



HOLLY FUTURES

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

Stock Code: 03678.HK;001236.SZ

2024 Annual Report

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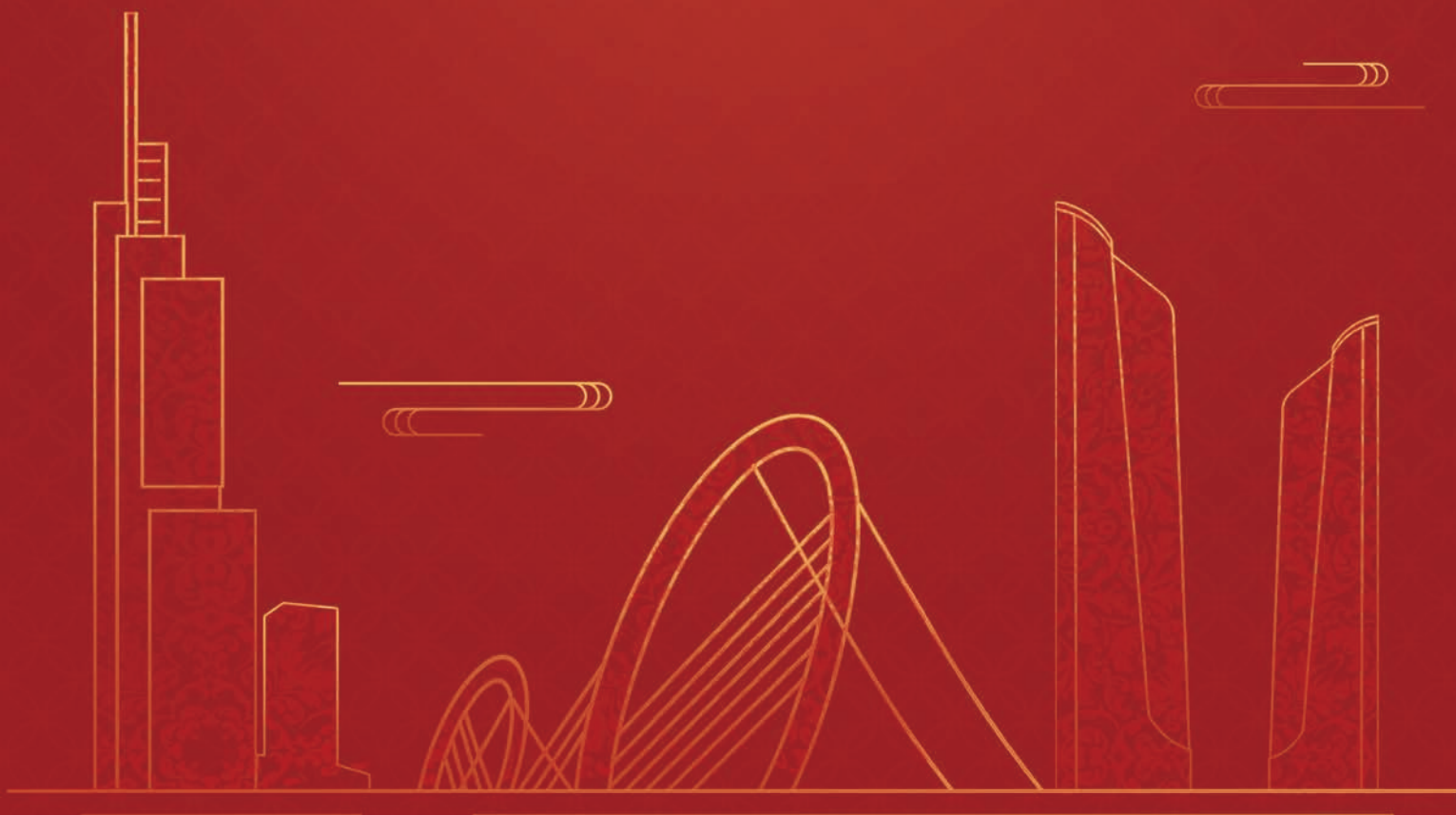
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This report has been prepared in both Chinese and English. In the event of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

01

About Us



Important

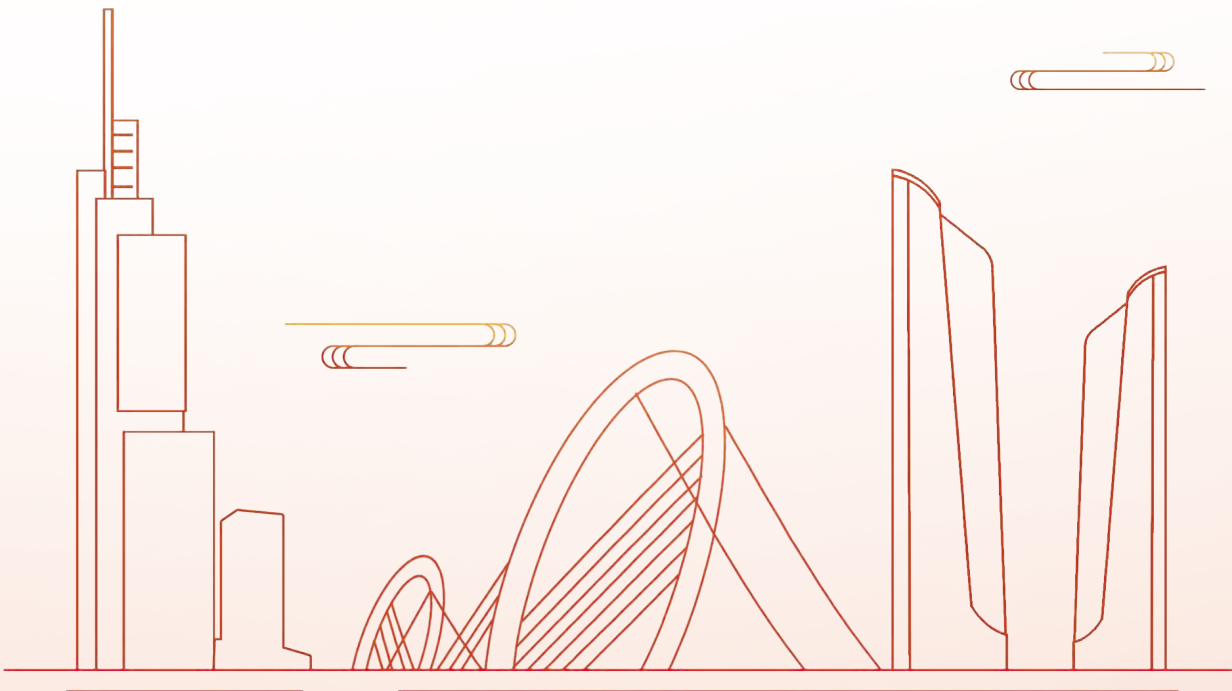
The Board, the Supervisory Committee, Directors, Supervisors and the senior management of the Company warrant the truthfulness, accuracy and completeness of the annual report, in which there is no false representation, misleading statement or material omission and for which they will assume joint and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

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

The annual financial report for the year ended 31 December 2024 prepared by the Company in accordance with PRC Accounting Standard for Business Enterprises was audited by ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)), and an auditor's report without reservation opinions was issued by them. All amounts set out in this report are expressed in Renminbi (RMB) unless otherwise indicated.

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

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



Chairman's Statement

The return of spring heralds the beginning of the new year. At this wonderful moment when everything takes on a new look, on behalf of Holly Futures, I would like to extend my most sincere new year wishes to our Shareholders, partners and investors for your valuable care and support for us. My heartfelt gratitude also goes to all the staff for your contribution and dedication.

2024 was a year full of both challenges and opportunities. In the complex and volatile market with strict regulation policies, Holly Futures formulated the operation policy of “stabilising revenue, controlling costs, preventing risks and strengthening assessment”, closely adhering to the main working line of “strengthening supervision, preventing risks and promoting high-quality development”, to make progress against challenges. We have seen a steady upward trend in our overall development.

In this year, we have accomplished remarkable growth in our operating results. In terms of financial data, in 2024, we have seen a steady growth in operating income. Our total operating income in 2024 was RMB2.876 billion, representing a year-on-year increase of 48%. Our net profit has also significantly increased to RMB29.8262 million, an increase of 283% over previous year. What we have accomplished is the result of the united and concerted efforts of all the staff of Holly Futures.

In terms of business development, we focus on “benchmarking” and “upgrading”. On the one hand, we continuously consolidate the foundation of traditional brokerage business, stabilize our market position, and constantly optimize the customer service experience, which enable us to gain more trust and support from customers; on the other hand, we actively expand into innovative business areas and establish a development model of “using futures and spot business as the initiating factor, trading as the core, and investment and research as the driving force”, providing diversified supply chain integration services for real enterprises. Through in-depth implementation of tasks such as the “Industry Comprehensive Visit and Profile”, we accurately grasp the needs of enterprises and have established long-term and stable cooperative relationships with numerous real enterprises, contributing to enhancing the resilience and security of the industrial chain and supply chain. For example, for large industrial customers, we implement the strategy of “one enterprise, one team, one policy”, and tailor risk management solutions for them, effectively helping enterprises avoid market risks and achieve stable development.

At the same time, we actively respond to the national rural revitalization strategy and continuously explore and innovate in service models such as “insurance + futures”. In collaboration with institutions including banks, insurance companies, and leading enterprises, we have innovatively launched the “insurance + futures + N” model, through which we bring futures knowledge to rural areas, enhance the risk management awareness of farmers and enterprises, provide financial support for the development of rural industries, and contribute to the in-depth and practical implementation of rural revitalization.

In terms of internal management, we have been constantly improving the governance system and strengthening team building. The leadership of the Party has been comprehensively enhanced, providing a solid political guarantee for the development of the Company; our development approach has become increasingly clear, enabling us to identify the right direction in market competition; the talent pool has been continuously expanded, and the professional qualities and business capabilities of employees have been steadily improved, injecting a continuous stream of impetus into the development of the Company.

Chairman's Statement

As an “A+H” listed company, Holly Futures has received the care and attention from all sectors of society. We deeply feel the heavy responsibility on our shoulders and realize that we are far from perfect. Looking ahead to 2025, our focus will fall into the following major aspects. Firstly, we will strengthen Party building and gather joint forces, and give full play to the role of Party organizations as strong fortresses and the vanguard and exemplary role of Party members, cohere with all the staff to work together for our shared aspiration. Secondly, we will clarify the direction of our future development and concentrate on our main businesses, closely focus on serving the real economy, position ourselves appropriately, continuously improve the quality and efficiency of services, and realize our own value through assisting the development of real enterprises. Thirdly, we will build a competent team and enhance our capabilities, continuously strengthen talent cultivation and introduction, improve the overall effectiveness of the team, and provide talent support for the development of the Company. Fourthly, we will proactively take on social responsibilities through effective actions, further enhance the effectiveness of serving the real economy, and contribute more to the national economic development. Last but not least, we will attach importance to compliance and intensify supervision, build a solid safety lifeline, strengthen the prevention and control of compliance risks, and ensure the stable operation of the Company.

