2,219
– Write off	–	–	–
– Others	–	–	–
As at 31 December 2025	1,725	152,948	154,673

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2026	1,725	152,948	154,673
– Impairment losses recognised	(451)	(5)	(456)
– Write off	–	–	–
– Others	–	–	–
As at 31 March 2026	1,274	152,943	154,217

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The table below details the credit risk exposures of the Target Group's accounts receivable, which are subject to ECL assessment.

As at 31 December 2023

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount	466,985	177,620	644,605

As at 31 December 2024

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount	703,393	173,877	877,270

As at 31 December 2025

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount	1,197,852	164,493	1,362,345

As at 31 March 2026

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount	1,010,291	164,962	1,175,253

24 REVERSE REPURCHASE AGREEMENTS

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed by collateral type:				
– Stock	724,905	580,865	543,043	543,043
– Bonds	237,372	368,015	200,180	421,660
Subtotal	962,277	948,880	743,223	964,703
Less: impairment allowance	(467,681)	(580,865)	(543,043)	(543,043)
Total	494,596	368,015	200,180	421,660
Analysed by market:				
– Stock exchange	962,277	948,880	743,223	964,703
Less: impairment allowance	(467,681)	(580,865)	(543,043)	(543,043)
Total	494,596	368,015	200,180	421,660

The reverse repurchase agreements are those resale agreements that qualified investors entered into with the Target Group with a commitment to purchase the specified assets at a future date at an agreed price.

The following tables show reconciliation of loss allowances that have been recognised for financial assets (collateralised by stock) held under resale agreements.

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2023	822	–	439,061	439,883
– Impairment losses recognised	10	–	28,300	28,310
– Transfer out	(512)	–	–	(512)
As at 31 December 2023	320	–	467,361	467,681

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2024	320	–	467,361	467,681
– Impairment losses recognised	–	–	113,504	113,504
– Transfer out	(320)	–	–	(320)
As at 31 December 2024	–	–	580,865	580,865

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2025	–	–	580,865	580,865
– Impairment losses recognised	–	–	–	–
– Transfer out	–	–	(37,822)	(37,822)
As at 31 December 2025	–	–	543,043	543,043

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2026	–	–	543,043	543,043
– Impairment losses recognised	–	–	–	–
– Transfer out	–	–	–	–
As at 31 March 2026	–	–	543,043	543,043

The table below details the credit risk exposures of the Target Group's reverse repurchase agreements, which are subject to ECL assessment.

As at 31 December 2023

	12m ECL *RMB'000*	**Lifetime ECL (not credit-impaired)** *RMB'000*	**Lifetime ECL (credit-impaired)** *RMB'000*	**Total** *RMB'000*
Item				
– Stock	63,500	–	661,405	724,905
– Bonds	237,372	–	–	237,372
Gross carrying amount	300,872	–	661,405	962,277

As at 31 December 2024

	12m ECL *RMB'000*	**Lifetime ECL (not credit-impaired)** *RMB'000*	**Lifetime ECL (credit-impaired)** *RMB'000*	**Total** *RMB'000*
Item				
– Stock	–	–	580,865	580,865
– Bonds	368,015	–	–	368,015
Gross carrying amount	368,015	–	580,865	948,880

As at 31 December 2025

	12m ECL *RMB'000*	**Lifetime ECL (not credit-impaired)** *RMB'000*	**Lifetime ECL (credit-impaired)** *RMB'000*	**Total** *RMB'000*
Item				
– Stock	–	–	543,043	543,043
– Bonds	200,180	–	–	200,180
Gross carrying amount	200,180	–	543,043	743,223

As at 31 March 2026

	12m ECL *RMB'000*	**Lifetime ECL (not credit-impaired)** *RMB'000*	**Lifetime ECL (credit-impaired)** *RMB'000*	**Total** *RMB'000*
Item				
– Stock	–	–	543,043	543,043
– Bonds	421,660	–	–	421,660
Gross carrying amount	421,660	–	543,043	964,703

25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed by type:				
– Debt securities	7,230,699	11,302,662	7,531,992	10,838,999
– Equity securities	2,188,342	1,996,707	2,438,858	2,016,237
– Funds	3,932,469	3,368,820	2,525,735	4,398,645
– Other investments *(Note a)*	2,779,982	2,669,576	3,030,200	4,237,939
Total	16,131,492	19,337,765	15,526,785	21,491,820
Analysed as:				
– Listed *(Note b)*	4,418,138	3,865,031	3,843,697	4,402,977
– Unlisted *(Note c)*	11,713,354	15,472,734	11,683,088	17,088,843
Total	16,131,492	19,337,765	15,526,785	21,491,820

Note a: Other investments mainly represent investments in asset management products, wealth management products issued by banks and private funds.

Note b: Securities and funds traded on stock exchanges are included in the "Listed" category.

Note c: The unlisted debt securities were traded on inter-bank market.

As at 31 March 2026, the carrying amount of financial assets at fair value through profit or loss with restricted sales period or commitment conditions was RMB4,960 million (31 December 2023: RMB865 million, 31 December 2024: RMB1,227 million, 31 December 2025: RMB1,221 million).

26 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed by type:				
– Treasury bonds	9,175,889	7,521,015	2,623,989	2,637,830
– Financial bonds	100,603	316,568	1,334,454	2,389,073
– Corporate bonds	7,447,094	4,916,726	3,939,998	3,935,643
– Medium-term notes	3,791,393	5,894,413	8,282,333	8,290,507
– Other debt securities	830,121	2,189,322	6,594,651	1,508,398
Total	21,345,100	20,838,044	22,775,425	18,761,451
Analysed as:				
– Listed *(Note a)*	6,587,806	4,273,393	3,888,704	3,883,925
– Unlisted *(Note b)*	14,757,294	16,564,651	18,886,721	14,877,526
Total	21,345,100	20,838,044	22,775,425	18,761,451

Note a: Debt securities traded on stock exchanges are included in the "Listed" category.

Note b: The unlisted debt securities were traded on inter-bank market.

As at 31 March 2026, the Target Group's pledged collateral of bonds included in debt instruments at FVOCI in connection with its repurchase agreements amounted to RMB9,935 million (31 December 2023: RMB11,019 million, 31 December 2024: RMB12,999 million, 31 December 2025: RMB9,354 million).

The following table shows reconciliation of loss allowances that have been recognised for debt instruments at FVOCI.

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2023	21,461	–	78,982	100,443
– Transfer to lifetime not credit-impaired	–	–	–	–
– Transfer to lifetime credit-impaired	–	–	–	–
– Impairment losses (reversed)/recognised	(1,808)	–	348	(1,460)
As at 31 December 2023	19,653	–	79,330	98,983

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2024	19,653	–	79,330	98,983
– Transfer to lifetime not credit-impaired	–	–	–	–
– Transfer to lifetime credit-impaired	–	–	–	–
– Impairment losses (reversed)/recognised	(1,759)	–	2,387	628
As at 31 December 2024	17,894	–	81,717	99,611

	12m ECL *RMB'000*	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
As at 1 January 2025	17,894	–	81,717	99,611
– Transfer to lifetime not credit-impaired	–	–	–	–
– Transfer to lifetime credit-impaired	–	–	–	–
– Impairment losses recognised	3,633	–	5,927	9,560
As at 31 December 2025	21,527	–	87,644	109,171

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	21,527	–	87,644	109,171
– Transfer to lifetime not credit-impaired	–	–	–	–
– Transfer to lifetime credit-impaired	–	–	–	–
– Impairment losses reversed	(2,034)	–	–	(2,034)
As at 31 March 2026	19,493	–	87,644	107,137

The table below details the credit risk exposures of the Target Group's debt instruments at FVOCI, which are subject to ECL assessment.

As at 31 December 2023

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount	21,199,319	–	98,391	21,297,710

As at 31 December 2024

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount	20,275,332	–	98,391	20,373,723

As at 31 December 2025

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount	22,626,555	–	97,656	22,724,211

As at 31 March 2026

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount	18,546,090	–	97,656	18,643,746

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27 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed by type:				
– Equity securities	1,546,639	1,924,644	3,140,863	3,284,659
– REITs	–	91,791	116,032	124,524
– Futures membership investment	1,400	1,400	1,400	1,400
Total	1,548,039	2,017,835	3,258,295	3,410,583
Analysed as:				
– Listed	1,505,728	1,983,933	3,241,976	3,397,352
– Unlisted	42,311	33,902	16,319	13,231
Total	1,548,039	2,017,835	3,258,295	3,410,583

As at 31 March 2026, the carrying amount of equity instruments at fair value through other comprehensive income with restricted sales period or commitment conditions was RMB19 million (31 December 2023: RMB5 million, 31 December 2024: Nil, 31 December 2025: RMB21 million).

28 INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

28.1 Structured entities set up and managed by the Target Group

The Target Group served as the investment manager of structured entities (including mutual funds and asset management schemes), therefore had power over them during the Track Record Period. Except for the structured entities the Target Group has consolidated as disclosed in Note 33, based on management assessment, these structured entities are not controlled by the Target Group. The Target Group therefore did not consolidate these structured entities.

The relating asset and fund management fee income for the three months ended 31 March 2026 amounted to RMB19 million (year ended 31 December 2023, 2024, 2025 and for the three months ended 31 March 2025: RMB50 million, RMB75 million, RMB67 million and RMB13 million (unaudited)). The Target Group classified the investments in unconsolidated mutual funds and asset management schemes as financial assets at FVTPL as at 31 December 2023, 2024, 2025 and 31 March 2026.

The table below shows the carrying amount of unconsolidated mutual funds and asset management schemes in which the Target Group acted as investment manager and held interests and its maximum exposure to loss in relation to those interests as at 31 December 2023, 2024, 2025 and 31 March 2026.

As at 31 December 2023

	Carrying amount	Maximum loss exposure
	RMB'000	*RMB'000*
Financial assets at fair value through profit or loss	398,131	398,131

As at 31 December 2024

	Carrying amount *RMB'000*	Maximum loss exposure *RMB'000*
Financial assets at fair value through profit or loss	470,583	470,583

As at 31 December 2025

	Carrying amount *RMB'000*	Maximum loss exposure *RMB'000*
Financial assets at fair value through profit or loss	289,116	289,116

As at 31 March 2026

	Carrying amount *RMB'000*	Maximum loss exposure *RMB'000*
Financial assets at fair value through profit or loss	385,206	385,206

28.2 Structured entities set up and managed by third party institutions in which the Target Group holds an interest

The types of structured entities that the Target Group does not consolidate but in which it holds an interest mainly include mutual 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 table below shows the carrying amount of unconsolidated mutual funds, asset management schemes, trust schemes and wealth management products in which the third party acted as investment manager and the Target Group held interests and its maximum exposure to loss in relation to those interests as at 31 December 2023, 2024, 2025 and 31 March 2026.