On this new journey, Holly Futures will always adhere to the original aspiration of serving the real economy, uphold the concepts of innovation, coordination, and win-win cooperation. We will join hands with all Shareholders and partners to forge ahead together and create a brighter future!

For the Year of the Snake, I wish you all the great luck of good health, promising career and infinite happiness to you and your families!

Chu Kairong

Chairman

Nanjing, the PRC

28 March 2025

Definitions

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

A Share Offering	initial public offering of 100,777,778 A Shares of the Company which are listed on the Main Board of the Shenzhen Stock Exchange on 5 August 2022. The Company has completed the A Share Offering and of which all of its 657,300,000 Domestic Shares have been converted into A Shares, please refer to the Company's announcement dated 4 August 2022 for details
A Share(s)	domestic listed ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Shenzhen Stock Exchange (Stock Code: 001236). As at the end of the Reporting Period, the Company has issued a total of 758,077,778 A Shares
A Shareholder(s)	holder(s) of A Shares
A Shares Prospectus	the prospectus in relation to the A Share Offering published on 5 July 2022
Articles of Association	the Articles of Association of the Company currently in force, as amended, supplemented and otherwise modified from time to time
AUM	the amount of assets under management
Board	the board of directors of the Company
CFA or China Futures Association	China Futures Association (中國期貨業協會)
CFFE	China Financial Futures Exchange (中國金融期貨交易所)
Chairman	the chairman of the Company
Chief Risk Officer	the chief risk officer of the Company
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Company Law or PRC Company Law	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented and otherwise modified from time to time

Definitions

Company, our Company, we or Holly Futures	Holly Futures Co., Ltd. (弘業期貨股份有限公司), a joint stock limited company established in Jiangsu, the PRC under the laws of the PRC on 29 November 2012 and carrying on business in Hong Kong as “Holly Futures”, its H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and its A Shares of which are listed on the Main Board of the Shenzhen Stock Exchange
Controlling Shareholder, SOHO Holdings	Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司) (formerly known as Jiangsu Silk Group Company Limited (江蘇省絲綢集團有限公司)), a wholly state-owned company established under the laws of the PRC on 29 April 1994, which is the Controlling Shareholder and one of the promoters of the Company
Corporate Governance Code	the Corporate Governance Code contained in Appendix C1 of the Listing Rules
CSRC	China Securities Regulatory Commission
DCE	Dalian Commodity Exchange (大連商品交易所)
Director(s)	director(s) of the Company
Fixed income+	an investment strategy that consists of two types of investments, namely fixed income and floating income. Fixed income refers to the fixed income part, which is mainly invested in fixed income investment such as bonds, generally accounting for approximately 80% of the investment ratio. “+” means to increase income, which is mainly invested in funds, stocks, etc., generally not exceeding 20%
FOF	a fund specially invests in other investment funds. It does not directly invest in stocks or bonds. With its investment limited to other funds only, it holds securitized assets such as stocks and bonds indirectly by holding other securities investment funds, becoming a new type of fund that combines fund product innovation with sales channel innovation

Definitions

Futures and Derivatives Law	the Futures and Derivatives Law of the People's Republic of China, implemented on 1 August 2022
GFE	the Guangzhou Futures Exchange
Group, our Group, us or we	the Company and its subsidiaries
H Share Offering	the global offering of 227,000,000 H Shares offered by the Company and 22,700,000 H Shares offering by the selling shareholders which are listed on the Hong Kong Stock Exchange on 30 December 2015
H Share(s)	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each listed on the Main Board of the Hong Kong Stock Exchange. As at the end of the Reporting Period, the Company has issued a total of 249,700,000 H Shares
H Shareholder(s)	holder(s) of H Shares
H Shares Prospectus	the prospectus in relation to the H Share Offering published on 16 December 2015
High Hope Corporation	Jiangsu High Hope International Group Corporation (江蘇匯鴻國際集團股份有限公司) (formerly known as Jiangsu High Hope Corporation) (江蘇匯鴻股份有限公司), a limited liability company established in the PRC on 13 October 1992 which was subsequently converted to a joint stock limited company in 1994
High Hope International	Jiangsu High Hope International Group Co., Ltd. (江蘇匯鴻國際集團有限公司), a limited liability company established under the laws of the PRC on 18 December 1996 and one of the promoters of the Company, which was de-registered on 23 September 2015 as a result of the merger with High Hope Corporation by way of absorption
HK\$ or HKD or Hong Kong dollars	the lawful currency of Hong Kong
Holly Capital	Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a limited liability company established under the laws of the PRC on 25 June 2013 and a wholly-owned subsidiary of the Company

Definitions

Holly Corporation, SOHO Holly	Soho Holly Corporation (蘇豪弘業股份有限公司) (formerly known as Jiangsu Holly Corporation (江蘇弘業股份有限公司)), a limited liability company established under the laws of the PRC on 30 June 1994 and one of the promoters and a Shareholder of the Company
Holly International Asset Management	Holly International Asset Management Company Limited (弘業國際資產管理有限公司) (formerly known as Holly Su Asset Management Company Limited (弘蘇資產管理有限公司)), a company incorporated under the laws of Hong Kong with limited liability on 7 July 2016 and a wholly-owned subsidiary of Holly International Financial, which is licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, and changed its name in December 2019
Holly International Financial	Holly International Financial Holdings Limited (弘業國際金融控股有限公司) (formerly known as Holly Su Futures (Hongkong) Co., Limited (弘蘇期貨(香港)有限公司)), a company incorporated under the laws of Hong Kong with limited liability on 20 October 2011 and a wholly-owned subsidiary of the Company which is licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO, and changed its name in December 2019
Holly Logistics	Jiangsu Holly International Logistics Corporation (江蘇弘業國際物流有限公司) (formerly known as Jiangsu Pengcheng International Storage & Transportation Company Limited (江蘇鵬程國際儲運有限公司)), a limited liability company established under the laws of the PRC on 12 February 1996 and one of the promoters and a Shareholder of the Company
Holly Su Industrial	Jiangsu Holly Su Industrial Co., Ltd. (江蘇弘蘇實業有限公司), a limited liability company established under the laws of the PRC on 23 February 2011 and one of the promoters and a Shareholder of the Company
Hong Kong Stock Exchange or HKEX	The Stock Exchange of Hong Kong Limited
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Rui Growth	Jiangsu Hong Rui Growth Venture Investment Co., Ltd. (江蘇弘瑞成長創業投資有限公司), a joint stock company of the Company

Definitions

Hong Rui New Era	Jiangsu Hong Rui New Era Venture Investment Co., Ltd. (江蘇弘瑞新時代創業投資有限公司), a joint stock company of the Company
Hongrui Venture Capital	Jiangsu Hongrui Venture Capital Co., Ltd. (江蘇弘瑞科技創業投資有限公司), a limited liability company established under the laws of the PRC on 29 September 2002 and one of the promoters and a Shareholder of the Company
Jiangsu AIC	Jiangsu Administration of Industry and Commerce (江蘇省工商行政管理局)
Jiangsu Holly	Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司) (formerly known as Jiangsu Jinling Futures Brokerage Company Limited (江蘇金陵期貨經紀有限公司), Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司) and Jiangsu Holly Futures Company Limited (江蘇弘業期貨有限公司)), a limited liability company established under the laws of the PRC on 31 July 1995 and the predecessor of the Company and, where the context refers to any time prior to its establishment, the business which its predecessors were engaged in
Jiangsu SASAC	State-owned Assets Supervision and Administration Commission of the Jiangsu People's Government (江蘇省人民政府國有資產監督管理委員會)
Jiangsu Securities Bureau	Jiangsu Securities Bureau of the China Securities Regulatory Commission (中國證券監督管理委員會江蘇監管局)
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
lot	the standardized quantity of futures as set out by the PRC Futures Exchange, and represents the minimum quantity of that futures that may be traded
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
MOF	Ministry of Finance of the PRC (中華人民共和國財政部)

Definitions

Net Capital	equals net assets minus asset adjustment value plus liability adjustment value minus the deposits which the clients fail to fully replenish minus/plus other adjustment items recognised or approved by the CSRC
PRC Futures Exchanges	China Financial Futures Exchange (中國金融期貨交易所), Dalian Commodity Exchange (大連商品交易所), Shanghai Futures Exchange (上海期貨交易所), Zhengzhou Commodity Exchange (鄭州商品交易所), Shanghai International Energy Exchange (上海國際能源交易中心) and Guangzhou Futures Exchange (廣州期貨交易所)
PRC or China	the People's Republic of China which, for the purpose of this report, excludes Hong Kong, Macau Special Administrative Region and Taiwan
PTA	pure terephthalic acid
R&D	research and development
Report	this annual report for 2024 of the Company
Reporting Period	the year ended 31 December 2024
RMB or Renminbi	the lawful currency of the PRC
SAT	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
Settlement Reserve Funds	unrestricted and unutilised cash balances reserved for the settlement and clearing of the futures trading, which are deposited with the futures exchanges and commercial banks. Settlement reserve funds include client settlement reserve funds and our own settlement reserve funds
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

Definitions

Shanghai Mingda	Shanghai Mingda Industrial (Group) Company Limited (上海銘大實業(集團)有限公司), a limited liability company established under the laws of the PRC on 26 December 2002 and one of the promoters and a Shareholder of the Company
Share(s)	A Share(s) and H Share(s)
Shareholder(s)	holder(s) of the Shares
Shenzhen Stock Exchange	the Shenzhen Stock Exchange
SHFE	Shanghai Futures Exchange
SOHO Culture Group	SOHO Culture Group Company Limited (蘇豪文化集團有限公司) (formerly known as Artall Culture Group Company Limited (愛濤文化集團有限公司)), a limited liability company established under the laws of the PRC on 26 January 1999 and a wholly-owned subsidiary of the Company's Controlling Shareholder
State Council	State Council of the PRC (中華人民共和國國務院)
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	supervisory committee of the Company
ZCE	Zhengzhou Commodity Exchange (鄭州商品交易所)
Zhong Shan Company	Zhong Shan Company Limited, a company incorporated in Hong Kong in 1985, the shareholding of which is ultimately held by the People's Government of Jiangsu Province
QDLP	Qualified Domestic Limited Partner

Company Profile

I. Basic Information about the Company

(1) Name of Company

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

Chinese abbreviation (in the PRC): 弘業期貨

English name: Holly Futures Co., Ltd.

(2) Legal Representative

Mr. Chu Kairong

(3) Authorized Representatives of the Company

Mr. Chu Kairong and Mr. Huang Haiqing

(4) Registered Capital

RMB1,007.777778 million

(5) Qualifications for Businesses in China

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

(6) Head Office in China

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

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

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

Email address: zqb@ftol.com.cn

(7) Principal Place of Business in Hong Kong

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

Company Profile

II. List of Board, Supervisory Committee and Special Committees

(8) Board

Executive Directors	Mr. Chu Kairong Mr. Zhao Weixiong (Appointed on 6 September 2024)
Non-executive Directors	Mr. Xue Binghai Ms. Jiang Haiying (Appointed on 18 February 2025) Mr. Jiang Lin (Resigned on 18 February 2025)
Independent non-executive Directors	Mr. Huang Dechun Mr. Lo Wah Wai Mr. Zhang Hongfa

(9) Special Committees of the Board

Audit Committee	Mr. Lo Wah Wai (<i>Chairman</i>) Mr. Xue Binghai Mr. Huang Dechun
Remuneration Committee	Mr. Huang Dechun (<i>Chairman</i>) Mr. Chu Kairong (Appointed on 6 September 2024) Mr. Zhang Hongfa
Nomination Committee	Mr. Zhang Hongfa (<i>Chairman</i>) Mr. Chu Kairong (Appointed on 6 September 2024) Mr. Huang Dechun
Risk Management Committee	Mr. Zhao Weixiong (<i>Chairman</i>) (Appointed on 6 September 2024) Mr. Xue Binghai Ms. Jiang Haiying (Appointed on 18 February 2025) Mr. Lo Wah Wai (Appointed on 6 September 2024) Mr. Zhang Hongfa Mr. Chu Kairong (Resigned on 6 September 2024) Mr. Jiang Lin (Resigned on 18 February 2025)
Strategic and ESG Committee	Mr. Chu Kairong (<i>Chairman</i>) (Appointed on 6 September 2024) Mr. Zhao Weixiong (Appointed on 6 September 2024) Mr. Xue Binghai Mr. Jiang Lin (Appointed on 6 September 2024 and resigned on 18 February 2025) Ms. Jiang Haiying (Appointed on 18 February 2025) Mr. Huang Dechun (Appointed on 6 September 2024) Mr. Lo Wah Wai (Appointed on 6 September 2024) Mr. Zhang Hongfa

(10) Supervisory Committee

Mr. Huang Dongyan (*Chairman of the Supervisory Committee*) (Appointed on 6 September 2024)
Mr. Chen Liang
Ms. Gong Qi (Appointed on 18 February 2025)
Ms. Yu Hong (*Chairlady of the Supervisory Committee*) (Resigned on 17 July 2024, and the resignation came into effect on 6 September 2024)
Ms. Zhang Lei (Resigned on 18 February 2025)

III. Contact Information

(11) Secretary to the Board

Secretary to the Board: Mr. Huang Haiqing
Address: Building 3, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing, Jiangsu Province, the PRC
(Postal code: 210019)
Tel: 025-52278884
Email: zqb@ftol.com.cn

(12) Joint Company Secretaries

Mr. Huang Haiqing and Ms. Chan Yin Wah

IV. Other Information

(13) Statutory Audit Institutions of the Company

ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合伙))
Public Interest Entity Auditor recognised in accordance with the Financial Reporting Council Ordinance

(14) Legal Advisers of the Company

As to Hong Kong Law: DeHeng Law Offices (Hong Kong) LLP
As to PRC Law: Allbright Law Offices Nanjing
Jingtian & Gongcheng Law Firm in Beijing

Company Profile

(15) Principal Bankers

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

V. Brief Description of the Company's Shares

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

VI. Development History

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

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

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

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

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

Company Profile

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

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

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

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

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

In 2015, High Hope International was deregistered as a result of the merger with High Hope Corporation by way of absorption. The 68,000,000 shares of the Company as held by High Hope International were transferred to High Hope Corporation.

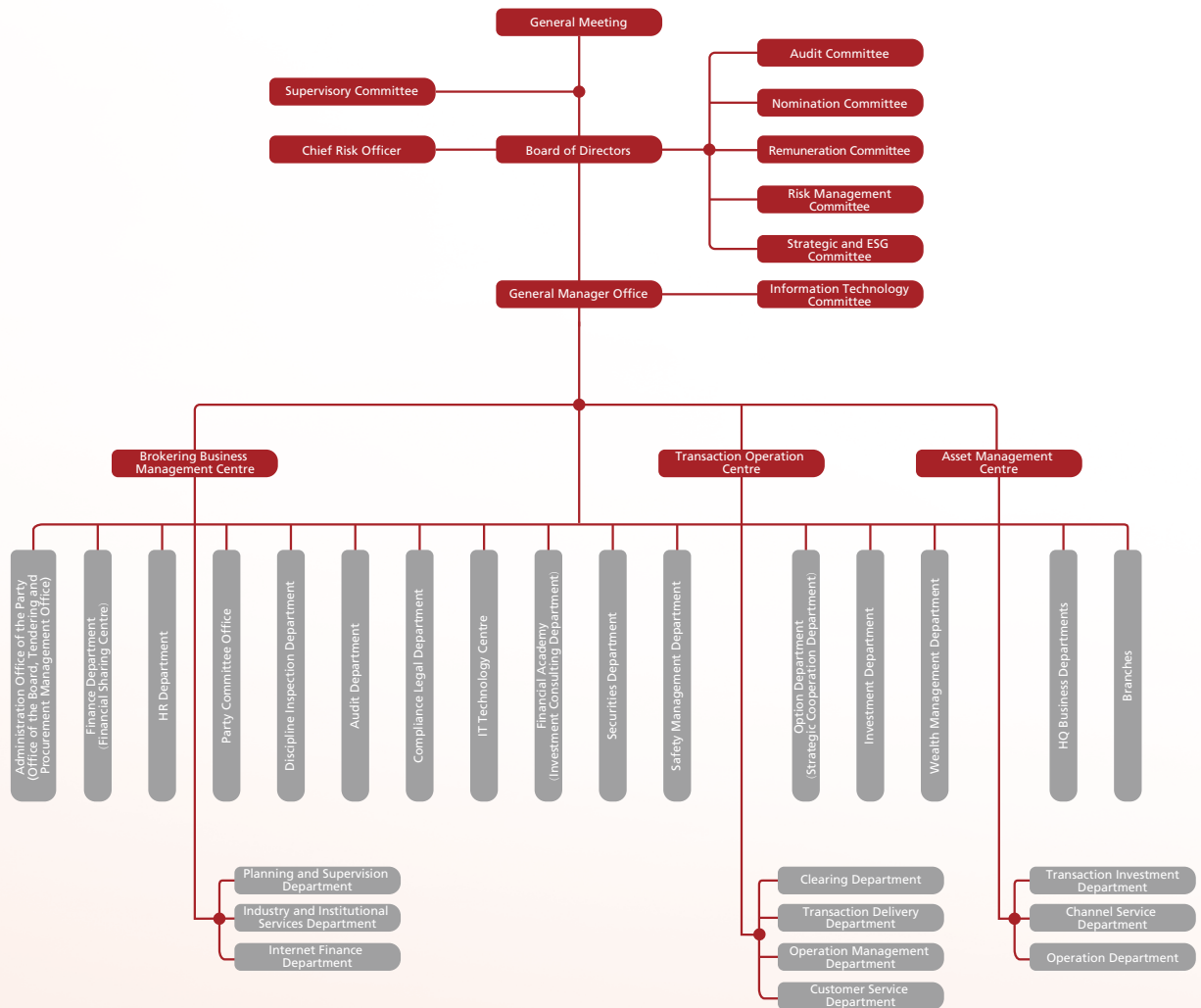
Company Profile

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

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

Company Profile

VII. Organizational Structure



VIII. Subsidiaries

Name	Registered and office address	Principal activities	Place of incorporation and principal place of operation	Date of incorporation	Registered capital	Shareholding ratio	Remarks
Holly Capital ⁽¹⁾	Room 201, Block A, No. 1 Qianwan Road 1, Qianhai Shenzhen Hong Kong Cooperative District, Shenzhen, the PRC	Basis trading, cooperation hedging, warehouse receipts services, OTC derivatives business, market making business	PRC	25 June 2013	RMB500 million	100%	
Holly International Financial	Room 03-05, 20/F, Jubilee Centre, No. 46 Gloucester Road, Wanchai, Hong Kong	dealing in futures contracts, dealing in securities	Hong Kong	20 October 2011	HKD240 million	100%	
Holly International Asset Management	Room 1301, 13/F, Jubilee Centre, No. 46 Gloucester Road, Wanchai, Hong Kong	Asset management, advising on securities	Hong Kong	7 July 2016	HKD20 million	100%	Established and wholly owned by Holly International Financial

Note:

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

Company Profile

IX. Distribution of Futures Branches and Sub-branches

As at the end of the Reporting Period, the Company had established 33 futures branches and 5 sub-branches in the PRC with the approval from the CSRC. The details are set out in the following table:

Serial No.	Branch/ Sub-branch	Business Address	Date of Establishment
1	Beijing Branch	Unit B2, 901, 9th Floor, 118 Jianguo Road, Chaoyang District, Beijing City	2 February 2005
2	Changshu Branch	Room A617, A618, A620, No. 45 Haiyu North Road (Changshu World Trade Center), Changshu City, Jiangsu Province	23 July 2013
3	Changzhou Branch	Room 1003, Building 2, Tianning Times Square, 19 Zhulin West Road, Changzhou City	24 September 2002
4	Changsha Branch	1405, Changfang Dongjun Building, 99 Renmin East Road, Furong District, Changsha City	11 December 2008
5	Chongqing Branch	Unit 5, 18/F, 1 Qingyun Road, Jiangbei District, Chongqing City	30 December 2011
6	Fuzhou Branch	Unit 1907–1908, 19th Floor of Lippo Tianma Plaza, 1 Wuyibei Road, Gulou District, Fuzhou City, Fujian Province	10 November 2008
7	Guangzhou Branch	Room 2208 (self-designated), 22nd Floor, 5–32/F, No. 406–1, Huasui Road, Tianhe District, Guangzhou City	8 March 2011
8	Hangzhou Branch	Unit 1007, Block 1, Shipping International Administration Mansion, Shangcheng District, Hangzhou City	20 February 2008
9	Hefei Branch	Room 707, Block 1, Wucui Commercial Plaza, No. 129 Wangjiang West Road, Shushan District, Hefei City	26 December 2007
10	Huai'an Branch	Room 1111, 1112, office building of Huaihai City One, Qinghe District, Huai'an City	8 May 2012
11	Jinan Branch	910, Tower C, Shimao International Plaza, Daminghu Sub-district, Lixia District, Jinan City, Shandong Province	7 August 2009
12	Jiangyin Branch	Unit A, 14/F, Hailan International Trade Building, No. 118 Chengjiang Middle Road, Jiangyin City	23 July 2013
13	Lianyungang Branch	Room 907 & 908, No. 26. Hailian East Road, Haizhou District, Lianyugang City, Jiangsu Province	16 September 2011