As at 31 December 2023

	Carrying amount *RMB'000*	Maximum loss exposure *RMB'000*
Financial assets at fair value through profit or loss	6,312,745	6,312,745

As at 31 December 2024

	Carrying amount *RMB'000*	Maximum loss exposure *RMB'000*
Financial assets at fair value through profit or loss	5,567,813	5,567,813
Equity instruments at fair value through other comprehensive income	91,791	91,791
Total	5,659,604	5,659,604

As at 31 December 2025

	Carrying amount *RMB'000*	Maximum Loss exposure *RMB'000*
Financial assets at fair value through profit or loss	5,266,820	5,266,820
Equity instruments at fair value through other comprehensive income	116,032	116,032
Total	5,382,852	5,382,852

As at 31 March 2026

	Carrying amount *RMB'000*	Maximum Loss exposure *RMB'000*
Financial assets at fair value through profit or loss	8,251,128	8,251,128
Equity instruments at fair value through other comprehensive income	124,524	124,524
Total	8,375,652	8,375,652

29 RIGHT-OF-USE ASSETS

	Buildings *RMB'000*
Cost	
As at 1 January 2023	529,347
Additions	27,771
Deductions	(43,848)
As at 31 December 2023 and 1 January 2024	513,270
Additions	57,263
Deductions	(213,997)
As at 31 December 2024 and 1 January 2025	356,536
Additions	57,883
Deductions	(67,906)
As at 31 December 2025 and 1 January 2026	346,513
Additions	14,381
Deductions	(11,015)
As at 31 March 2026	349,879
Accumulated depreciation	
As at 1 January 2023	252,326
Charge for the year	82,368
Deductions	(34,162)
As at 31 December 2023 and 1 January 2024	300,532
Charge for the year	90,181
Deductions	(211,698)

	Buildings *RMB'000*
As at 31 December 2024 and 1 January 2025	179,015
Charge for the year	78,395
Deductions	(63,457)
As at 31 December 2025 and 1 January 2026	193,953
Charge for the period	18,330
Deductions	(10,826)
As at 31 March 2026	201,457
Carrying values	
As at 31 December 2023	212,738
As at 31 December 2024	177,521
As at 31 December 2025	152,560
As at 31 March 2026	148,422

30 INVESTMENT PROPERTIES

	As at 31 December			As at 31 March
	2023 *RMB'000*	**2024** *RMB'000*	**2025** *RMB'000*	**2026** *RMB'000*
Cost				
At the beginning of the year	84,125	84,125	84,125	84,125
Transfer during the year/period	–	–	–	–
Disposal	–	–	–	–
At the end of the year/period	84,125	84,125	84,125	84,125
Accumulated depreciation				
At the beginning of the year	36,113	38,368	40,623	42,878
Charge for the year/period	2,255	2,255	2,255	563
Transfer during the year/period	–	–	–	–
Disposal	–	–	–	–
At the end of the year/period	38,368	40,623	42,878	43,441
Carrying values				
At the beginning of the year	48,012	45,757	43,502	41,247
At the end of the year/period	45,757	43,502	41,247	40,684

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31 PROPERTY AND EQUIPMENT

	Leasehold land and buildings RMB'000	Machinery and equipment RMB'000	Electronic equipment RMB'000	Communication equipment RMB'000	Motor vehicles RMB'000	Other equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost									
As at 1 January 2023	227,871	17,702	276,579	1,080	11,233	11,924	247,247	16,299	809,935
Additions	–	353	86,035	1	840	797	14,020	57,373	159,419
Disposals	–	(716)	(27,097)	(20)	(1,247)	(2,298)	–	(3,744)	(35,122)
Transfer during the year	–	227	18,030	–	–	6	–	(18,263)	–
At 31 December 2023 and 1 January 2024	227,871	17,566	353,547	1,061	10,826	10,429	261,267	51,665	934,232
Additions	–	425	24,815	–	483	334	70,464	20,582	117,103
Disposals	–	(598)	(12,410)	(10)	(211)	(367)	–	(65,059)	(78,655)
Transfer during the year	–	–	3,577	–	–	–	–	(3,577)	–
At 31 December 2024 and 1 January 2025	227,871	17,393	369,529	1,051	11,098	10,396	331,731	3,611	972,680
Additions	–	221	29,119	–	–	290	8,010	6,152	43,792
Disposals	–	(1,916)	(7,425)	(205)	(1,873)	(711)	–	(6,655)	(18,785)
Transfer during the year	–	–	1,702	–	–	23	–	(1,725)	–
Acquisition through business combination	–	–	1,241	–	–	188	–	–	1,429
At 31 December 2025 and 1 January 2026	227,871	15,698	394,166	846	9,225	10,186	339,741	1,383	999,116
Additions	–	10	5,329	–	–	32	184	23,219	28,774
Disposals	–	(11)	(80,304)	–	–	(15)	–	(184)	(80,514)
Transfer during the period	–	–	–	–	–	–	–	–	–
As at 31 March 2026	227,871	15,697	319,191	846	9,225	10,203	339,925	24,418	947,376
Accumulated depreciation									
As at 1 January 2023	112,944	15,351	207,631	1,019	8,681	8,707	205,432	–	559,765
Charge for the year	6,023	548	34,343	3	876	519	15,381	–	57,693
Disposals	–	(680)	(24,805)	(19)	(1,185)	(1,681)	–	–	(28,370)
Transfer during the year	–	–	–	–	–	–	–	–	–
At 31 December 2023 and 1 January 2024	118,967	15,219	217,169	1,003	8,372	7,545	220,813	–	589,088
Charge for the year	6,022	566	42,280	3	712	508	19,828	–	69,919
Disposals	–	(556)	(4,297)	(8)	(200)	(340)	–	–	(5,401)
Transfer during the year	–	–	–	–	–	–	–	–	–
At 31 December 2024 and 1 January 2025	124,989	15,229	255,152	998	8,884	7,713	240,641	–	653,606
Charge for the year	6,023	529	42,139	2	466	534	28,875	–	78,568
Disposals	–	(1,828)	(6,635)	(198)	(1,780)	(637)	–	–	(11,078)
Transfer during the year	–	–	–	–	–	–	–	–	–

	Leasehold land and buildings	Machinery and equipment	Electronic equipment	Communication equipment	Motor vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025 and 1 January 2026	131,012	13,930	290,656	802	7,570	7,610	269,516	–	721,096
Charge for the period	1,505	110	11,075	–	117	113	5,799	–	18,719
Disposals	–	(10)	(76,355)	–	–	(14)	–	–	(76,379)
Transfer during the period	–	–	–	–	–	–	–	–	–
As at 31 March 2026	132,517	14,030	225,376	802	7,687	7,709	275,315	–	663,436
Carrying values									
As at 31 December 2023	108,904	2,347	136,378	58	2,454	2,884	40,454	51,665	345,144
As at 31 December 2024	102,882	2,164	114,377	53	2,214	2,683	91,090	3,611	319,074
As at 31 December 2025	96,859	1,768	103,510	44	1,655	2,576	70,225	1,383	278,020
As at 31 March 2026	95,354	1,667	93,815	44	1,538	2,494	64,610	24,418	283,940

32 OTHER INTANGIBLE ASSETS

	Trading rights	Computer software	Futures Brokerage Qualification	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost					
As at 1 January 2023	35,607	224,090	2,949	1,748	264,394
Additions	–	97,987	–	–	97,987
Disposals	–	–	–	–	–
As at 31 December 2023 and 1 January 2024	35,607	322,077	2,949	1,748	362,381
Additions	–	70,124	–	–	70,124
Disposals	–	–	–	–	–
As at 31 December 2024 and 1 January 2025	35,607	392,201	2,949	1,748	432,505
Additions	–	35,788	–	–	35,788
Acquisition through business combination	–	8,479	–	–	8,479
Disposals	–	–	–	–	–
As at 31 December 2025 and 1 January 2026	35,607	436,468	2,949	1,748	476,772
Additions	–	1,782	–	–	1,782
Disposals	–	–	–	–	–
As at 31 March 2026	35,607	438,250	2,949	1,748	478,554

	Trading rights *RMB'000*	Computer software *RMB'000*	Futures Brokerage Qualification *RMB'000*	Others *RMB'000*	Total *RMB'000*
Accumulated depreciation					
As at 1 January 2023	35,607	201,352	–	1,748	238,707
Charge for the year	–	40,976	–	–	40,976
Disposals	–	–	–	–	–
As at 31 December 2023 and 1 January 2024	35,607	242,328	–	1,748	279,683
Charge for the year	–	47,594	–	–	47,594
Disposals	–	–	–	–	–
As at 31 December 2024 and 1 January 2025	35,607	289,922	–	1,748	327,277
Charge for the year	–	57,821	–	–	57,821
Disposals	–	–	–	–	–
As at 31 December 2025 and 1 January 2026	35,607	347,743	–	1,748	385,098
Charge for the period	–	13,460	–	–	13,460
Disposals	–	–	–	–	–
As at 31 March 2026	35,607	361,203	–	1,748	398,558
Carrying values					
As at 31 December 2023	–	79,749	2,949	–	82,698
As at 31 December 2024	–	102,279	2,949	–	105,228
As at 31 December 2025	–	88,725	2,949	–	91,674
As at 31 March 2026	–	77,047	2,949	–	79,996

33 PARTICULARS OF SUBSIDIARIES OF THE TARGET COMPANY

At the end of each reporting period, the Target Company has the following subsidiaries comprising the Target Group:

					Equity interests held by the Target Group					
			Place of incorporation/ establishment/ operations	Registered and paid-up capital	As at 31 December			As at 31 March		
Name of subsidiaries	**Type of legal entity registered**	**Date of establishment**			**2023**	**2024**	**2025**	**2026**	**Principal activities**	**Name of auditor**
				RMB'000						
海證期貨有限公司 Hicend Futures Co., Ltd.*	Limited liability company	14 December 1995	PRC	1,500,000	100%	100%	100%	100%	Futures brokerage	2023, 2024 and 2025: KPMG Huazhen LLP
新疆前海聯合基金管理有限公司 Xinjiang Qianhai Alliance Asset Management Co., Ltd.* ("Qianhai Alliance ")	Limited liability company	7 August 2015	PRC	400,000	–	–	100%	100%	Fund management	2025: KPMG Huazhen LLP
上海海證風險管理有限公司 Shanghai Hicend Risk Management Co., Ltd.*	Limited liability company	26 March 2021	PRC	500,000	100%	100%	100%	100%	Investment management, industrial investment, enterprise management consulting financial consulting, etc.	2023, 2024 and 2025: KPMG Huazhen LLP

* These subsidiaries do not have official English names. English translated names are for identification only.

Interests in consolidated structured entities

The Target Group has consolidated certain structured entities including asset management schemes. For the asset management schemes where the Target Group involves as manager or as investor, the Target Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the structured entities that is of such significance and indicates that the Target Group is a principal.

The total assets of the consolidated asset management schemes amounted to RMB1,830 million as at 31 March 2026 (31 December 2023, 2024, 2025: RMB269 million, RMB447 million, RMB1,132 million).

Interests in all consolidated asset management schemes held by the Target Group amounted to fair value of RMB1,557 million as at 31 March 2026 (31 December 2023, 2024, 2025: RMB268 million, RMB447 million, RMB1,036 million). The Target Group held no interest in the subordinated tranche of these structured products in 31 December 2023, 2024, 2025 and 31 March 2026.

Interests held by other interest holders are included in financial liabilities designated at FVTPL.

34 GOODWILL

Impairment testing on goodwill

For the purpose of impairment testing, goodwill is related to three individual cash-generating units (CGUs), including Hicend Futures Co., Ltd. acquired by the Target Company ("Unit A"), Qianhai Alliance acquired by the Target Company ("Unit B") and Zhongfu Securities Co., Ltd. acquired by the Target Company ("Unit C"). The carrying amounts of goodwill as at 31 December 2023, 2024, 2025 and 31 March 2026 relevant to these units are as follows:

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost				
Unit A – Hicend Futures Co., Ltd. *(Note a)*	14,716	14,716	14,716	14,716
Unit B – Qianhai Alliance *(Note b)*	–	–	249,002	249,002
Unit C – Zhongfu Securities Co., Ltd.	3,443	3,443	3,443	3,443
Less: Accumulated impairment				
Unit C – Zhongfu Securities Co., Ltd.	(3,443)	(3,443)	(3,443)	(3,443)
Total	14,716	14,716	263,718	263,718

As at 31 December 2023, 2024, 2025 and 31 March 2026, the Target Group recognised accumulated impairment provision of RMB3,443 thousand against the carrying amount of goodwill of the CGU of Unit C. Other than the above, goodwill was tested for impairment and there was no impairment as at 31 December 2023, 2024, 2025 and 31 March 2026.

Note a: The Target Company acquired 100% of the equity interests in Unit A (previously known as Shanghai Shiyou Futures Brokerage Co., Ltd.) in November 2007. The Target Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the CGU of Unit A.

As at 31 December 2023, 2024, 2025 and 31 March 2026, the estimated recoverable amount of the CGU of Unit A exceeded their carrying amount therefore no impairment loss was recognised. The key assumptions include budgeted revenue growth rates and discount rates, which represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Note b: On 17 October 2025, the Target Company acquired 100% of the equity interests in Unit B and became its controlling shareholder. The goodwill arising from the acquisition resulted from the overall business value of Unit B. Therefore, the Target Group allocated the goodwill to Unit B as a whole for impairment testing.