Company Profile

Serial No.	Branch/ Sub-branch	Business Address	Date of Establishment
14	Nanning Branch	No. 2518, No. 2519, No. 2520, Building 1 Nanning Qingxiu Wanda Plaza West, No. 118 Dongge Road, Qingxiu District, Nanning City	19 September 2008
15	Nantong Branch	No. 6 Yaogang Road, Nantong City	6 September 2007
16	Ningbo Branch	Building 1, Wante Business Center, High-tech Zone, Ningbo City, Zhejiang Province	7 July 2011
17	Qingdao Branch	Room 2301, Building No. 1, No. 10 Xianggang Zhong Road, Shinan District, Qingdao City, Shandong Province	26 November 2007
18	Shanghai Branch	Room 1210, 1211, No. 1589 Century Avenue, China (Shanghai) Pilot Free Trade Zone	15 August 2007
19	Shenyang Branch	Unit 05-06, 5/F, Zhuoyue Building, No. 10 Huigong Street, Shenhe District, Shenyang City	11 October 2010
20	Suzhou Branch	Room 2160, Bojin Building, No. 1338 Sanxiang Road, Gusu District, Suzhou City	18 December 2001
21	Suqian Branch	No. 301, 303, 305, 307, 3/F, Zone B, Suqian Daily Newspaper, No. 64 Development Avenue, Suqian City, Jiangsu Province	5 May 2010
22	Taiyuan Branch	Room 608, Building 3, No. 106 Fuxi Street, Sanqiao Sub-district, Xinghualing District, Taiyuan City, Shanxi Province	2 February 2012
23	Taizhou Branch	Room 205, Room 106, No.607, Gulou South Road, Hailing District, Taizhou City	3 July 2008
24	Wuxi Branch	Room 1706, 1707, No. 531 Zhongshan Road, Wuxi City	12 December 2003
25	Wuhu Branch	Room 1004, 1005, Weixing Times Financial Centre, Jinghu District, Wuhu City, Anhui Province	28 June 2012
26	Xiamen Branch	Room 1304, No. 820 Xiahe Road, Siming District, Xiamen City, Fujian Province	18 November 2013
27	Xi'an Branch	Room G, 13/F, New Times Plaza, No. 55 Beida Street, Lianhu District, Xi'an City	10 April 2009
28	Xuzhou Branch	Room 1-3903, 3904, 3905, Podium Building A, Suning Plaza, 29 Huaihai East Road, Gulou District, Xuzhou City	4 January 2008
29	Yancheng Branch	Room 3A07, 3A08, 4/F, Huabangdong Mansion, No. 1 Renmin South Road, Yancheng City	16 June 2009

Company Profile

Serial No.	Branch/ Sub-branch	Business Address	Date of Establishment
30	Yangzhou Branch	Room 803, Zijin Plaza, No. 10 Wenchang West Road, Yangzhou City	25 October 2002
31	Yixing Branch	Room 1501 & 1502, No. 113, Wanda Plaza, Yicheng Street, Yixing City	23 August 2013
32	Zhangjiagang Branch	No. 178 Chengbei Road, Zhangjiagang City	6 September 2013
33	Zhenjiang Branch	17/F, No. 8 Guan Cheng Road, Runzhou District, Zhenjiang City	31 October 2008
34	Beijing Sub-branch	Unit C1, 901, 9th Floor, 118 Jianguo Road, Chaoyang District, Beijing City	24 January 2017
35	Northeast Sub-branch	Room 2310, Dalian Futures Building, Block A, Dalian International Finance Center, No. 129 Exhibition Road, Sha He Kou District, Dalian City	26 November 2008
36	Nanjing Sub-branch	4th Floor, Holly Tower, No. 50 Zhonghua Road, Nanjing	6 December 2016
37	Shanghai Sub-branch	Unit 01, 23rd Floor (Nominal Floor, Actual Floor: 21st Floor), No. 759 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone	15 October 2016
38	Zhengzhou Sub-branch	Room 1303, Futures Tower, No. 30 Business Outer Ring Road, Zhengdong New District, Zhengzhou Area of Henan Pilot Free Trade Zone	1 July 2008

Financial Summary

I. Major accounting data and financial indicators

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

Major accounting data and financial indices for the past five years

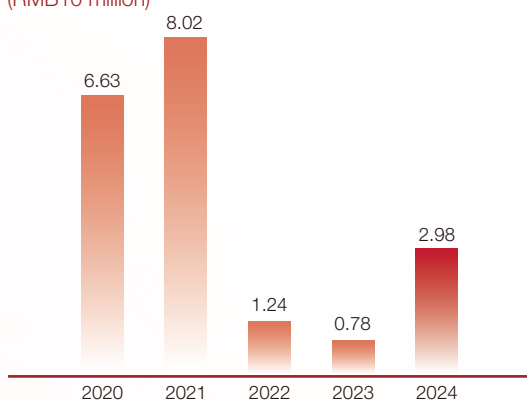
In RMB'0,000	2024 as compared to 2023				2022	2021	2020
	2024	2023	Change in amount	Change			
Total operating income	287,579	194,322	93,257	48%	152,775	163,986	156,138
Total profit	3,829	1,047	2,782	266%	1,591	10,921	9,270
Net profit – attributable to shareholders of the Company	2,983	779	2,204	283%	1,238	8,021	6,632
Net cash generated from operating activities inflows/(outflows)	234,808	-161,715	396,523	245%	192,509	123,561	80,307
Earnings per share (RMB/share)							
Basic earnings per share	0.0296	0.0077			0.0132	0.0884	0.0731
Diluted earnings per share	0.0296	0.0077			0.0132	0.0884	0.0731
Profitability indicators							
Weighted average return on net assets	1.60%	0.42%			0.71%	4.84%	4.07%

Scale indicators (RMB'0,000)	2024 as compared to 2023				As of 31 December 2022	As of 31 December 2021	As of 31 December 2020
	As of 31 December 2024	As of 31 December 2023	Change in amount	Change			
Total assets	1,169,937	931,308	238,629	26%	1,048,393	808,310	634,916
Total liabilities	982,259	746,558	235,701	32%	864,660	640,093	470,249
Customers' equity payable	883,889	684,087	199,802	29%	807,393	593,063	428,784
Equity attributable to shareholders of the Company	187,678	184,749	2,929	2%	183,732	168,217	164,667
Total share capital ('000)	1,007,778	1,007,778			1,007,778	907,000	907,000
Net assets value per share attributable to shareholders of the Company (RMB per share)							
	1.86	1.83			1.82	1.85	1.82
Gearing ratio ^{Note 1}	34%	25%			24%	22%	20%

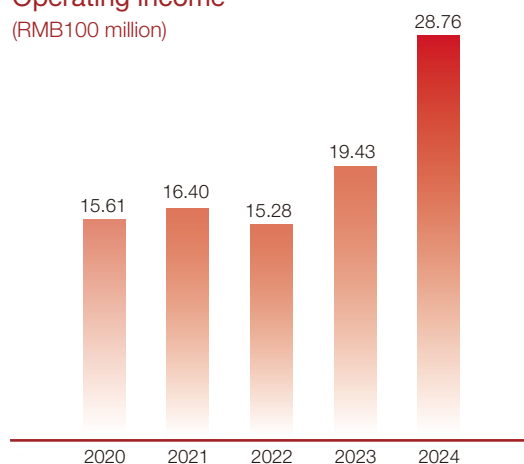
Note 1: Gearing ratio = (Total liabilities – Customers' equity payable)/(Total assets – Customers' equity payable)

Financial Summary

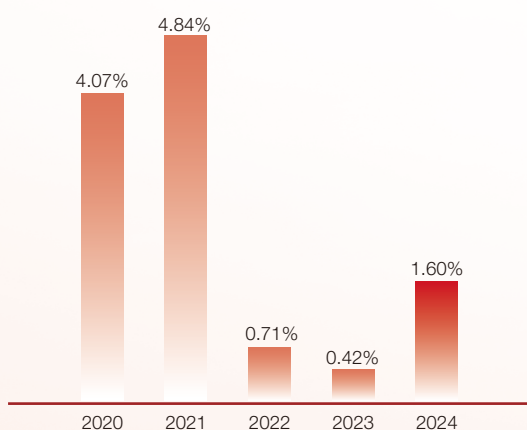
Net profit – attributable to shareholders of the Company
(RMB10 million)



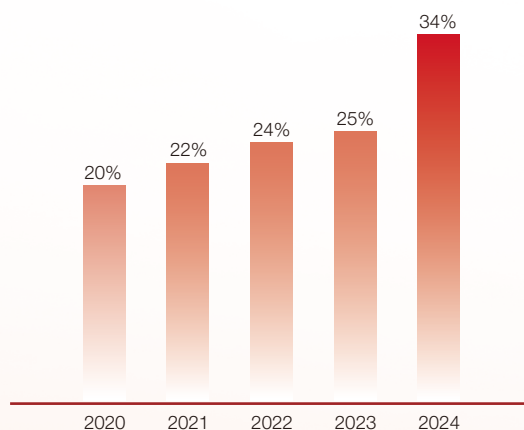
Operating income
(RMB100 million)



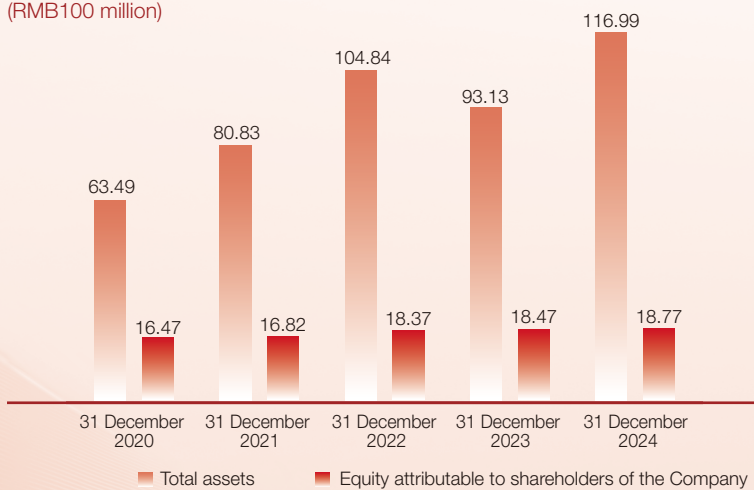
Weighted average return on net assets



Gearing ratio



Scale indicators
(RMB100 million)



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

The Net capital of the Company as at the end of 2024 amounted to RMB914 million, representing an increase of RMB73 million as compared with RMB841 million as at the end of 2023. During the Reporting Period, various risk control indicators of the Company including the net capital met regulatory requirements. The following table sets out the net capital and the major risk control indicators prepared by the Company in accordance with PRC Accounting Standards and the regulatory requirements in the PRC.

	As of 31 December 2024	As of 31 December 2023	Warning level	Supervision level
Net capital (RMB million)	914	841	36	30
Net capital/total risk capital reserves (%)	253%	266%	120%	100%
Net capital/net assets (%)	48%	45%	24%	20%
Current assets/current liabilities (%)	449%	439%	120%	100%
Total liabilities/net assets (%)	13%	18%	120%	150%
Proprietary settlement reserve funds (RMB million)	674	736	–	10

02

Operating Conditions



Management Discussion and Analysis

I. Industry and market review

In 2024, amid a complex global economic landscape marked by persistent geopolitical conflicts and rising trade protectionism, the futures market faced heightened uncertainties. Against this backdrop, China's futures industry proactively navigated challenges and seized opportunities, achieving remarkable progress in terms of regulatory policies, market scale, variety innovation, opening-up, and serving the real economy.

(1) Regulatory Policies: strengthening supervision, preventing risks and advancing high-quality development

On 30 September 2024, the CSRC, National Development and Reform Commission (NDRC), Ministry of Industry and Information Technology (MIIT), Ministry of Agriculture and Rural Affairs (MARA), Ministry of Commerce (MOFCOM), People's Bank of China (PBOC), and National Financial Regulatory Administration (NFRA) jointly issued the Opinions on Strengthening Supervision and Preventing Risks to Promote the High-quality Development of the Futures Market (《關於加強監管防範風險促進期貨市場高質量發展的意見》). The Opinion deploys 17 key measures in 8 aspects, aiming to promote the establishment of an all-round and multi-dimensional framework for the development and supervision of futures market. From the perspective of overall requirements, it has been made clear that Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era shall serve as the guidance, relevant spirit of conferences shall be thoroughly implemented, work arrangements shall be carried out, and it emphasizes the principles of adhering to political guidance, goal orientation, problem orientation and overall consideration, indicating the direction for the development of the futures market. In terms of specific measures, strictly supervise futures trading activities, strengthen the comprehensive and in-depth supervision of all kinds of trading, and enhance the whole-process supervision of high-frequency trading; rigorously crack down on illegal and non-compliant behavior in the futures market, resolutely suppress excessive speculation, and rigorously investigate and deal with illegal and non-compliant behavior; enhance the whole-process supervision of futures companies, strengthen the equity management and corporate governance of futures companies, regulate the operating activities of futures companies and their subsidiaries, and improve their long-term mechanism for risk elimination; strengthen risk prevention of the futures market, consolidate its risk prevention and early warning system, and improve the capabilities of the futures market to respond to and handle risks; enhance the quality and efficiency of the commodity futures market in serving the real economy, fully leverage the functionalities of commodity futures and options varieties, and serve the high-quality development of the real economy through the linkage between futures and spot markets; develop the financial futures and derivatives market prudently, raise the development level of the financial futures and derivatives market, and deepen regulatory reform of derivatives supervision in the capital market; steadily promote the opening-up of the futures market, continuously expand high-level institutional opening-up, and strengthen the construction of regulatory capacity in an open environment. The introduction of this series of policies has laid a solid foundation for the healthy and stable development of the futures market.

Management Discussion and Analysis

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

According to the China Futures Association, from January to December 2024, China's futures market realised a cumulative trading volume of 7,729 million lots and a cumulative trading turnover of RMB619.26 trillion, representing a year-on-year decrease of 9.08% and an increase of 8.93%, respectively. Although the trading volume declined, the increase in trading turnover indicated that the market remains highly active with substantial capital participation. The top three varieties of each commodity and futures exchanges by trading turnover are as follows: gold, silver and copper for the SHFE; soda ash, rapeseed oil, and glass for the ZCE; palm oil, soybean meal and soybean oil for the DCE; and lithium carbonate futures, industrial silicon futures, and polycrystalline silicon futures for the GFE; and the top three varieties of each exchange by trading volume were as follows: rebar, silver, fuel oil for the SHFE; soda ash, glass, and rapeseed meal for the ZCE; soybean meal, polyvinyl chloride (PVC) and palm oil for DCE, industrial silicon futures, lithium carbonate futures and industrial silicon options for the GFE. China Financial Futures Exchange achieved a trading volume of 253 million lots for financial futures and options, accounting for 3.28% of the national market, and a trading turnover of RMB190.93 trillion, accounting for 30.83% of the national market, with the top 3 varieties in terms of trading turnover being the CSI 1000 Stock Index Futures, CSI 300 Stock Index Futures, and the CSI 500 Stock Index Futures. (Source: Official website of China Futures Association)

Regarding clients and capital, as of the end of December 2024, the total number of effective customers in the entire market exceeded 2.5 million for the first time, hitting a record high and representing a year-on-year increase of 13%, and the number of futures account openings throughout 2024 amounted to 870,000, marking a year-on-year increase of 18%. An increasing number of industrial customers and medium- and long-term funds are actively participating in the futures market. The total number of corporate customers increased by 116% compared to five years ago, and the number of corporate customer account openings in 2024 increased by 61% compared to five years ago. The total amount of funds was approximately RMB1.63 trillion, representing a year-on-year increase of 8.3%. Against the backdrop of policy guidance and improved expectations of economic recovery, medium- and long-term funds are gradually entering the market, driving the total amount of funds in the futures market to grow steadily. (Source: Official website of China Futures Market Monitoring Center)

Management Discussion and Analysis

(3) Variety innovation: 15 new varieties listed, continuously improving the product ecosystem

In 2024, China's futures market continued to make great efforts in variety innovation, with 15 newly listed varieties that year. As of now, China's futures market has listed nearly 150 futures and options products, extensively covering major sectors of the national economy, including agricultural products, metals, energy, chemicals, building materials, shipping, and finance. The listing of lead, nickel, tin, and alumina options on the Shanghai Futures Exchange (SHFE) has achieved full coverage of non-ferrous metal options, marking a significant step in SHFE's efforts to accelerate the construction of a world-class exchange. Following the successful listing of industrial silicon and lithium carbonate futures, the Guangzhou Futures Exchange (GFEX) has launched polysilicon futures and options, its third new energy metal product. In the agricultural sector, the Zhengzhou Commodity Exchange (CZCE) has introduced red date options, while the Dalian Commodity Exchange (DCE) has launched options for eggs, corn starch, and live hogs. These options products, launched alongside their corresponding futures contracts, provided related industries with a complete derivatives toolchain covering raw materials and products, futures and options, thereby enhancing the overall risk management capabilities of the industries.

(4) Opening-up: significant progress and enhanced foreign clients' engagement

In 2024, the futures market made positive progress in opening up. In terms of the number of varieties, China has introduced overseas traders to 24 domestic specific varieties, and effective from March 2025, the number of products eligible for trading by Qualified Foreign Institutional Investors (QFII and RQFII) will increase from 46 to 75, with 29 additional overseas trading products being added to the list; in terms of the number of customers, the number of overseas clients has been growing steadily, and by the end of 2024, the number of effective foreign clients increased by 17% year-on-year; in terms of trading activity, foreign clients' engagement continued to rise, with open interest held by foreign clients rising by 28% year-on-year as of the end of 2024. This reflects the expanding global influence of China's futures market, as an increasing number of global investors engage in the market, which not only inject fresh capital and vitality into the market but also contribute to strengthening China's pricing power and global voice in the futures industry. Their involvement not only injects liquidity and dynamism but also enhances China's pricing power and leadership in shaping international futures market benchmarks.

Management Discussion and Analysis

(5) Serving the real economy: significant functional advancements and the “futures +” model driving industrial development

As a vital component of the financial market, the futures market played a pivotal role in serving the real economy. Leveraging its price discovery and risk management functions, the futures market enabled real enterprises to better navigate market fluctuations and optimise production and operation planning. In 2024, various futures exchanges and futures companies actively advanced the linkage between futures and spot markets, formulated and executed action plans to strengthen engagement with industrial clients, continuously optimised the institutional environment for corporate hedging transactions, steadily promoted portfolio margin, refined the rules for market maker management, and reduced the hedging cost of enterprises. For example, in the field of agricultural products, the “Futures + Insurance” model continued to be promoted in depth, helping farmers avoid price risks and ensure stable incomes; in the industrial field, the futures market provided enterprises with risk management instruments for raw material procurement and product sales, facilitating their stable production and operation. In addition, the futures companies also leveraged their professional expertise to provide comprehensive derivative services with better quality for real enterprises. They conducted in-depth trend monitoring and forward-looking research and judgment of key commodity price-volume indicators, established comprehensive analysis systems for futures and spot, on-and off-exchange and domestic and international markets, and enhanced their capabilities to interpret macroeconomic trends through futures and vice versa, ultimately contributing to macroeconomic governance.

Looking back on 2024, the futures industry forged ahead in a complex and ever-changing market environment and achieved remarkable results. The continuous improvement of regulatory policies ensured the healthy development of the market, and the steady growth of market scale, the continuous advancement of variety innovation, the active expansion of opening-up, and the significant enhancement of the ability to serve the real economy all signifies that China’s futures market is steadily moving towards the goal of high-quality development. Looking ahead to 2025, with the expected full release of the management measures supporting the Futures and Derivatives Law and the gradual implementation of specialized business policies for various business lines, the futures industry ecosystem will be further optimised, and the market is expected to embrace new development opportunities and play an even more important role in serving the real economy and facilitating the implementation of national strategies.

II. Business Review

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

Management Discussion and Analysis

As of 31 December 2024, total assets of the Group amounted to RMB11,699 million, representing an increase of 25.62% as compared to the beginning of the period. Net assets attributable to the Group amounted to RMB1,877 million, representing an increase of 1.59% as compared to the beginning of the period. In 2024, the Company achieved a total operating income of RMB2,876 million, a total profit of RMB38.2890 million and a net profit of RMB29.8262 million, representing year-on-year increases of 47.99%, 265.63% and 282.80%. Average daily customer equity rose 11.30% year-on-year. Customer equity rose 29.21% at the end versus the beginning of the period. Its turnover from brokerage increased by 37.82% compared with the same period last year. Trading volume rose 8.36% year-on-year. The Company was awarded more than 40 honors, including the Best Futures Company of China (中國最佳期貨公司) and Jiangsu Model Enterprise of Corporate Social Responsibility (江蘇企業社會責任典範).

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

(1) The futures brokerage business

The Company's futures brokerage business includes the provision of brokerage services in respect to commodity and financial futures available at all futures exchanges in the PRC, and receiving handling fees from clients. As of 31 December 2024, the Company had 38 branches and sub-branches located in several municipalities, in Jiangsu Province, and in other economically developed cities in the PRC.

The Company has achieved growth in its brokerage business against the trend through multiple measures. It enhanced the integration of resources, and optimised the layout of its branches by establishing the "Industry and Institutional Service Department", for strategic industrial clients and leading enterprises, it mobilized high-quality resources of the Company to render tailored services with high quality through "a unified approach with multi-faceted support" while in line with the principle of "one enterprise, one group, one strategy". The Company has been consistently propelling the development of fintech and digital finance. It has been steadily enhancing the data base and iteratively upgrading the HOLLY FUTURES App and mini-programs to render more convenient services to customers. Training courses such as the "Weekly Lecture Hall (週週大講堂)" and "Fortnightly Talks (半月談)" were organised to enhance the professional capabilities of employees. The Company launched the first "Holly Futures Cup (弘期杯)" real-account trading competition, along with performance management measures for functional department and evaluation schemes for business personnel, which were centered around business growth and were designed to stimulate the enthusiasm for business development. In 2024, the number of accounts opened by the Company increased by 19.2% year-on-year, and the average daily equity of corporate and institutional clients accounted for 59%.