As at 31 March 2026 and 31 December 2025, the Target Group determined the recoverable amount of goodwill based on value-in-use calculations. The Target Group adopted a forecast period of seven years. The calculations use cash flow projections with reference to financial budgets approved by management covering certain period and the applicable discount rate. The years beyond the financial budgets are regarded as the steady state period, and the cash flows after the forecast period are extrapolated based on a stable growth rate and terminal value.

The pre-tax discount rate applied to the cash flow projections was 15.29% as at 31 March 2026 (15.41% as at 31 December 2025), and the steady-state growth rate was 0% as at 31 March 2026 (0% as at 31 December 2025). The aforesaid discount rate and steady-state growth rate reflect the specific risks and long-term growth prospects of the relevant CGU. 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. No impairment loss was recognised for the above asset group.

35 DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	209,245	20,545	88,394	46,747
Deferred tax liabilities	(112)	(6,671)	(3,876)	(5,209)
Total	209,133	13,874	84,518	41,538

The following are the major deferred tax assets and liabilities recognised and movements during the Track Record Period:

	Financial instrument at FVTPL and derivatives	Accrued staff cost	Financial instruments at FVOCI	Allowance for impairment losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	48,004	60,713	27,353	149,974	(23,953)	262,091
(Charge)/credit to profit or loss	(6,644)	(25,317)	(365)	7,062	(2,208)	(27,472)
(Charge)/credit to other comprehensive income	–	–	(21,256)	–	–	(21,256)
Transfer out upon disposal of equity instruments at FVOCI	–	–	(4,230)	–	–	(4,230)
Others	–	–	–	–	–	–
As at 31 December 2023	41,360	35,396	1,502	157,036	(26,161)	209,133

	Financial instrument at FVTPL and derivatives	Accrued staff cost	Financial instruments at FVOCI	Allowance for impairment losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	41,360	35,396	1,502	157,036	(26,161)	209,133
(Charge)/credit to profit or loss	(83,111)	52,557	157	31,188	6,611	7,402
(Charge)/credit to other comprehensive income	–	–	(201,052)	–	–	(201,052)
Transfer out upon disposal of equity instruments at FVOCI	–	–	(1,609)	–	–	(1,609)
Others	–	–	–	–	–	–
As at 31 December 2024	(41,751)	87,953	(201,002)	188,224	(19,550)	13,874
As at 1 January 2025	(41,751)	87,953	(201,002)	188,224	(19,550)	13,874
(Charge)/credit to profit or loss	(8,040)	62,629	2,390	(6,790)	(30,616)	19,573
Credit/(charge) to other comprehensive income	–	–	35,237	–	–	35,237
Transfer out upon disposal of equity instruments at FVOCI	–	–	15,465	–	–	15,465
Others	(33)	–	–	–	402	369
As at 31 December 2025	(49,824)	150,582	(147,910)	181,434	(49,764)	84,518
As at 1 January 2026	(49,824)	150,582	(147,910)	181,434	(49,764)	84,518
Credit/(charge) to profit or loss	11,705	(12,610)	(509)	(519)	14,935	13,002
(Charge)/credit to other comprehensive income	–	–	(54,792)	–	–	(54,792)
Transfer out upon disposal of equity instruments at FVOCI	–	–	(1,190)	–	–	(1,190)
Others	–	–	–	–	–	–
As at 31 March 2026	(38,119)	137,972	(204,401)	180,915	(34,829)	41,538

36 OTHER ASSETS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Warehouse receipts at fair value	244,489	410,618	750,409	1,011,308
Deductible VAT	24,150	38,896	41,220	51,978
Prepayments	39,544	28,808	38,051	43,643
Others	133,692	43,701	56,928	38,396
Total	441,875	522,023	886,608	1,145,325

37 PLACEMENTS FROM BANKS AND FINANCIAL INSTITUTIONS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Placements from banks *(Note a)*	5,001,541	4,291,088	6,000,575	3,500,570
Placements from China Securities Finance Corporation Limited *(Note b)*	–	–	503,967	502,058
Total	5,001,541	4,291,088	6,504,542	4,002,628

Note a: As at 31 March 2026, the effective interest rates bearing on the outstanding amount of placements from banks ranged from 1.38% to 1.44% (31 December 2023, 2024, 2025: 1.95% to 2.40%, 1.55% to 2.09%, 1.30% to 1.86%) per annum. The amount of placements from banks was repayable within one month from the end of the reporting period.

Note b: As at 31 March 2026, the effective interest rate of placements from China Securities Finance Corporation Limited was 1.90% (31 December 2025: 1.68%) per annum. The amount of placements from China Securities Finance Corporation Ltd. was repayable within six months (31 December 2025: within one month) from the end of the reporting period.

38 SHORT-TERM DEBT INSTRUMENTS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term bonds *(Note a)*	3,019,492	2,509,220	2,014,243	2,001,002
Income certificates *(Note b)*	–	576,237	5,108,449	2,114,557
Total	3,019,492	3,085,457	7,122,692	4,115,559

Note a: Short-term bonds include outstanding short-term corporate bonds and short-term financing notes. As at 31 March 2026, the yield of the outstanding short-term bonds was 1.63% per annum (31 December 2023, 2024, 2025: 2.31%-2.66%, 1.89%-2.09%, 1.60%-1.61%).

Note b: As at 31 March 2026, the yields of outstanding income certificates ranged from 1.90%-2.10% per annum (31 December 2024, 2025: 2.30%-2.50%, 1.80%-2.10%).

39 ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

The Target Group maintains segregated deposit accounts with banks and authorised institutions to hold cash on behalf of customers arising from its normal course of business. The Target Group has recorded the related amounts as cash held on behalf of customers and the corresponding liabilities as accounts payable to brokerage customers on the grounds that it is liable for any loss or misappropriation of its brokerage clients' monies. The use of cash held on behalf of customers for security and the settlement of their transactions are restricted and governed by relevant third-party deposit regulations issued by the China Securities Regulatory Commission (CSRC).

40 REPURCHASE AGREEMENTS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed by collateral type				
– Bonds	10,504,961	14,677,530	9,224,610	12,970,738
– Advances to customers	1,599,443	500,177	1,400,968	350,246
Total	12,104,404	15,177,707	10,625,578	13,320,984
Analysed by market				
– Stock exchanges	3,503,600	3,223,239	1,493,580	1,868,313
– Inter-bank market	7,001,361	11,454,291	7,731,030	11,102,425
– Over the counter	1,599,443	500,177	1,400,968	350,246
Total	12,104,404	15,177,707	10,625,578	13,320,984

41 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Debt securities	–	–	99,444	–
Designated at fair value through profit or loss				
– Interests attributable to other holders of consolidated structured entities *(Note a)*	–	–	95,115	271,932
– Income certificates *(Note b)*	253,715	327,895	–	–
Total	253,715	327,895	194,559	271,932

Note a: Interests attributable to other holders of consolidated structured entities consist of third-party unit holders' interests in these consolidated structured entities which are recognised as a liability since the Target Group has the obligation to pay other investors upon the maturity dates of the structured entities based on the net asset value and related terms of those consolidated structured entities.

Note b: The income certificates were hybrid contracts containing embedded derivatives.

42 CONTRACT LIABILITIES

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance fee and commission	21	7,406	3,804	3,767

43 EMPLOYEE BENEFITS PAYABLE

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, bonus and allowances	153,858	354,067	610,308	561,617
Social welfares	8,307	7,330	7,198	7,113
Annuity schemes	–	–	–	3,900
Total	162,165	361,397	617,506	572,630

44 BORROWINGS

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unsecured short-term borrowings repayable within one year	30,032	50,039	44,034	30,023

45 LEASE LIABILITIES

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year	79,239	76,259	57,384	76,098
Within a period of more than one year but not more than five years	152,109	115,956	106,526	79,219
Within a period of more than five years	2,551	1,943	–	–
Total	233,899	194,158	163,910	155,317

46 DEBT SECURITIES ISSUED

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Corporate bonds	13,162,274	13,164,046	15,047,497	19,096,085

Note a: As at 31 December 2023, 2024, 2025 and 31 March 2026, there were no defaults in the payment of principal, interest or redemption payments on debt securities issued by the Target Group.

As at 31 December 2023

Issues	Currency	Issue amount *(Original currency in million)*	Issue amount *(RMB in million)*	Issue date	Maturity date	Coupon rate
22 SHANGZHENG 01	RMB	3,200	3,200	2022.01	2025.01	2.99%
22 SHANGZHENG 02	RMB	1,200	1,200	2022.08	2025.08	2.75%
22 SHANGZHENG 03	RMB	1,800	1,800	2022.08	2027.08	3.19%
22 SHANGZHENG 04	RMB	1,400	1,400	2022.09	2027.09	3.16%
22 SHANGZHENG 05	RMB	1,000	1,000	2022.11	2025.11	2.70%
23 SHANGZHENG 01	RMB	1,400	1,400	2023.05	2028.05	2.99%
23 SHANGZHENG 02	RMB	3,000	3,000	2023.12	2026.12	3.08%
Total			13,000			

As at 31 December 2024

Issues	Currency	Issue amount *(Original currency in million)*	Issue amount *(RMB in million)*	Issue date	Maturity date	Coupon rate
22 SHANGZHENG 01	RMB	3,200	3,200	2022.01	2025.01	2.99%
22 SHANGZHENG 02	RMB	1,200	1,200	2022.08	2025.08	2.75%
22 SHANGZHENG 03	RMB	1,800	1,800	2022.08	2027.08	3.19%
22 SHANGZHENG 04	RMB	1,400	1,400	2022.09	2027.09	3.16%
22 SHANGZHENG 05	RMB	1,000	1,000	2022.11	2025.11	2.70%
23 SHANGZHENG 01	RMB	1,400	1,400	2023.05	2028.05	2.99%
23 SHANGZHENG 02	RMB	3,000	3,000	2023.12	2026.12	3.08%
Total			13,000			

As at 31 December 2025

Issues	Currency	Issue amount *(Original currency in million)*	Issue amount *(RMB in million)*	Issue date	Maturity date	Coupon rate
22 SHANGZHENG 03	RMB	1,800	1,800	2022.08	2027.08	3.19%
22 SHANGZHENG 04	RMB	1,400	1,400	2022.09	2027.09	3.16%
23 SHANGZHENG 01	RMB	1,400	1,400	2023.05	2028.05	2.99%
23 SHANGZHENG 02	RMB	3,000	3,000	2023.12	2026.12	3.08%
25 SHANGZHENG 01	RMB	3,200	3,200	2025.01	2028.01	1.88%
25 SHANGZHENG 02	RMB	1,600	1,600	2025.04	2028.04	2.05%
25 SHANGZHENG 03	RMB	2,500	2,500	2025.11	2028.11	1.93%
Total			14,900			

As at 31 March 2026

Issues	Currency	Issue amount *(Original currency in million)*	Issue amount *(RMB in million)*	Issue date	Maturity date	Coupon rate
22 SHANGZHENG 03	RMB	1,800	1,800	2022.08	2027.08	3.19%
22 SHANGZHENG 04	RMB	1,400	1,400	2022.09	2027.09	3.16%
23 SHANGZHENG 01	RMB	1,400	1,400	2023.05	2028.05	2.99%
23 SHANGZHENG 02	RMB	3,000	3,000	2023.12	2026.12	3.08%
25 SHANGZHENG 01	RMB	3,200	3,200	2025.01	2028.01	1.88%
25 SHANGZHENG 02	RMB	1,600	1,600	2025.04	2028.04	2.05%
25 SHANGZHENG 03	RMB	2,500	2,500	2025.11	2028.11	1.93%
26 SHANGZHENG 01	RMB	4,000	4,000	2026.01	2029.01	1.96%
Total			18,900			

47 OTHER LIABILITIES

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accounts payable to the futures brokerage clients	9,739,546	11,400,873	13,993,268	19,186,022
Settlement payables	422,372	643,527	1,028,035	848,490
Notes payable	54,000	168,700	588,900	686,250
Accounts payable arising from warehouse receipt pledge	150,512	236,504	226,586	346,412
Derivatives margin	234,726	193,684	106,878	169,891
Derivative deposits received from clients	70,782	28,227	85,790	103,598
Futures risk reserve	54,668	66,994	78,941	83,852
Non-monetary offset against treasury futures margin	48,383	81,586	80,657	80,807
Commission and fee payable	12,855	17,077	34,973	35,355
Advance receipts	20,379	4,852	8,978	9,991
Payables for securities and futures investor protection fund	3,677	7,170	7,147	1,932
Value-added taxes and other taxes	26,160	53,136	23,507	18,519
Others	87,939	86,446	221,327	261,692
Total	10,925,999	12,988,776	16,484,987	21,832,811

KPMG

48 PAID-IN CAPITAL

The Target Company's Paid-in capital are as follows:

	Amount *RMB'000*
As at 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026, 31 March 2026:	
Bailian Group Co., Ltd.* 百聯集團有限公司	2,663,266
Guotai Haitong Securities Co., Ltd.* 國泰海通證券股份有限公司	1,331,100
Shanghai International Group Investment Co., Ltd.* 上海國際集團投資有限公司	870,000
Shanghai International Group Co., Ltd.* 上海國際集團有限公司	408,900
Shanghai Chengtou (Group) Co., Ltd.* 上海城投(集團)有限公司	53,266
Total	5,326,532

Among the aforementioned paid-in capital, there is foreign currency investment of 5 million US dollars, converted at an exchange rate of 8.2781, equivalent to RMB41.3905 million.