Management Discussion and Analysis

In 2024, The Group's net brokerage fee income was RMB173 million, a decrease of 12.04% compared to RMB197 million in 2023. Interest income from customer fund deposits was RMB85.3616 million, an increase of 2.30% compared to RMB83.4387 million in 2023. Turnover from brokerage (bilateral statistics, the same below) amounted to RMB7,130.623 billion, representing an increase of 37.82% from RMB5,173.920 billion in 2023. The Company's turnover from commodity futures brokerage amounted to RMB6,011.517 billion, representing an increase of 35.78% from RMB4,427.375 billion in 2023; the turnover from financial futures brokerage amounted to RMB1,119.106 billion, representing an increase of 49.90% from RMB746.545 billion in 2023; the Company's trading volume was 90.5268 million lots, representing an increase of 8.36% from 83.5447 million lots in 2023. In 2024, the commission rate of the Company's domestic comprehensive futures and options brokerage business was 0.0024%, compared to 0.0038% in 2023.

(2) The asset management business

As of 31 December 2024, the AUM of the Company amounted to RMB16.112 billion, representing a decrease of 12.54% as compared to the AUM of RMB18.422 billion as at the end of 2023. The asset management business achieved an income (excluding fee income generated by the structured entity included in the consolidation) of RMB6.0019 million, representing a decrease of 1.60% as compared to RMB6.0993 million in 2023. AUM ranked among the top in the industry, with 20 trading asset management accounts in total. The Company launched 7 new asset management schemes, including 6 collective products and 1 individual product, which demonstrated our stable development.

In the face of continuous volatility in the financial markets in 2024, the Company steadily pushed forward the transformation and upgrading of its asset management business and achieved significant results. The Company proactively aligned with regulatory mandates, conducting a thorough portfolio audit to fortify compliance frameworks. Adhering to the strategic positioning of "focusing on the development of futures and derivatives", the Company fulfilled its active management responsibilities earnestly and successfully developed an asset management product line with the characteristics of a futures company, demonstrating its professional advantages.

During the year, the Company focused on strengthening the construction of its investment and research team, optimising the allocation of investment personnel and restructuring the assessment method to stimulate the team's vitality and creativity. Aligned with regulatory guidelines, the Company leveraged futures and derivative instruments flexibly to continuously enrich its product strategies, delivered diversified alpha strategies with enhanced Sharpe ratios, optimising risk-adjusted returns achieving diversified strategy portfolios and risk-return management. Especially in the fields of cash management and "fixed-income+", the Company stepped up its product promotion efforts, and the market competitiveness of Grand Stability series of products was significantly enhanced, meeting the investors' demand for stable returns.

Through innovative FOF/MOM portfolio management model, the Company forged strategic alliances with private equity institutions, expanding investment channels and strategy sources. Concurrently, it further strengthened its all-round cooperation with banks, securities firms, trust companies, large independent third-party distributors, and enterprises within the holding group, expanding its client coverage network, refining its customer service system, and continuously strengthening brand presence of its asset management.

Management Discussion and Analysis

Despite macroeconomic headwinds, the Company sustained its leadership through precise business positioning, professional asset management capabilities and comprehensive channel cooperation, demonstrating its resilience and growth potential in a complex market environment. Looking ahead, the Company will continue to adhere to its professional and differentiated development strategy, further enhancing its investment and research capabilities, enriching its product lines, and deepening channel cooperation, thus delivering long-term stable investment returns for its clients.

(3) The commodity trading and risk management business

Holly Capital focused on the three principal businesses of spot and futures trading, market-making, and OTC derivatives business, in 2024, the Company achieved a total operating income of RMB2.564 billion, and total profit of RMB20.82 million. In particular, the spot and futures trading business team generated revenue of RMB944 million and RMB555 million in lithium carbonate and nickel businesses, respectively, establishing these as the Company's distinctive product varieties. The competitiveness of over-the-counter (OTC) options in quotation continued to improve, with the notional principal amount of OTC business reaching RMB36.91 billion for the whole year, representing a year-on-year growth of 82.3%, and more than 100 micro, small and medium-sized enterprises were served in total, further highlighting the ability to serve the real economy. The futures market making business team was awarded 2023 SHFE Silver Award for Market-making Business, and the build of theoretical parameters and hardware facilities for options market-making was completed preliminarily to prepare for the subsequent application for options market making. In 2024, Holly Capital was honored with the Jun Ding Award for China's Outstanding Futures Risk Management Subsidiary and the Service Innovation Award for Best Risk Management Subsidiary.

(4) Financial assets investment business

With an aim of optimising its capital operation, the Company invested in a variety of financial assets including securities, trusts, funds and asset management plans so as to make effective capital allocation, facilitate the development of principal business and improve profitability while putting risks under control.

In 2024, the domestic securities market experienced increasing volatility, with major indices declining in the first half of the year before rebounding later. The commodity market exhibited structural trends, while overall volatility remained at a moderate level. Against this complex market backdrop, the Company strengthened risk control in its financial asset investment business and optimized its investment strategies, achieving certain gains against the trend. For the year 2024, the Company recorded financial asset investment income of RMB8.7387 million and fair value change gains of RMB19.3550 million, totaling RMB28.0937 million, representing a year-on-year increase of 183.26%.

Management Discussion and Analysis

(5) Overseas financial services business

In 2024, amid a severe and complex external environment, the Company proactively seized development opportunities, continuously stimulated operational vitality, vigorously promoted business transformation, and achieved leapfrog development. Multiple core indicators of the Company significantly improved, reaching record highs since its establishment in 2011.

For overseas futures and securities brokerage business, in line with market trends and customer demands, the Company restructured its traditional brokerage business, deepened the optimization of its customer base, and focused on expanding industrial and institutional clients. Efforts were made to cultivate and strengthen the business team, while enhancing collaboration across front, middle, and back offices to comprehensively improve integrated service capabilities. As of December 2024, the futures business demonstrated steady growth, with revenue increasing by 18.63% year-on-year and average daily customer equity rising by 130.75% year-on-year. The securities business experienced rapid growth, with revenue surging by 87.50% and average daily customer equity increasing by 26.10% year-on-year.

For overseas asset management business, the Company enhanced its active management and risk management capabilities, maintaining stable scale for privately offered funds under management and achieving steady performance improvements, with some funds delivering outstanding results. The Company further expanded investment advisory services, broadening revenue streams, and achieved a year-on-year doubling of its advisory business scale. Active efforts were made to promote the QDLP (Qualified Domestic Limited Partner) business, injecting new momentum into the diversified development of the asset management cooperation business.

(6) Wealth management business

In 2024, in line with the concept of “financial supermarket”, a total of 2,357 public fund products of 17 fund companies were listed, with 210 newly added during the year. 58 new fund clients were added and the scale of public fund sales was RMB88.29 million. In terms of private placement distribution, one new private placement product was launched during the year. Looking ahead to 2025, the Company will accelerate the transformation of wealth management, continuously deepen the service concept of “client-centered” and focus on improving the wealth product system. Prioritizing the quality as the key differentiator, the Company will also establish a selection mechanism for gold-standard products, ensuring clients gain access to investment products with better quality.

III. Financial statement analysis

(1) Financial statement analysis

1. Analysis of profitability

During the Reporting Period, against the backdrop of a complex international situation and macroeconomic situation, as well as fierce market competition in the futures industry, the Company adhered to consolidating its main business and strictly controlling risks, and its overall operating results showed a bottoming-out trend. In 2024, the Group achieved total operating income of RMB2.876 billion, a year-on-year increase of 48%; a net profit attributable to shareholders of the Company of RMB29.83 million, a year-on-year increase of 283%; earnings per share of RMB0.0296; and a weighted average return on net assets of 1.60%.

2. Asset structure and asset quality

As at the end of 2024, the total assets of the Group amounted to RMB11,699 million, representing a year-on-year increase of 26% as compared with RMB9,313 million at the end of 2023; the total liabilities amounted to RMB9,823 million, representing a year-on-year increase of 32% as compared with RMB7,466 million at the end of 2023; and the net assets amounted to RMB1,876 million, representing a year-on-year increase of 2% as compared with RMB1,847 million at the end of 2023.

The asset structure remained stable while the quality and liquidity of assets were well maintained. At the end of 2024, the Group's total assets recorded a year-on-year increase of 26%, mainly due to the increase of customers' equity. As at the end of 2024, in the total assets of the Group, current assets of RMB11,218 million, accounting for 96%, non-current assets of RMB481 million, accounting for 4%. Total assets mainly include cash assets of RMB10,346 million, accounting for 88%, financial investment assets of RMB436 million, accounting for 4%, and other assets of RMB918 million, accounting for 8%.

As at the end of 2024, the liabilities deducting accounts payable to customers' equity amounted to RMB984 million, representing an increase of 57% as compared with RMB625 million at the end of 2023, mainly due to an increase in the amount of bills payable, which was derived from bank acceptance notes payable by the subsidiary Holly Capital. The Group's gearing ratio was 34%, an increase of 9 percentage points compared to 25% at the end of 2023 (Note: Gearing ratio = (Total liabilities – Customers' equity payable)/(Total assets – Customers' equity payable); operating leverage was 1.52 times, an increase of 13% compared to 1.34 times at the end of 2023 (Note: Operating leverage = (Total assets – Customers' equity payable)/Equity attributable to shareholders of the Company).

Management Discussion and Analysis

3. *Liquidity level management*

The Company places great emphasis on liquidity management based on the principle of “comprehensive, prudent and predictability” while focusing on the organic combination of the security, liquidity and profitability of capital. The liquidity monitoring index of the Company in each month throughout 2024 complied with the regulatory requirements of the CSRC.

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

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

At the end of 2024, the Group’s total borrowings amounted to RMB29.0186 million (end of 2023: RMB110.9256 million), all of which were repayable within one year, and the annual interest rates ranged from 2.60% to 3.45%. During the Reporting Period, the Group repaid all long-term borrowings in advance. Details of the Group’s borrowings are set out in Note V. 20 and 32 to the financial statements of this annual report, and liquidity risk is set out in Note X. (III).

4. *Cash flow*

Net increase in cash and cash equivalents amounted to RMB2,224 million in 2024, representing a year-on-year increase of RMB3,728 million as compared with RMB-1,504 million for 2023. This was mainly due to the increase in net cash flow from operating activities resulting from the growth in customer equity.