The aforementioned paid-in capital has been verified by an accounting firm and a relevant capital verification report has been issued.

49 RESERVES

(1) Capital reserve

Capital reserve mainly includes capital premium and other capital reserve. Other capital reserve refer to the difference between the long-term equity investment newly obtained by the Target Company due to the purchase of minority equity of Haiji Daiwa Securities Co., Ltd.* 海際大和證券有限責任公司 (once a subsidiary of the Target Company) and the share of net assets of the subsidiary calculated continuously since the purchase date calculated according to the newly increased shareholding ratio.

The movements of the capital reserve of the Target Group are set out below:

	Capital premium *RMB'000*	Other capital reserve *RMB'000*	Total *RMB'000*
As at 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026, 31 March 2026	7,763,926	12,716	7,776,642

(2) Surplus reserve

The surplus reserve includes statutory surplus reserve and discretionary surplus reserve.

Pursuant to the *Company Law of the PRC* (《中華人民共和國公司法》), 10% of the net profit of the Target Company plus the gains or losses transferred to retained earnings from the disposal of equity instruments at FVOCI, as determined under the relevant accounting rules in the PRC, is required to be transferred to the statutory surplus reserve until such time when this reserve reaches 50% of the paid-in capital of the Target Company.

* *For identification purposes only*

	Opening *RMB'000*	Addition *RMB'000*	Closing *RMB'000*
Statutory reserve	963,611	27,334	990,945
Discretionary reserve	–	–	–
For the year ended 31 December 2023	963,611	27,334	990,945
Statutory reserve	990,945	85,700	1,076,645
Discretionary reserve	–	–	–
For the year ended 31 December 2024	990,945	85,700	1,076,645
Statutory reserve	1,076,645	127,987	1,204,632
Discretionary reserve	–	–	–
For the year ended 31 December 2025	1,076,645	127,987	1,204,632
Statutory reserve	1,204,632	–	1,204,632
Discretionary reserve	–	–	–
For the three months ended 31 March 2026	1,204,632	–	1,204,632

(3) General reserve

The general reserve includes general risk reserve and transaction risk reserve.

In accordance with the *Financial Rules for Financial Enterprises* (《金融企業財務規則》) issued by the Ministry of Finance of the PRC, the Target Company is required to appropriate 10% of the net profit of the Target Company plus the gains or losses transferred to retained earnings from the disposal of equity instruments at FVOCI derived in accordance with the relevant accounting rules in the PRC before distribution to shareholders as general risk reserve from retained earnings.

Pursuant to the *Securities Law of the PRC* (《中華人民共和國證券法》), the Target Company is required to appropriate 10% of the net profit derived in accordance with the relevant accounting rules in the PRC before distribution to shareholders as transaction risk reserve from retained earnings and cannot be distributed or transferred to the paid-in capital.

General reserves for the Target Company's subsidiaries are appropriated according to relevant requirements.

The movements of general reserve of the Target Group are set out below:

	Opening *RMB'000*	Addition *RMB'000*	Closing *RMB'000*
General risk reserve	988,507	34,562	1,023,069
Transaction risk reserve	958,032	27,334	985,366
For the year ended 31 December 2023	1,946,539	61,896	2,008,435
General risk reserve	1,023,069	92,830	1,115,899
Transaction risk reserve	985,366	86,789	1,072,155
For the year ended 31 December 2024	2,008,435	179,619	2,188,054

	Opening *RMB'000*	Addition *RMB'000*	Closing *RMB'000*
General risk reserve	1,115,899	139,900	1,255,799
Transaction risk reserve	1,072,155	126,897	1,199,052
For the year ended 31 December 2025	2,188,054	266,797	2,454,851
General risk reserve	1,255,799	1,231	1,257,030
Transaction risk reserve	1,199,052	–	1,199,052
For the three months ended 31 March 2026	2,454,851	1,231	2,456,082

(4) Investment revaluation reserve

The movements of the investment revaluation reserve of the Target Group are set out below:

	Year ended 31 December			Three months ended 31 March	
	2023 *RMB'000*	**2024** *RMB'000*	**2025** *RMB'000*	**2025** *RMB'000* *(Unaudited)*	**2026** *RMB'000*
At the beginning of the year/period	(6,725)	69,734	677,715	677,715	525,610
Equity instruments at FVOCI:					
Net fair value changes during the year/period	63,471	386,645	262,601	27,806	154,711
Income tax related to net fair value changes during the year/period	(15,868)	(96,661)	(65,650)	(6,952)	(38,678)
Debt instruments at FVOCI:					
Net fair value changes during the year/period	198,915	739,076	(164,732)	(209,637)	66,491
Income tax related to net fair value changes during the year/period	(49,729)	(184,769)	41,183	52,409	(16,623)
Reclassification adjustment to profit or loss on disposal	(175,900)	(322,144)	(248,375)	(200,114)	–
Reclassification adjustment to profit or loss on expected credit loss	(1,460)	628	9,560	753	(2,034)
Income tax related to reclassification adjustment to profit or loss during the year/period	44,340	80,379	59,704	49,840	509
Transfer to retained earnings for cumulative fair value change of equity instruments at FVOCI upon disposal	12,690	4,827	(46,396)	419	3,569
At the end of the year/period	69,734	677,715	525,610	392,239	693,555

50 RETAINED EARNINGS

The movements of retained earnings of the Target Group are set out below:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	1,050,065	1,193,378	1,759,693	2,516,799
Profit for the year/period	353,233	953,461	1,323,494	151,329
Appropriation to surplus reserve	(27,334)	(85,700)	(127,987)	–
Appropriation to general reserve	(61,896)	(179,619)	(266,797)	(1,231)
Dividends recognised as distribution	(108,000)	(117,000)	(218,000)	–
Cumulative fair value change transfer to retained earnings upon disposal of equity instruments at FVOCI	(12,690)	(4,827)	46,396	(3,569)
At the end of the year/period	1,193,378	1,759,693	2,516,799	2,663,328

51 TRANSFERS OF FINANCIAL ASSETS

Securities lending arrangement

The Target Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as FVTPL, which are secured by client's securities and deposits held as collateral. 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 the obligations to return these securities to the Target Group at specified future dates. The Target Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised these securities in the consolidated financial statements.

Repurchase agreements

Sales and repurchase agreements are transactions in which the Target Group sells a financial asset and simultaneously agrees to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase price is fixed and the Target Group is still exposed to substantially all the risks and rewards of the financial asset sold. The financial asset is not derecognised from the consolidated financial statements but is regarded as "collateral" for the liabilities because the Target Group retains substantially all the risks and rewards of the financial asset. A financial liability is recognised for cash received.

The following tables provide a summary of carrying amounts of transferred financial assets that are not derecognised in their entirety and the associated liabilities:

As at 31 December 2023

	Financial assets at FVTPL	Debt instruments at FVOCI	Advances to customers	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Securities lending	Repurchase agreements	Repurchase agreements	
Carrying amount of transferred assets	24,055	–	1,653,720	1,677,775
Carrying amount of associated liabilities	–	–	(1,599,443)	(1,599,443)

As at 31 December 2024

	Financial assets at FVTPL *RMB'000* **Securities lending**	Debt instruments at FVOCI *RMB'000* **Repurchase agreements**	Advances to customers *RMB'000* **Repurchase agreements**	Total *RMB'000*
Carrying amount of transferred assets	17,059	–	584,528	601,587
Carrying amount of associated liabilities	–	–	(500,177)	(500,177)

As at 31 December 2025

	Financial assets at FVTPL *RMB'000* **Securities lending**	Debt instruments at FVOCI *RMB'000* **Repurchase agreements**	Advances to customers *RMB'000* **Repurchase agreements**	Total *RMB'000*
Carrying amount of transferred assets	21,783	–	1,526,634	1,548,417
Carrying amount of associated liabilities	–	–	(1,400,968)	(1,400,968)

As at 31 March 2026

	Financial assets at FVTPL *RMB'000* **Securities lending**	Debt instruments at FVOCI *RMB'000* **Repurchase agreements**	Advances to customers *RMB'000* **Repurchase agreements**	Total *RMB'000*
Carrying amount of transferred assets	18,567	–	370,640	389,207
Carrying amount of associated liabilities	–	–	(350,246)	(350,246)

52 COMMITMENTS AND CONTINGENCIES

As of 31 December 2023, 2024, 2025 and 31 March 2026, there were no significant commitments or contingencies.

53 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(1) **Relationship of related parties**

Controlling shareholder of the Target Company

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
Bailian Group Co., Ltd.	50.00%	50.00%	50.00%	50.00%

Other related parties

Other related parties can be individuals or enterprises, which include: non-controlling shareholders, members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

(2) **Related party transaction and balances**

Transactions between the Target Group and controlling shareholder and entities under its control:

Balance of related parties:

	As at 31 December			As at 31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	130,043	108,096	75,252	67,273
Right-of-use assets	111,231	90,356	62,361	56,262
Accounts payable to brokerage clients	5,443	13,180	35,797	34,553
Other receivables	3,462	3,462	3,727	3,727
Other liabilities	3,004	2,930	2,943	6,175
Property and equipment	408	1,494	272	–
Accounts receivable	–	162	162	267

Transactions of related parties:

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Depreciation and amortisation	28,791	29,245	30,146	7,507	7,386
Other operating expenses	4,725	7,277	11,485	2,144	1,567
Interest expenses	4,512	3,931	2,849	793	545
Commission and fee income	22	46	69	3	–
Net investment losses	(316)	–	–	–	–

Transactions between the Target Group with other related parties:

Balance of related parties:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accounts payable to brokerage clients	208	2,745	3,495	3,471
Other liabilities	11	9	12	13

Transactions of related parties:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Other operating expenses	799	30	829	10	13
Commission and fee income	496	941	453	145	6
Net investment gains	279	3,133	–	–	–
Interest expenses	167	423	317	2	3

(3) Key management personnel

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Key management personnel remuneration	18,477	15,872	18,566	3,985	6,420

54 FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss	16,146,764	19,344,351	15,550,277	21,518,609
Debt instruments at FVOCI	21,345,100	20,838,044	22,775,425	18,761,451
Equity instruments at FVOCI	1,548,039	2,017,835	3,258,295	3,410,583
Financial assets measured at amortised cost	32,710,540	42,165,617	52,523,390	57,522,760
Total	71,750,443	84,365,847	94,107,387	101,213,403

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities				
Financial liabilities at fair value through profit or loss	298,713	368,370	232,333	302,597
Financial liabilities measured at amortised cost	55,142,961	65,829,326	75,068,599	82,006,156
Total	55,441,674	66,197,696	75,300,932	82,308,753

55 FINANCIAL RISK MANAGEMENT

55.1 Policies for and structure of risk management

Corporate governance structure

As a key element of risk prevention and control, the Target Company has established a corporate governance structure mainly composed of the Shareholders' Meeting and the Board of Directors. Each institution has established its own rules for deliberation and strictly adheres to them. These institutions operate independently, with clearly defined powers and responsibilities, and maintain coordination and efficiency, strictly adhering to the rights granted by the *Company Law of the PRC* (《中華人民共和國公司法》) and the Target Company's articles of association to ensure the effective operation of the Target Company, and striving to form an efficient and comprehensive decision-making, execution, and supervision mechanism.