Net cash generated from operating activities amounted to RMB2,348 million in 2024, representing an increase of RMB3,965 million as compared with RMB-1,617 million for 2023; net cash generated from investing activities amounted to RMB38 million in 2024, representing a decrease of RMB84 million as compared with RMB122 million for 2023; net cash generated from financing activities amounted to RMB-157 million in 2024, representing a year-on-year decrease of RMB147 million as compared with RMB-10 million for 2023; effect of change in foreign exchange rate amounted to RMB-4.71 million in 2024, representing a year-on-year decrease of RMB5.75 million as compared with RMB1.04 million for 2023.

Management Discussion and Analysis

(2) Income statement items

In 2024, the Group's net profit amounted to RMB29.83 million, representing a year-on-year increase of RMB22.04 million or 282.80%. The main items of the income statement are as follows:

In RMB'0,000	2024	2023	2024 as compared to 2023	
			Change in amount	Change
Total income from operations	287,579	194,322	93,257	48%
Net fee and commission income	17,932	20,314	-2,382	-12%
Net interest income	11,136	10,160	976	10%
Investment gains (loss denoted by "-")	7,286	-2,638	9,924	376%
Other income	111	47	64	136%
Gains on change in fair value	3,877	2,644	1,233	47%
Exchange gains (loss denoted by "-")	-31	30	-61	-203%
Income from other business activities	247,272	163,776	83,496	51%
Asset disposal gain (loss denoted by "-")	-4	-12	8	67%
Total operating expense	284,114	193,667	90,447	47%
Futures risk reserve expenses	752	837	-85	-10%
Taxes and surcharges	408	379	29	8%
General and administrative expenses	30,999	28,950	2,049	7%
Credit impairment loss	-49	56	-105	-188%
Other asset impairment loss	1,138	0	1,138	N/A
Other general expenses	250,867	163,445	87,422	53%
Profit from operations	3,464	655	2,809	429%
Add: Non-operating income	482	432	50	12%
Less: Non-operating expenses	117	40	77	193%
Total profit	3,829	1,047	2,782	266%
Less: Income tax expense	846	268	578	216%
Net profit	2,983	779	2,204	283%
Basic and Diluted earnings per share	0.0296	0.0077		
Other comprehensive income, net of tax	349	238	111	47%
Total comprehensive income	3,332	1,017	2,315	228%

Management Discussion and Analysis

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

In 2024, the Group achieved net fee and commission income and net interest income of RMB290.68 million, representing a year-on-year decrease of RMB14.06 million or 5%. For 2024 and 2023, the Group's proportion of net fee and commission income were 62% and 67%, respectively, while the proportion of net interest income were 38% and 33%, respectively. Breakdown is set out in the following table:

In RMB'0,000	2024		2023		2024 as compared to 2023	
	Amount	Proportion	Amount	Proportion	Change in amount	Change
Net fee and commission income	17,932	62%	20,314	67%	-2,382	-12%
Net interest income	11,136	38%	10,160	33%	976	10%
Total	29,068	100%	30,474	100%	-1,406	-5%

- *Net fee and commission income*

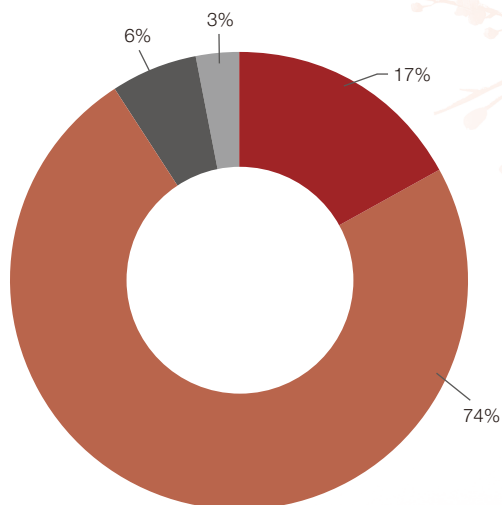
In 2024, net fee and commission income of the Group amounted to RMB179.32 million, representing a year-on-year decrease of RMB23.82 million or 12%. Breakdown is set out in the following table:

In RMB'0,000	2024		2023		2024 as compared to 2023	
	Amount	Proportion	Amount	Proportion	Change in amount	Change
Income from domestic brokerage handling fees	2,969	17%	3,206	16%	-237	-7%
Reduction of handling fees from exchanges	13,341	74%	15,723	77%	-2,382	-15%
Income from overseas brokerage business	1,022	6%	775	4%	247	32%
Income from asset management business	600	3%	610	3%	-10	-2%
Net fee and commission income	17,932	100%	20,314	100%	-2,382	-12%

Management Discussion and Analysis

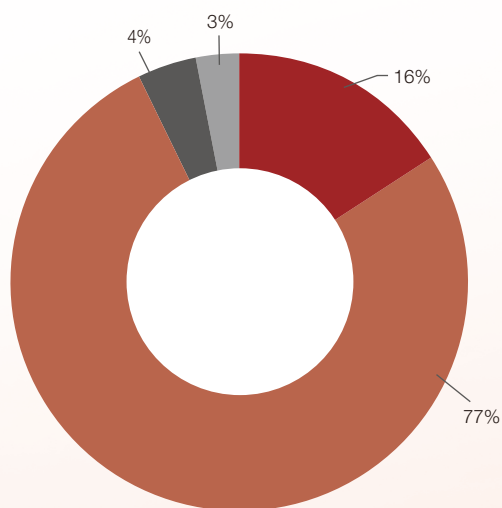
2024 Fee Income

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



2023 Fee Income

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



Management Discussion and Analysis

- ① The income from brokerage business was RMB173.32 million, a year-on-year decrease of RMB23.72 million or 12%, which mainly comprised income from domestic brokerage handling fees, reduction of handling fees from exchanges, and income from overseas brokerage business. Among them, income from domestic brokerage handling fees was RMB29.69 million, reduction of handling fees from exchanges was RMB133.41 million, and income from overseas brokerage business was RMB10.22 million.
- ② The income from asset management business amounted to RMB6.00 million, representing a year-on-year decrease of RMB0.10 million or 2%. Income from asset management business mainly consisted of management fees and performance-based commissions. Management fees are accrued based on the net value of asset management plans, while performance-based commissions are accrued based on the operational efficiency of asset management plans.

- **Net interest income**

Net interest income of the Group amounted to RMB111.36 million, representing a year-on-year increase of RMB9.76 million or 10%. Breakdown is set out in the following table:

In RMB'0,000	2024	2023	2024 as compared to 2023	
			Change in amount	Change
Deposit of client's fund	8,536	8,344	192	2%
Deposit of own fund	2,519	1,812	707	39%
Financial assets held under resale agreements	134	129	5	4%
Less: Interests expense	54	125	-71	-57%
Total	11,136	10,160	976	10%

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

Management Discussion and Analysis

2. Financial assets gains

In 2024, the Group achieved financial assets gains of RMB111.63 million, representing a year-on-year increase of RMB111.57 million. The breakdown is set out in the following table:

In RMB'0,000	2024	2023	2024 as compared to 2023	
			Change in amount	Change
Investment gains	7,286	-2,638	9,924	376%
Gains from changes in fair value	3,877	2,644	1,233	47%
Total	11,163	6	11,157	185,950%

(1) Investment gains

Investment gains of the Group amounted to RMB72.86 million, representing a year-on-year increase of RMB99.24 million or 376%. Breakdown is set out in the following table:

In RMB'0,000	2024	2023	2024 as compared to 2023	
			Change in amount	Change
Gains on financial instrument during holding period				
– Financial assets held for trading	258	1,038	-780	-75%
– Other debt investments	3	0	3	N/A
– Other equity instruments investment	57	0	57	N/A
Gains from disposal of financial instruments				
– Derivative financial assets	6,366	-1,587	7,953	501%
– Financial assets held for trading	539	-2,089	2,628	126%
– Other debt investments	16	0	16	N/A
Long term equity investment gains calculated with equity method	46	0	46	N/A
Total	7,286	-2,638	9,924	376%

Management Discussion and Analysis

The Company's financial assets investment business mainly comprised of proceeds from disposal and holding of securities, funds, trust schemes, asset management plans and bonds. In 2024, the total gains on financial instrument during holding period amounted to RMB3.18 million, a year-on-year decrease of RMB7.20 million or 69%; the total gains from disposal of financial instruments amounted to RMB69.22 million, a year-on-year increase of RMB105.98 million or 288%. The income related to financial derivatives mainly came from the futures and risk management business of the subsidiary Holly Capital, and the rest mainly came from the financial asset investment business and the equity method accounting of associates. Investment gains in 2024 increased significantly, mainly due to the increase in investment gains generated from the forward and spot basis trading business of the subsidiary Holly Capital.

(2) Gains from changes in fair value

In 2024, gains from changes in fair value of the Group amounted to RMB38.77 million, representing a year-on-year increase of RMB12.33 million or 47%. Breakdown is set out in the following table:

In RMB'0,000	2024	2023	2024 as compared to 2023	
			Change in amount	Change
Financial assets held for trading	1,882	3,158	-1,276	-40%
Financial liabilities held for trading	54	-1,116	1,170	105%
Derivative financial instruments	1,952	586	1,366	233%
Investment properties	-11	15	-26	-173%
Total	3,877	2,644	1,233	47%

The increase in gains from changes in fair value for the year was mainly due to the increase in gains from changes in fair value arising from the futures side of forward and spot basis trading business of our subsidiary, Holly Capital.

Management Discussion and Analysis

3. Other operating income

In 2024, the Group achieved other operating income of RMB2,473 million, representing a year-on-year increase of RMB835 million or 51%, which mainly included revenue from spot sales of Holly Capital's forward and spot basis trading business, revenue from "Insurance + Futures" business and revenue from property leasing.

4. Other income

In 2024, the Group's other income amounted to RMB0.76 million, representing a year-on-year increase of RMB0.11 million or 17%, mainly due to the increase in other gains as a result of the growth in government grants. Breakdown is set out in the following table:

In RMB'0,000	2024	2023	2024 as compared to 2023	
			Change in amount	Change
Other gains	111	47	64	136%
Foreign exchange gains	-31	30	-61	-203%
Profit from disposal of assets	-4	-12	8	67%
Other income	76	65	11	17%

(1) Other gains

Other gains represent government subsidies and personal tax refunds received by the Group totaling RMB1.11 million, representing a year-on-year increase of RMB0.64 million or 136%. Of which, government subsidies amounted to RMB1 million and personal tax refunds amounted to RMB0.11 million.

(2) Foreign exchange gains

In 2024, foreign exchange gains of the Group amounted to RMB-0.31 million, which was mainly attributable to the exchange rate fluctuations. In 2024, the Group did not use financial instruments to hedge our exposure to exchange rate fluctuations.