The Target Company has established a Shareholders' Meeting, which is composed of all shareholders.

The Target Company has established a Board of Directors, which serves as the main body for business decision-making tasked with strategy formulation, decision-making and risk management.

The Audit Committee under the Board of Directors is primarily responsible for reviewing the implementation of internal audit and internal control rules and strengthening communication between internal and external auditors. The Target Company has no Supervisory Board. Instead, the Audit Committee performs the duties mandated by the *Company Law of the PRC* (《中華人民共和國公司法》) and the CSRC, and oversees its financial affairs, the exercise of powers by directors and senior management, and operational compliance.

The Strategy and Investment Committee under the Board of Directors is responsible for providing a basis for the Board of Directors to formulate the Target Company's development and business strategies, and for reviewing and offering suggestions on its major investment decisions.

The Nomination, Remuneration and Appraisal Committee under the Board of Directors is responsible for examining the selection criteria and procedures for directors and senior management, researching and implementing remuneration and appraisal plans for senior management, and overseeing the implementation of the Target Company's remuneration rules.

The Risk Control Committee under the Board of Directors is responsible for providing recommendations on improving the Target Company's compliance management, risk management and internal control systems, and for overseeing and inspecting the effectiveness of its compliance management, risk management and internal control to ensure that it can effectively manage and control various risks associated with its business activities.

The Target Company appoints a Chief Compliance Officer, who serves as the head of compliance. As a member of senior management, the Chief Compliance Officer is responsible for reviewing, supervising and inspecting the compliance of the Target Company's business operations, as well as the professional conduct of its staff. The Chief Compliance Officer is appointed or removed by the Board of Directors and reports directly to it.

The Target Company appoints a Chief Risk Officer, who is responsible for organising and implementing comprehensive risk management at the operational level.

The Target Company appoints a Chief Information Officer, who is responsible for organising and implementing comprehensive information technology management at the operational level, and reports to the General Manager.

The General Manager is responsible for the Target Company's daily business and management activities.

The General Manager's Office of the Target Company comprises eight functional committees: the Planning and Development Committee, the Wealth Management Business Committee, the Securities Investment Committee, the Asset Management Committee, the Investment Banking Committee, the Risk Management Committee, the Financial Technology Committee, and the Procurement Management Committee.

The Planning and Development Committee is mainly responsible for coordinating the short, medium and long-term development planning of the Target Company's business, organising research and preparation for new businesses, and discussing major strategic development issues. The Wealth Management Business Committee is mainly responsible for strategic planning, resource allocation, coordination and implementation of wealth management business transformation. The Securities Investment Committee is mainly responsible for reviewing and deliberating decisions on the Target Company's proprietary securities trading business. The Asset Management Committee is mainly responsible for reviewing and deliberating decisions on the Target Company's asset management business. The Investment Banking Committee is mainly responsible for reviewing and deliberating decisions on the Target Company's investment banking business. The Risk Management Committee is mainly responsible for reviewing and deliberating decisions on the Target Company's comprehensive risk management framework. The Financial Technology Committee is mainly responsible for reviewing and deliberating decisions regarding fintech planning governance, application solution exploration, data governance and system architecture development. The Procurement Management Committee is mainly responsible for reviewing procurement management rules, approving centralised procurement catalogues, reviewing procurement plans, material adjustments to procurement plans and their execution status, approving major procurements or other procurement matters that have a material impact on business operations and development, and overseeing other key management and supervision matters relating to procurement activities.

The General Manager's Office has the Compliance Management Division and the Risk Management Division under its jurisdiction.

The Compliance Management Division assists the Chief Compliance Officer in reviewing, supervising and inspecting the compliance of the Target Company's business operations and the professional conduct of its staff. Its specific responsibilities include organising the drafting of the Target Company's basic compliance rules and other compliance-related regulations and overseeing their implementation; promptly tracking and disseminating laws, regulations and codes of conduct; conducting compliance reviews on internal policies, major decisions, new products and new business proposals, as well as application materials and reports mandated for review by the CSRC, its dispatched institutions and self-regulatory organisations; conducting supervision and inspection over the compliance of the Target Company's business operations and the professional conduct of its staff in accordance with internal and external rules, providing compliance advisory services and organising compliance training; establishing and enforcing the Target Company's information barriers, conflict of interest management and anti-money laundering regimes; handling complaints and reports on violations of laws and regulations; reporting on the Target Company's compliance status and the progress of compliance management work; promptly reporting violations or potential compliance risks, putting forward handling suggestions and urging rectification; responding in a timely manner to investigation requests from securities regulators and self-regulatory organisations, cooperating with relevant inspections and investigations and tracking and assessing the implementation of regulatory requirements and opinions.

The Risk Management Division is the centralised management department responsible for market risk, operational risk, credit risk and liquidity risk within the Target Company. Its specific responsibilities include drafting company-level risk management rules, reviewing methods, processes and rules related to risk management across departments; organising the implementation and supervising the execution of risk appetite and risk management policies set by the Board of Directors and senior management; building business risk measurement models, collecting and analysing business data, using risk quantification indicators to identify, assess, monitor and report risks, and proposing risk mitigation measures and recommendations; monitoring and reporting on market risk, operational risk, credit risk and liquidity risk across the Target Company's business units; organising stress testing and sensitivity analysis; conducting risk assessments for new business initiatives and issuing independent risk assessment reports to support company decision-making; regularly submitting risk assessment reports to the Target Company; researching the Target Company's risk management framework and strategies, promoting the implementation of comprehensive risk management; and performing other duties assigned by the Target Company.

All divisions, branches and business offices of the Target Company have arranged dedicated or part-time compliance and risk control roles (departments/teams) or compliance contacts, achieving full coverage of compliance and risk control management. Under the guidance of the Compliance Management Division and the Risk Management Division, such roles (departments/teams) assist the heads of their respective units in establishing and improving the compliance and risk control framework and fulfilling compliance and risk management responsibilities.

Internal control systems and mechanisms

The Target Company refines hierarchical authorisation rules to ensure that the Shareholders' Meeting and the Board of Directors fully exercise their respective authorities and secure the implementation of all company rules and regulations. All business departments, branches and offices at all levels perform corresponding operational and management functions within the prescribed scope of business, financial and personnel authorisations. All business and management activities follow the prescribed operating processes and every task undertaken by staff is conducted within their authorised scope of business.

The Target Company has established three lines of defence for monitoring:

Firstly, the first line of defence is based on rules for front-line positions featuring dual staffing, dual roles and dual accountabilities. Positions directly handling clients, computers, funds, securities, important blank vouchers and official business stamps are governed by dual-person operation rules.

Secondly, the second line of defence is built on mutual supervision and checks and balances among relevant departments and positions. The Target Company sets up smooth channels for the handover of important business credentials between relevant departments and positions, and each department and position performs its respective duties within its authorised scope.

Lastly, the third line of defence involves comprehensive supervision and feedback from compliance, risk control and internal audit departments over all positions, departments, branches and offices and business activities. The Internal Audit Department is independent of other departments and business activities, and carries out inspections and provides feedback on the implementation of internal control rules.

The Target Company implements personnel management rules covering the selection, appointment, promotion, dismissal, training, job rotation and performance evaluation of officers and employees, and formulates remuneration incentive rules tied to performance outcomes. By organising various types of business training programmes for employees, the Target Company ensures that employees acquire adequate professional expertise. The Target Company also implements an annual appraisal mechanism for officers and employees, continuously strengthening on-the-job management of staff.

55.2 Credit risk

The Target Group's cash and cash equivalents are mainly deposited with state-owned commercial banks or joint-stock commercial banks with adequate capital. Clearing settlement funds are mainly deposited with China Securities Depository and Clearing Corporation Limited. The credit risk on cash and cash equivalents is relatively low.

The Target Group primarily faces three types of credit risks: firstly, the risk of loss arising from the Target Group's obligation to settle on behalf of its customers in securities trading or derivative trading on the customers' accounts which become under-margined on the settlement date due to the Target Group's failure to require full margin deposits before the transactions or because the customers are unable to cover their transactions due to other reasons; secondly, the credit risk associated with its securities financing activities, which is the risk of losses due to defaults of its margin financing and securities lending clients, securities repurchase clients and stock-pledged financing clients; thirdly, the default risk of investments in credit products, namely the risk of asset impairment and changes in investment returns due to defaults of borrowers or issuers who refuse to repay the principal and interest when due.

In order to manage the credit risk arising from the brokerage business, securities and futures brokerage transactions are all settled on a full-pledged basis, which enables the Target Group's credit risk associated with the brokerage business to be well under control.

In order to manage the credit risk arising from proprietary trading, exchange transactions are completed with China Securities Depository and Clearing Corporation Limited to complete securities settlement and payment clearing, and the possibility of default risk is relatively small. When conducting inter-bank market transactions, the Target Group conducts pre-transaction credit assessments and selects counterparties with sound credit ratings to control associated credit risks.

The Credit Business Committee of the Target Company has dedicated employees who are responsible for the approval of limits of margin deposits, stock-pledged financing business, and the margin financing and securities lending business, which are updated based on the periodic assessment of customers' ability to repay. The Credit Business Department and Risk Management Department monitor the status of margin deposits and stock-pledged financing, and makes margin calls when necessary. In cases where customers fail to deposit more money as required, collateralised securities will be sold to control the risk. The Target Group has put in place relevant policies to conduct reviews on individual customer balances at least annually or where necessary, and determine the expected credit loss in accordance with assessment outcomes.

In order to manage default risks associated with investments in credit products, for bond investments, the Target Group has established investment restrictions for counterparties in accordance with their credit ratings. When determining the expected credit loss on bond investments, the Target Group estimates the probability of default based on the mapping of internal ratings to external credit ratings, sets loss given default based on industrial information and market data, and takes forward-looking factors into consideration.

Credit Risk Exposure

The table below summarizes the Target Group's maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

	As at 31 December			**As at 31 March**
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	16,843,765	22,956,944	28,385,774	32,526,357
Clearing settlement funds	2,247,473	4,115,608	3,879,694	4,258,703
Deposits with exchanges and financial institutions	4,302,848	4,094,050	5,340,091	6,452,383
Derivative financial assets	15,273	6,586	23,491	26,788
Advances to customers	8,291,578	9,872,609	13,466,171	12,813,602
Accounts receivable	500,022	724,816	1,207,672	1,021,036
Reverse repurchase agreements	494,596	368,015	200,180	421,660
Financial assets at fair value through profit or loss	7,254,753	11,319,721	7,531,992	10,838,999
Debt instruments at fair value through other comprehensive income	21,345,100	20,838,044	22,775,425	18,761,451
Other assets	30,250	33,568	43,801	29,012
Total	61,325,658	74,329,961	82,854,291	87,149,991

For financial instruments measured at fair value, the above amount reflects their current risk exposure but not their maximum risk exposure. Their maximum risk exposure will change with changes in their future fair value.

55.3 Liquidity risk

The tables below list the maturity profiles of financial liabilities of the Target Group based on the remaining undiscounted contractual cash flows:

As at 31 December 2023	On demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial Liabilities							
Placements from banks and financial institutions	–	5,001,988	–	–	–	–	5,001,988
Short-term debt instruments	–	–	1,017,088	2,025,944	–	–	3,043,032
Accounts payable to brokerage clients	10,766,918	–	–	–	–	–	10,766,918
Repurchase agreements	–	9,864,630	1,891,972	362,628	–	–	12,119,230
Financial liabilities at fair value through profit or loss	–	14,604	–	239,111	–	–	253,715
Derivative financial liabilities	–	13,616	15,172	15,864	346	–	44,998
Borrowings	–	–	–	30,566	–	–	30,566
Lease liabilities	–	10,810	20,064	55,245	159,869	2,667	248,655
Debt securities issued	–	–	98,560	295,920	13,815,780	–	14,210,260
Other liabilities	10,091,148	476,846	36,255	220,122	30	–	10,824,401
Total financial Liabilities	20,858,066	15,382,494	3,079,111	3,245,400	13,976,025	2,667	56,543,763

As at 31 December 2024	On demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial Liabilities							
Placements from banks and financial institutions	–	4,291,481	–	–	–	–	4,291,481
Short-term debt instruments	–	–	79,612	3,026,650	–	–	3,106,262
Accounts payable to brokerage clients	17,003,475	–	–	–	–	–	17,003,475
Repurchase agreements	–	12,777,776	1,904,794	510,808	–	–	15,193,378
Financial liabilities at fair value through profit or loss	–	61,432	72,740	193,723	–	–	327,895
Derivative financial liabilities	–	3,108	10,108	12,533	14,726	–	40,475
Borrowings	–	–	12,101	38,492	–	–	50,593
Lease liabilities	–	7,810	15,584	55,869	115,849	2,207	197,319
Debt securities issued	–	3,295,680	–	2,495,920	8,021,300	–	13,812,900
Other liabilities	11,819,153	722,665	108,990	212,548	–	–	12,863,356
Total financial Liabilities	28,822,628	21,159,952	2,203,929	6,546,543	8,151,875	2,207	66,887,134

As at 31 December 2025	On demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial Liabilities							
Placements from banks and financial institutions	–	6,505,818	–	–	–	–	6,505,818
Short-term debt instruments	–	2,047,538	3,099,057	2,010,988	–	–	7,157,583
Accounts payable to brokerage clients	19,188,924	–	–	–	–	–	19,188,924
Repurchase agreements	–	9,207,331	1,071,291	358,539	–	–	10,637,161
Financial liabilities at fair value through profit or loss	194,559	–	–	–	–	–	194,559
Derivative financial liabilities	1,903	1,175	3,606	31,090	–	–	37,774
Borrowings	–	–	–	44,791	–	–	44,791
Lease liabilities	–	7,602	13,223	56,263	93,705	–	170,793
Debt securities issued	–	60,160	–	3,316,970	12,367,800	–	15,744,930
Other liabilities	14,487,598	1,363,680	244,145	276,000	–	–	16,371,423
Total financial Liabilities	33,872,984	19,193,304	4,431,322	6,094,641	12,461,505	–	76,053,756

As at 31 March 2026	On demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial Liabilities							
Placements from banks and financial institutions	–	3,500,905	–	504,803	–	–	4,005,708
Short-term debt instruments	–	20,100	90,660	4,054,236	–	–	4,164,996
Accounts payable to brokerage clients	19,574,623	–	–	–	–	–	19,574,623
Repurchase agreements	–	12,949,828	366,325	8,839	–	–	13,324,992
Financial liabilities at fair value through profit or loss	271,932	–	–	–	–	–	271,932
Derivative financial liabilities	–	2,202	21,932	6,531	–	–	30,665
Borrowings	–	–	190	30,240	–	–	30,430
Lease liabilities	–	6,887	13,352	59,074	82,146	–	161,459
Debt securities issued	–	32,800	41,860	3,380,870	16,464,440	–	19,919,970
Other liabilities	19,818,140	1,197,760	110,103	584,933	–	–	21,710,936
Total financial liabilities	39,664,695	17,710,482	644,422	8,629,526	16,546,586	–	83,195,711

Main Measures for Liquidity Risk Management

Risk monitoring system built using net capital as the core indicator

During the Reporting Period, the Target Group conducted quantitative assessment of liquidity risk via multi-dimensional risk indicators. It kept tracking and analysing core monitoring metrics including the liquidity coverage ratio, net stable funding ratio, scale of liquidity reserves and cash flow shortfalls, to comprehensively measure and dynamically evaluate the overall liquidity risk exposure and risk profile. In terms of cash flow management, the Target Group maintained ample and well-structured high-quality liquid reserve assets. Daily dynamic monitoring of cash flow shortfalls was implemented to ensure normal capital turnover for daily business operations and full, timely repayment of all maturing liabilities. For financing activities, the Target Group preserved and expanded diversified, stable and resilient financing channels. By consistently optimizing the maturity structure of liabilities, the Target Group secured sufficient funding at reasonable costs amid volatile market environments, so as to withstand liquidity shocks and capture market opportunities. During the Reporting Period, the Target Group performed regular liquidity risk stress tests to gauge liquidity pressure arising from scenarios including business expansion and extreme market swings, and continuously upgraded its liquidity risk response capacity based on stress test results. The Target Group also rolled out regular liquidity risk emergency drills within the Reporting Period to assess its risk response capability, and iteratively refined liquidity emergency scenarios to bolster its capacity to tackle liquidity crises.

Implementation of risk budget

With the authorisation of the Board of Directors, the Target Group prepares a risk budget for all businesses at the beginning of each year. Liquidity risk management is included as part of the risk budget.

Temporary liquidity replenishment mechanism

The Target Group has business cooperation with various commercial banks and obtains appropriate credit facilities, so as to establish a temporary liquidity replenishment mechanism.

55.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates, exchange rates and securities' market prices.

The Target Group sets the maximum limits for market risk. The monitoring and measurement of the limits is determined according to the principal amount and the stop-loss limit. Market risk is controlled within the predetermined range set by management.

(1) Currency risk

Currency risk is the risk of loss arising from fluctuations in exchange rates. Exchange rate volatility between the RMB and other currencies in which the Target Group conducts its business may affect the Target Group's operating performance. As the proportion of foreign currency assets, liabilities and revenue is relatively low in the Target Group, the foreign currency rate risk faced by the Target Group is not significant.

(2) Price risk

Price risk refers to the risk of fluctuations in market prices other than exchange rate risk and interest rate risk, regardless of whether these changes are caused by factors related to a single financial instrument or its issuer, or by all similarities with transactions in the market. Price risks can stem from changes in commodity prices, stock market indexes, equity instrument prices, and other risk variables.

The Target Group mainly invests in stocks, funds, and stock index futures and the maximum market price risk is determined by fair value of financial instruments held by the Target Group.

The above financial instruments are exposed to price risk due to fluctuations in fair values, which can be caused by factors specific to individual financial instruments or their issuers, or factors affecting all financial instruments traded in the market.

The analysis below is to show the impact on net profit and other comprehensive income (net of tax) due to changes in fair values of investments in equity securities, derivative financial assets/liabilities and other equity investments by 5%, based on the carrying amounts at the end of each reporting period, with all other variables held constant.

For the year ended 31 December 2023	**Fair value Increase/ (decrease)**	**Net profit Increase/ (decrease)** *RMB'000*	**Other comprehensive income Increase/ (decrease)** *RMB'000*	**Equity Increase/ (decrease)** *RMB'000*
Equity instruments	5%	323,151	57,999	381,150
Equity instruments	-5%	(323,151)	(57,999)	(381,150)

For the year ended 31 December 2024	**Fair value Increase/ (decrease)**	**Net profit Increase/ (decrease)** *RMB'000*	**Other comprehensive income Increase/ (decrease)** *RMB'000*	**Equity Increase/ (decrease)** *RMB'000*
Equity instruments	5%	287,750	75,616	363,366
Equity instruments	-5%	(287,750)	(75,616)	(363,366)

For the year ended 31 December 2025	**Fair value Increase/ (decrease)**	**Net profit Increase/ (decrease)** *RMB'000*	**Other comprehensive income Increase/ (decrease)** *RMB'000*	**Equity Increase/ (decrease)** *RMB'000*
Equity instruments	5%	291,973	122,186	414,159
Equity instruments	-5%	(291,973)	(122,186)	(414,159)

For the three months ended 31 March 2026	**Fair value Increase/ (decrease)**	**Net profit Increase/ (decrease)** *RMB'000*	**Other comprehensive income Increase/ (decrease)** *RMB'000*	**Equity Increase/ (decrease)** *RMB'000*
Equity instruments	5%	389,138	127,897	517,035
Equity instruments	-5%	(389,138)	(127,897)	(517,035)

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(3) Interest rate risk

The risk of market interest rate fluctuations faced by the Target Group is primarily related to the interest-bearing financial instruments of the Target Group.

The following tables indicate the interest rate risk of the Target Group. In the tables, financial assets and liabilities are presented by the expected next repricing date or maturity date, whichever is earlier:

As at 31 December 2023	**Less than 1 month** *RMB'000*	**1 month to 3 months** *RMB'000*	**3 months to 1 year** *RMB'000*	**1 year to 5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Non interest-bearing** *RMB'000*	**Total** *RMB'000*
Financial Assets							
Cash and bank balances	11,067,569	806,344	4,934,000	–	–	35,859	16,843,772
Clearing settlement funds	2,246,174	–	–	–	–	1,299	2,247,473
Deposits with exchanges and financial institutions	100,401	–	–	–	–	4,202,447	4,302,848
Derivative financial assets	–	–	–	–	–	15,273	15,273
Advances to customers	406,019	2,114,514	5,295,695	–	–	475,350	8,291,578
Accounts receivable	19,914	–	–	–	–	480,108	500,022
Reverse repurchase agreements	430,748	63,183	–	–	–	665	494,596
Financial assets at fair value through profit or loss	13,262	326	1,482,649	4,792,475	847,285	8,995,495	16,131,492
Debt instruments at fair value through other comprehensive income	19,061	–	670,836	18,173,969	2,167,395	313,839	21,345,100
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	1,548,039	1,548,039
Other assets	–	–	–	–	–	30,250	30,250
Subtotal	14,303,148	2,984,367	12,383,180	22,966,444	3,014,680	16,098,624	71,750,443
Financial Liabilities							
Placements from banks and financial institutions	5,000,000	–	–	–	–	1,541	5,001,541
Short-term debt instruments	–	1,000,000	2,000,000	–	–	19,492	3,019,492
Accounts payable to brokerage clients	9,239,155	–	–	–	–	1,527,763	10,766,918
Repurchase agreements	9,841,722	1,873,183	360,291	–	–	29,208	12,104,404
Financial liabilities at fair value through profit or loss	14,604	–	239,111	–	–	–	253,715
Derivative financial liabilities	–	–	–	–	–	44,998	44,998
Borrowings	–	–	30,000	–	–	32	30,032
Lease liabilities	10,079	18,651	50,509	152,109	2,551	–	233,899
Debt securities issued	–	–	–	12,994,758	–	167,516	13,162,274
Other liabilities	1,175,085	900,000	4,874,000	–	–	3,875,316	10,824,401
Subtotal	25,280,645	3,791,834	7,553,911	13,146,867	2,551	5,665,866	55,441,674
Net interest-bearing position	(10,977,497)	(807,467)	4,829,269	9,819,577	3,012,129	10,432,758	16,308,769

As at 31 December 2024	Less than 1 month *RMB'000*	1 month to 3 months *RMB'000*	3 months to 1 year *RMB'000*	1 year to 5 years *RMB'000*	Over 5 years *RMB'000*	Non interest-bearing *RMB'000*	Total *RMB'000*
Financial Assets							
Cash and bank balances	18,490,893	744,480	3,695,700	–	–	25,878	22,956,951
Clearing settlement funds	4,112,341	–	–	–	–	3,267	4,115,608
Deposits with exchanges and financial institutions	120,119	–	–	–	–	3,973,931	4,094,050
Derivative financial assets	–	–	–	–	–	6,586	6,586
Advances to customers	134,394	924,800	8,450,868	–	–	362,547	9,872,609
Accounts receivable	18,199	–	–	–	–	706,617	724,816
Reverse repurchase agreements	368,015	–	–	–	–	–	368,015
Financial assets at fair value through profit or loss	8,621	441,330	5,395,859	4,859,975	463,470	8,168,510	19,337,765
Debt instruments at fair value through other comprehensive income	116,754	–	101,328	15,104,696	5,279,172	236,094	20,838,044
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	2,017,835	2,017,835
Other assets	–	–	–	–	–	33,568	33,568
Subtotal	23,369,336	2,110,610	17,643,755	19,964,671	5,742,642	15,534,833	84,365,847
Financial Liabilities							
Placements from banks and financial institutions	4,290,000	–	–	–	–	1,088	4,291,088
Short-term debt instruments	–	79,236	2,997,001	–	–	9,220	3,085,457
Accounts payable to brokerage clients	16,843,021	–	–	–	–	160,454	17,003,475
Repurchase agreements	12,768,753	1,896,168	504,387	–	–	8,399	15,177,707
Financial liabilities at fair value through profit or loss	61,432	72,740	193,723	–	–	–	327,895
Derivative financial liabilities	–	–	–	–	–	40,475	40,475
Borrowings	–	12,000	37,990	–	–	49	50,039
Lease liabilities	7,279	15,260	53,720	115,956	1,943	–	194,158
Debt securities issued	3,199,959	–	2,199,734	7,596,821	–	167,532	13,164,046
Other liabilities	3,470,237	748,800	3,769,900	–	–	4,874,419	12,863,356
Subtotal	40,640,681	2,824,204	9,756,455	7,712,777	1,943	5,261,636	66,197,696
Net interest-bearing position	(17,271,345)	(713,594)	7,887,300	12,251,894	5,740,699	10,273,197	18,168,151

As at 31 December 2025	Less than 1 month *RMB'000*	1 month to 3 months *RMB'000*	3 months to 1 year *RMB'000*	1 year to 5 years *RMB'000*	Over 5 years *RMB'000*	Non interest-bearing *RMB'000*	Total *RMB'000*
Financial Assets							
Cash and bank balances	22,827,062	781,450	4,683,360	38,000	–	55,910	28,385,782
Clearing settlement funds	3,876,990	–	–	–	–	2,704	3,879,694
Deposits with exchanges and financial institutions	201,845	–	–	–	–	5,138,246	5,340,091
Derivative financial assets	–	–	–	–	–	23,491	23,491
Advances to customers	192,880	3,039,447	10,233,844	–	–	–	13,466,171
Accounts receivable	20,584	–	–	–	–	1,187,088	1,207,672
Reverse repurchase agreements	200,180	–	–	–	–	–	200,180
Financial assets at fair value through profit or loss	176,600	945,783	2,099,139	3,804,938	479,842	8,020,483	15,526,785
Debt instruments at fair value through other comprehensive income	5,097,274	–	602,230	14,063,507	3,002,402	10,012	22,775,425
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	3,258,295	3,258,295
Other assets	–	–	–	–	–	43,801	43,801
Subtotal	32,593,415	4,766,680	17,618,573	17,906,445	3,482,244	17,740,030	94,107,387
Financial Liabilities							
Placements from banks and financial institutions	6,500,000	–	–	–	–	4,542	6,504,542
Short-term debt instruments	3,038,730	2,085,037	1,984,682	–	–	14,243	7,122,692
Accounts payable to brokerage clients	19,092,268	–	–	–	–	96,656	19,188,924
Repurchase agreements	9,204,130	1,066,949	354,499	–	–	–	10,625,578
Financial liabilities at fair value through profit or loss	194,559	–	–	–	–	–	194,559
Derivative financial liabilities	–	–	–	–	–	37,774	37,774
Borrowings	–	–	44,000	–	–	34	44,034
Lease liabilities	6,666	12,588	53,620	91,036	–	–	163,910
Debt securities issued	–	–	2,999,007	11,895,850	–	152,640	15,047,497
Other liabilities	4,414,773	932,500	4,710,150	–	–	6,313,999	16,371,422
Subtotal	42,451,126	4,097,074	10,145,958	11,986,886	–	6,619,888	75,300,932
Net interest-bearing position	(9,857,711)	669,606	7,472,615	5,919,559	3,482,244	11,120,142	18,806,455

As at 31 March 2026	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non interest-bearing	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial Assets							
Cash and bank balances	26,916,705	1,442,160	4,059,619	38,000	–	69,880	32,526,364
Clearing settlement funds	4,255,425	–	–	–	–	3,278	4,258,703
Deposits with exchanges and financial institutions	235,972	–	–	–	–	6,216,411	6,452,383
Derivative financial assets	–	–	–	–	–	26,788	26,788
Advances to customers	308,720	1,569,576	10,935,306	–	–	–	12,813,602
Accounts receivable	26,633	–	–	–	–	994,403	1,021,036
Reverse repurchase agreements	421,660	–	–	–	–	–	421,660
Financial assets at fair value through profit or loss	72,124	528,772	3,159,648	6,021,634	1,048,200	10,661,442	21,491,820
Debt instruments at fair value through other comprehensive income	102,915	153,914	762,287	14,754,176	2,978,146	10,013	18,761,451
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	3,410,583	3,410,583
Other assets	–	–	–	–	–	29,013	29,013
Subtotal	32,340,154	3,694,422	18,916,860	20,813,810	4,026,346	21,421,811	101,213,403
Financial Liabilities							
Placements from banks and financial institutions	3,500,000	–	500,000	–	–	2,628	4,002,628
Short-term debt instruments	20,082	90,337	4,004,138	–	–	1,002	4,115,559
Accounts payable to brokerage clients	19,490,355	–	–	–	–	84,268	19,574,623
Repurchase agreements	12,947,928	364,283	8,773	–	–	–	13,320,984
Financial liabilities at fair value through profit or loss	271,932	–	–	–	–	–	271,932
Derivative financial liabilities	–	–	–	–	–	30,665	30,665
Borrowings	–	–	30,000	–	–	23	30,023
Lease liabilities	7,010	12,658	56,430	79,219	–	–	155,317
Debt securities issued	–	–	2,999,264	15,894,381	–	202,440	19,096,085
Other liabilities	8,759,990	1,596,150	3,986,100	–	–	7,368,697	21,710,937
Subtotal	44,997,297	2,063,428	11,584,705	15,973,600	–	7,689,723	82,308,753
Net interest-bearing position	(12,657,143)	1,630,994	7,332,155	4,840,210	4,026,346	13,732,088	18,904,650

The Target Group uses sensitivity analysis to measure the impact on net interest income, fair value gains or losses and equity due to changes in interest rates. The sensitivity of net interest income represents the fluctuation of net interest income, as a result of certain changes in interest rates, arising from financial assets and liabilities held at the period end which will be repriced within the next year. The sensitivity of fair value gains or losses and equity are calculated as the fluctuations in fair values of fixed-rate financial assets that are classified as financial assets at fair value through profit or loss and debt instruments at fair value through other comprehensive income, due to certain changes in interest rates.

The tables below summarize the results of the sensitivity analysis and show the impact on net profit and other comprehensive income (net of tax) resulting from a reasonably possible change in the interest rate, based on the assets and liabilities held as at 31 December 2023, 2024, 2025 and 31 March 2026, with all other variables held constant.

As at 31 December 2023	Basis points Increase/ (decrease)	Net profit Increase/ (decrease)	Other comprehensive income Increase/ (decrease)	Equity Increase/ (decrease)
RMB'000	+30	(19,562)	(117,687)	(137,249)
RMB'000	-30	20,067	120,935	141,002

As at 31 December 2024	Basis points Increase/ (decrease)	Net profit Increase/ (decrease)	Other comprehensive income Increase/ (decrease)	Equity Increase/ (decrease)
RMB'000	+30	(25,222)	(177,478)	(202,700)
RMB'000	-30	25,783	184,134	209,917

As at 31 December 2025	Basis points Increase/ (decrease)	Net profit Increase/ (decrease)	Other comprehensive income Increase/ (decrease)	Equity Increase/ (decrease)
RMB'000	+30	(62,137)	(79,131)	(141,268)
RMB'000	-30	58,945	86,462	145,407

As at 31 March 2026	Basis points Increase/ (decrease)	Net profit Increase/ (decrease)	Other comprehensive income Increase/ (decrease)	Equity Increase/ (decrease)
RMB'000	+30	(36,114)	(121,006)	(157,120)
RMB'000	-30	36,796	124,784	161,580

56 FAIR VALUE DISCLOSURE

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

Financial instruments not measured at fair value

As at 31 December 2023, 2024, 2025 and 31 March 2026, the carrying amounts of the Target Group's financial instruments carried at cost or amortised cost approximated to their fair values, except for debt securities issued, whose carrying amount and fair value and the level of fair value hierarchy are disclosed below:

	As at 31 December						As at 31 March	
	2023		2024		2025		2026	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liability								
Debt securities issued								
– Corporate bonds	13,162,274	13,253,720	13,164,046	13,390,966	15,047,497	15,177,939	19,096,085	19,260,840

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liability				
Debt securities issued	–	13,253,720	–	13,253,720

As at 31 December 2024

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liability				
Debt securities issued	–	13,390,966	–	13,390,966

As at 31 December 2025

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liability				
Debt securities issued	–	15,177,939	–	15,177,939

As at 31 March 2026

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liability				
Debt securities issued	–	19,260,840	–	19,260,840

Financial instruments and other assets measured at fair value

If there is a reliable market quote for a financial instrument, the fair value of the financial instrument is measured based on quoted market price. If a reliable quoted market price is not available, the fair value of the financial instrument is estimated using valuation techniques. For the fair value of financial instruments and other assets categorised within Level 2, the valuation techniques applied include discounted cash flow, recent transaction price and net asset value method. The significant observable inputs used in the valuation techniques for Level 2 financial instruments and other assets include future cash flows estimated based on applying the interest yield curves, net asset values determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses, contractual terms, forward interest rates and forward exchange rates.

For financial instruments categorised within Level 3, fair values are determined by using valuation techniques, including market approach, option pricing model, etc. Determinations to classify fair value measures within Level 3 are generally based on the significance of the unobservable inputs to the overall fair value measurement.

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets:				
Debt instruments at FVOCI				
– Debt securities	–	21,345,100	–	21,345,100
Equity instruments at FVOCI				
– Equity securities	1,500,936	12,286	34,817	1,548,039
Financial assets at FVTPL				
– Debt securities	92,350	7,138,349	–	7,230,699
– Equity securities	1,718,327	105,921	364,094	2,188,342
– Funds	3,899,897	32,572	–	3,932,469
– Other investments	900,667	1,879,315	–	2,779,982
Derivative financial assets	331	–	14,942	15,273
Other assets	–	244,489	–	244,489
Total	8,112,508	30,758,032	413,853	39,284,393
Liabilities:				
Financial liabilities at FVTPL	–	253,715	–	253,715
Derivative financial liabilities	22,679	–	22,319	44,998
Total	22,679	253,715	22,319	298,713

As at 31 December 2024

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Assets:				
Debt instruments at FVOCI				
– Debt securities	–	20,838,044	–	20,838,044
Equity instruments at FVOCI				
– Equity securities	1,892,142	176	33,726	1,926,044
– REITs	91,791	–	–	91,791
Financial assets at FVTPL				
– Debt securities	575,252	10,727,410	–	11,302,662
– Equity securities	1,594,735	109,564	292,408	1,996,707
– Funds	3,368,820	–	–	3,368,820
– Other investments	594,816	2,074,760	–	2,669,576
Derivative financial assets	66	–	6,520	6,586
Other assets	–	410,618	–	410,618
Total	8,117,622	34,160,572	332,654	42,610,848
Liabilities:				
Financial liabilities at FVTPL	–	327,895	–	327,895
Derivative financial liabilities	13,482	–	26,993	40,475
Total	13,482	327,895	26,993	368,370

As at 31 December 2025

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Assets:				
Debt instruments at FVOCI				
– Debt securities	–	22,775,425	–	22,775,425
Equity instruments at FVOCI				
– Equity securities	3,125,944	–	16,319	3,142,263
– REITs	116,032	–	–	116,032
Financial assets at FVTPL				
– Debt securities	419,778	7,112,214	–	7,531,992
– Equity securities	2,056,862	95,660	286,336	2,438,858
– Funds	2,286,194	239,541	–	2,525,735
– Other investments	797,353	2,232,847	–	3,030,200
Derivative financial assets	5,783	–	17,708	23,491
Other assets	–	750,409	–	750,409
Total	8,807,946	33,206,096	320,363	42,334,405
Liabilities:				
Financial liabilities at FVTPL	–	194,559	–	194,559
Derivative financial liabilities	28,733	–	9,041	37,774
Total	28,733	194,559	9,041	232,333

As at 31 March 2026

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Assets:				
Debt instruments at FVOCI				
– Debt securities	–	18,761,451	–	18,761,451
Equity instruments at FVOCI				
– Equity securities	3,272,827	–	13,232	3,286,059
– REITs	124,524	–	–	124,524
Financial assets at FVTPL				
– Debt securities	250,966	10,588,033	–	10,838,999
– Equity securities	1,552,617	206,094	257,526	2,016,237
– Funds	4,398,645	–	–	4,398,645
– Other investments	1,443,198	2,794,741	–	4,237,939
Derivative financial assets	14,594	–	12,194	26,788
Other assets	–	1,011,308	–	1,011,308
Total	11,057,371	33,361,627	282,952	44,701,950
Liabilities:				
Financial liabilities at FVTPL	–	271,932	–	271,932
Derivative financial liabilities	28,060	–	2,605	30,665
Total	28,060	271,932	2,605	302,597

The following table presents the valuation techniques and inputs used for the major financial instruments in Level 3.

Financial instruments	**As at 31 December 2023** *RMB'000*	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable input(s) to fair value**
Stocks/Unlisted equity investments	398,911	Market approach	Valuation multiples, and discount for lack of marketability	The higher the valuation multiples, the higher the fair value; the higher the discount, the lower the fair value
OTC derivative contracts – Options – Assets	14,942	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value.
OTC derivative contracts – Options – Liabilities	(22,319)	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value

Financial instruments	As at 31 December 2024 *RMB'000*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stocks/Unlisted equity investments	326,134	Market approach	Valuation multiples, and discount for lack of marketability	The higher the valuation multiples, the higher the fair value; the higher the discount, the lower the fair value
OTC derivative contracts – Options – Assets	6,520	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value
OTC derivative contracts – Options – Liabilities	(19,960)	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value
OTC derivative contracts – Forwards – Liabilities	(7,033)	Calculated based on contract price and underlying asset price	Contractually agreed price	The greater the difference between the contract price and the underlying asset price, the greater the impact on fair value

Financial instruments	As at 31 December 2025 *RMB'000*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stocks/Unlisted equity investments	302,655	Market approach	Valuation multiples, and discount for lack of marketability	The higher the valuation multiples, the higher the fair value; the higher the discount, the lower the fair value
OTC derivative contracts – Options – Assets	13,893	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value
OTC derivative contracts – Forwards – Assets	3,815	Calculated based on contract price and underlying asset price	Contractually agreed price	The greater the difference between the contract price and the underlying asset price, the greater the impact on fair value
OTC derivative contracts – Options – Liabilities	(9,042)	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value

Financial instruments	As at 31 December 2025 *RMB'000*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
OTC derivative contracts – Forwards – Liabilities	1	Calculated based on contract price and underlying asset price	Contractually agreed price	The greater the difference between the contract price and the underlying asset price, the greater the impact on fair value

Financial instruments	As at 31 March 2026 *RMB'000*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stocks/Unlisted equity investments	270,758	Market approach	Valuation multiples, and discount for lack of marketability	The higher the valuation multiples, the higher the fair value; the higher the discount, the lower the fair value
OTC derivative contracts – Options – Assets	12,311	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value
OTC derivative contracts – Forwards – Assets	(117)	Calculated based on contract price and underlying asset price	Contractually agreed price	The greater the difference between the contract price and the underlying asset price, the greater the impact on fair value
OTC derivative contracts – Options – Liabilities	(2,378)	Option pricing model	Price volatility of the underlying asset	The higher the price volatility, the greater the impact on fair value
OTC derivative contracts – Forwards – Liabilities	(227)	Calculated based on contract price and underlying asset price	Contractually agreed price	The greater the difference between the contract price and the underlying asset price, the greater the impact on fair value

The following tables represent the changes in Level 3 financial instruments for the Track Record Period.

Year ended 31 December 2023

	Equity Instruments at FVOCI *RMB'000*	Financial assets at FVTPL *RMB'000*	Derivative financial assets *RMB'000*	Derivative financial liabilities *RMB'000*
At the beginning of the year	45,742	349,398	4,526	–
Changes in fair value recognised in other comprehensive income	912	–	–	–
Changes in fair value recognised in profit or loss	–	4,380	(4,443)	(7,645)
Additions	116	268	14,920	(14,674)
Transfer into Level 3	1,400	19,262	–	–
Transfer out of Level 3	(8,910)	(9,000)	–	–
Disposals and settlements	(4,443)	(214)	(61)	–
At the end of the year	34,817	364,094	14,942	(22,319)
Total gains/(losses) for the period included in profit or loss for assets/liability held at the end of the reporting period	–	4,433	22	(7,645)

Year ended 31 December 2024

	Equity Instruments at FVOCI *RMB'000*	Financial assets at FVTPL *RMB'000*	Derivative financial assets *RMB'000*	Derivative financial liabilities *RMB'000*
At the beginning of the year	34,817	364,094	14,942	(22,319)
Changes in fair value recognised in other comprehensive income	(1,338)	–	–	–
Changes in fair value recognised in profit or loss	–	(56,085)	(1,677)	(17,092)
Additions	–	3	8,175	(2,256)
Transfer into Level 3	3,708	2,863	–	–
Transfer out of Level 3	(1,763)	(11,743)	–	–
Disposals and settlements	(1,698)	(6,724)	(14,920)	14,674
At the end of the year	33,726	292,408	6,520	(26,993)
Total losses for the period included in profit or loss for assets/liability held at the end of the reporting period	–	(57,612)	(1,655)	(24,737)

Year ended 31 December 2025

	Equity Instruments at FVOCI *RMB'000*	Financial assets at FVTPL *RMB'000*	Derivative financial assets *RMB'000*	Derivative financial liabilities *RMB'000*
At the beginning of the year	33,726	292,408	6,520	(26,993)
Changes in fair value recognised in other comprehensive income	8,080	–	–	–
Changes in fair value recognised in profit or loss	–	223	11,927	18,531
Additions	482	3,356	7,436	(2,835)
Disposals and settlements	(25,969)	(9,651)	(8,175)	2,256
At the end of the year	16,319	286,336	17,708	(9,041)
Total (losses)/gains for the period included in profit or loss for assets/liability held at the end of the reporting period	–	(3,467)	10,272	(6,206)

Three months ended 31 March 2026

	Equity Instruments at FVOCI *RMB'000*	Financial assets at FVTPL *RMB'000*	Derivative financial assets *RMB'000*	Derivative financial liabilities *RMB'000*
At the beginning of the year	16,319	286,336	17,708	(9,041)
Changes in fair value recognised in other comprehensive income	4,094	–	–	–
Changes in fair value recognised in profit or loss	–	(29,967)	(8,605)	8,132
Additions	–	1,900	8,417	(2,266)
Disposals and settlements	(7,181)	(743)	(5,326)	570
At the end of the period	13,232	257,526	12,194	(2,605)
Total losses for the period included in profit or loss for assets/liability held at the end of the reporting period	–	(29,624)	(233)	(1,464)

57 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Target Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Target Group's consolidated statement of cash flows as cash flows from financing activities.

Items	As at 1 January 2023	Increase for the year		Decrease for the year		As at 31 December 2023
		Cash	**Non-cash**	**Cash**	**Non-cash**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	–	30,000	623	591	–	30,032
Short-term debt instruments	4,556,401	5,000,000	64,132	6,601,041	–	3,019,492
Debt securities issued	11,375,592	4,400,000	365,350	2,978,668	–	13,162,274
Lease liabilities	302,430	–	25,611	94,142	–	233,899
Total	16,234,423	9,430,000	455,716	9,674,442	–	16,445,697

Items	As at 1 January 2024	Increase for the year		Decrease for the year		As at 31 December 2024
		Cash	**Non-cash**	**Cash**	**Non-cash**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	30,032	143,163	1,800	124,956	–	50,039
Short-term debt instruments	3,019,492	4,075,160	43,542	4,052,737	–	3,085,457
Debt securities issued	13,162,274	–	393,919	392,147	–	13,164,046
Lease liabilities	233,899	–	61,512	101,253	–	194,158
Total	16,445,697	4,218,323	500,773	4,671,093	–	16,493,700

Items	As at 1 January 2025	Increase for the year		Decrease for the year		As at 31 December 2025
		Cash	**Non-cash**	**Cash**	**Non-cash**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	50,039	86,605	703	93,313	–	44,034
Short-term debt instruments	3,085,457	8,696,030	79,448	4,738,243	–	7,122,692
Debt securities issued	13,164,046	7,300,000	379,632	5,796,181	–	15,047,497
Lease liabilities	194,158	–	62,213	92,461	–	163,910
Total	16,493,700	16,082,635	521,996	10,720,198	–	22,378,133

Items	As at 1 January 2026	Increase for the period		Decrease for the period		As at 31 March 2026
		Cash	Non-cash	Cash	Non-cash	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	44,034	–	229	14,240	–	30,023
Short-term debt instruments	7,122,692	2,119,980	20,596	5,147,709	–	4,115,559
Debt securities issued	15,047,497	4,000,000	110,818	62,230	–	19,096,085
Lease liabilities	163,910	–	15,411	24,004	–	155,317
Total	22,378,133	6,119,980	147,054	5,248,183	–	23,396,984

(Unaudited) Items	As at 1 January 2025	Increase for the period		Decrease for the period		As at 31 March 2025
		Cash	Non-cash	Cash	Non-cash	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	50,039	–	390	12,402	–	38,027
Short-term debt instruments	3,085,457	206,410	16,328	79,571	–	3,228,624
Debt securities issued	13,164,046	3,200,000	94,008	3,298,955	–	13,159,099
Lease liabilities	194,158	–	4,299	24,756	–	173,701
Total	16,493,700	3,406,410	115,025	3,415,684	–	16,599,451

58 ACQUISITION OF SUBSIDIARY

On 17 October 2025, the Target Company acquired 100% of the equity interests in Qianhai Alliance and became its controlling shareholder.

(1) Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred.

	As at 17 October 2025
	RMB'000
Cash	326,638

(2) Identifiable assets acquired and liabilities assumed

	As at 17 October 2025 Fair value
	RMB'000
Total assets	121,278
Total liabilities	(43,642)
Identifiable net assets acquired	77,636

The fair value of the above identifiable assets are based on quoted prices in active markets for identical assets when the market are available; where there is no active market, but there is an active market for the identical or similar assets, the fair value is referred to the market price of the identical or similar assets; where there is no active market for identical or similar assets, valuation techniques are used to determine the fair value.

The above identifiable liabilities are based on the fair value of the amount payable or the present value of the amount payable.

(3) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	Note	**As at 17 October 2025** *RMB'000*
Consideration transferred	*58 (1)*	326,638
Less: Fair value of identifiable net assets	*58 (2)*	(77,636)
Goodwill		249,002

The goodwill is mainly attributable to the expected synergies, revenue growth, and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

(4) Net cash outflow arising from the acquisition of a subsidiary

Since the acquisition, Qianhai Alliance contributed RMB4,550 thousand to the Target Group's consolidated revenue and RMB11,034 thousand to the consolidated loss for the year ended 31 December 2025.

	As at 17 October 2025 *RMB'000*
Total consideration paid in cash	326,638
Less: cash and cash equivalents of subsidiary acquired	4,299
Total	322,339

59 SUBSEQUENT EVENTS

On 6 May 2026, 東方證券股份有限公司held the 16th meeting of the 6th session of its Board of Directors, at which it considered and approved the proposed acquisition of 100% equity interests in Target Company by issuance of consideration A Shares under Specific Mandate and payment of cash. On the same day, 東方證券股份有限公司 disclosed the aforesaid proposal and related announcements. 東方證券股份有限公司 is planning to acquire shares of the Target Company through the issue of A shares and cash payment. In light of the above matter, the controlling shareholder and de facto controller of the Target Company may be subject to change.

Subsequent financial statements

No audited financial statements have been prepared by the Target Company or any of its subsidiaries in respect of any period subsequent to 31 March 2026.