Management Discussion and Analysis

5. Operating and management expenses

The operating and management expenses of the Group amounted to RMB309.99 million in 2024, representing a year-on-year increase of RMB20.48 million or 7%. Breakdown is set out in the following table:

Item	2024	2023	Change in amount	Change
Staff benefits	18,770	18,171	599	3%
Office expenses	4,283	3,886	397	10%
Depreciation and amortization	3,428	3,376	52	2%
Lease charges	724	572	152	27%
Finance costs	602	643	-41	-6%
Insurance, brokerage and consulting service fees	1,206	514	692	135%
Investors protection fund	40	29	11	38%
Maintenance fees	386	604	-217	-36%
R&D costs	176	205	-28	-14%
Others	1,383	950	433	46%
Total	30,999	28,950	2,049	7%

(1) Staff benefits

Staff costs mainly comprised of salaries, bonuses and allowances, social insurance, housing provident fund, enterprise annuity, and other welfare expenses. In 2024, the staff costs of the Group amounted to RMB187.70 million with a year-on-year increase of RMB5.99 million or 3%.

(2) Office expenses

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

In 2024, the office expenses of the Group amounted to RMB42.83 million with a year-on-year increase of RMB3.97 million or 10%, which was mainly due to the increase in postal and telecommunication fees, business travel expenses and other expenses.

(3) Finance costs

Finance costs mainly included interest on loans and bank charges, among which interest on mortgage loans for the purchase of office premises in Financial City and financing interest expenses of the subsidiary Holly Capital accounted for a relatively large portion. Finance costs of the Group for the year 2024 amounted to RMB6.02 million, representing a year-on-year decrease of RMB0.41 million or 6%.

Management Discussion and Analysis

6. Other operating costs

In 2024, the Group's other operating costs was RMB2,509 million, representing a year-on-year increase of RMB874 million or 53%, which mainly included the cost of spot sales of Holly Capital's basis trading business and the cost of "Insurance + Futures" business.

7. Impairment loss on other assets

In 2024, the Group's other asset impairment losses of RMB11,376,900 were all related to the provision for impairment of spot held by the forward and spot basis trading business of its subsidiary, Holly Capital (the floating gain on the futures side was reflected in the gains from change in fair value).

(3) Asset items

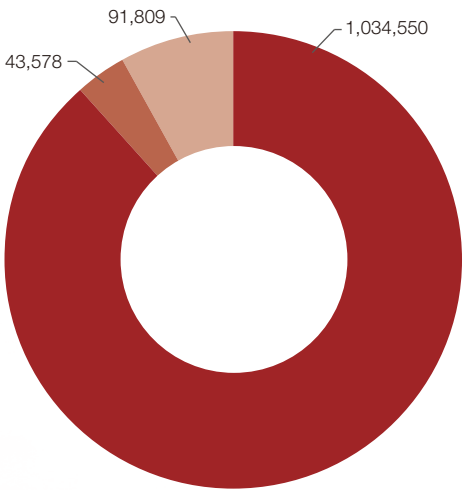
As of 31 December 2024, the total assets of the Group increased year-on-year by RMB2,386 million or 26% to RMB11,699 million, including cash assets amounting to RMB10,346 million with a year-on-year increase of 25%, financial investment assets amounting to RMB436 million with a year-on-year decrease of 4%, and other assets amounting to RMB918 million with a year-on-year increase of 57%. The change in the total amount of principal assets of the Group is set out as follows:

In RMB'0,000	2024	2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Cash assets	1,034,550	827,504	207,046	25%
Financial investment assets	43,578	45,195	-1,617	-4%
Other assets	91,809	58,608	33,201	57%
Total	1,169,937	931,308	238,629	26%

Management Discussion and Analysis

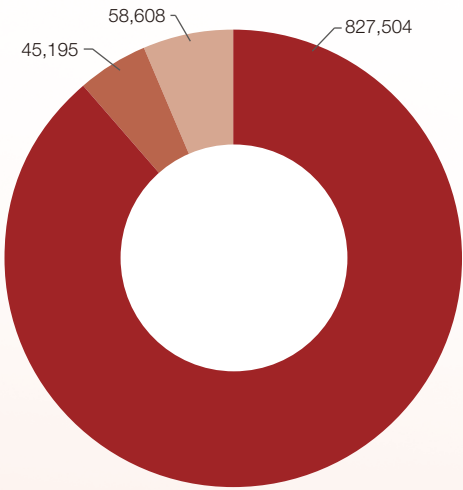
Asset distribution
as at 31 December 2024

- Cash assets
- Financial investment assets
- Other assets



Asset distribution
as at 31 December 2023

- Cash assets
- Financial investment assets
- Other assets



Management Discussion and Analysis

1. Cash assets

As of 31 December 2024, the cash assets of the Group amounted to RMB10,346 million, accounting for 88% of the total assets of the Group, with a year-on-year increase of RMB2,070 million or 25%. The composition of the cash assets of the Group is set out as follows:

In RMB'0,000	As of 31 December 2024	As of 31 December 2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Monetary fund	720,880	484,082	236,798	49%
Currency deposits receivable	284,856	335,461	-50,605	-15%
Pledged deposits receivable	28,814	7,961	20,853	262%
Total	1,034,550	827,504	207,046	25%

The change in cash assets mainly include monetary funds, currency deposits receivable and pledged deposits receivable. Among these, monetary funds amounted to RMB7.209 billion, accounting for 62% of the total assets of the Group, representing an increase of RMB2.368 billion or 49% compared to 2023. Currency deposits receivable of RMB2.849 billion, accounting for 24% of the total assets of the Group, representing a decrease of RMB506 million or 15% as compared to 2023. Pledged deposits receivable amounted to RMB288 million, accounting for 2% of the total assets of the Group, representing an increase of RMB209 million or 262% as compared to 2023.

2. Financial investment assets

As of 31 December 2024, the financial investment assets of the Group amounted to RMB436 million, accounting for 4% of the total assets of the Group, with a year-on-year decrease of RMB16 million or 4%. The composition of the financial investment assets of the Group is set out as follows:

In RMB'0,000	As of 31 December 2024	As of 31 December 2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Derivative financial assets	1,156	521	635	122%
Financial assets held under resale agreements	9,625	195	9,430	4,836%
Financial assets held for trading	28,070	43,469	-15,399	-35%
Other debt investments	882	0	882	N/A
Other equity instruments investment	2,974	185	2,789	1,508%
Long-term equity investment	871	825	46	6%
Total	43,578	45,195	-1,617	-4%

Management Discussion and Analysis

3. Other assets

As of 31 December 2024, the other assets of the Group amounted to RMB918 million, accounting for 8% of the total assets of the Group, and representing an increase of RMB332 million or 57%. Such a significant increase was primarily attributable to the increase in the scale of inventories in basis trading held by the subsidiary, Holly Capital. The composition of other operating assets such as property and equipment of the Group is set out in the table below:

In RMB'0,000	As of 31 December 2024	As of 31 December 2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Receivables	3,264	5,274	-2,010	-38%
Financing capital	354	2,672	-2,318	-87%
Inventories	40,963	6,402	34,561	540%
Fixed, intangible and right-to-use assets	32,164	34,131	-1,967	-6%
Investment properties	4,847	4,857	-10	0%
Deferred tax assets	1,835	2,100	-265	-13%
Other assets	8,382	3,172	5,210	164%
Total	91,809	58,608	33,201	57%

(4) Liabilities items

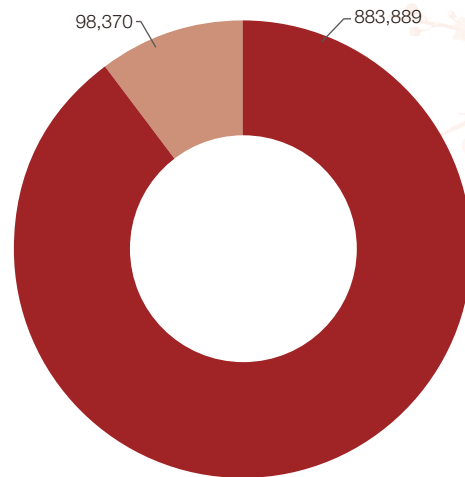
As of 31 December 2024, the total liabilities of the Group increased year-on-year by RMB2,357 million or 32% to RMB9,823 million, in which accounts payable to customers amounted to RMB8,839 million with a year-on-year increase of 29%, which was mainly attributable to the increase in the deposits contributed by clients. As at 31 December 2024, the Group had no contingent liabilities. The change in the total amount of principal liabilities of the Group is set out as follows:

In RMB'0,000	As of 31 December 2024	As of 31 December 2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Accounts payable to customers	883,889	684,087	199,802	29%
Other operating liabilities	98,370	62,471	35,899	57%
Total	982,259	746,558	235,701	32%

Management Discussion and Analysis

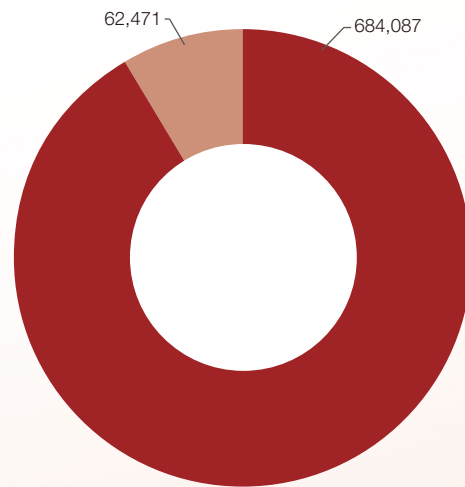
Liability distribution as at 31 December 2024

- Accounts payable to customers
- Other operating liabilities



Liability distribution as at 31 December 2023

- Accounts payable to customers
- Other operating liabilities



Management Discussion and Analysis

1. Accounts payable to customers

As of 31 December 2024, the accounts payable to customers of the Group amounted to RMB8,839 million, accounting for 90% of the total liabilities of the Group, with a year-on-year increase of RMB1,998 million or 29%, which was mainly attributable to the increase in the deposits contributed by customers. Of which, currency deposits payable and pledged deposits payable amounted to RMB8,813 million and RMB26 million respectively. The composition of the accounts payable to customers of the Group is set out as follows:

In RMB'0,000	As of 31 December 2024	As of 31 December 2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Natural person clients	382,094	377,907	4,187	1%
Corporate clients	501,795	306,180	195,615	64%
Total	883,889	684,087	199,802	29%

2. Other operating liabilities

As of 31 December 2024, the other operating liabilities of the Group amounted to RMB984 million, accounting for 10% of the total liabilities of the Group, with a year-on-year increase of RMB359 million or 57%. The composition of the other operating liabilities of the Group is set out as follows:

In RMB'0,000	As of 31 December 2024	As of 31 December 2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Financial liabilities	2,207	13,229	-11,022	-83%
Other liabilities	96,163	49,243	46,920	95%
Total	98,370	62,471	35,899	57%

Among them, financial liabilities decreased by 83% year-on-year, mainly due to the reduction in financial liabilities held for trading and financial assets sold under repurchase agreements. Other liabilities increased by 95% year-on-year, mainly attributable to the increase in the balance of bills payable resulted from additional bank acceptance notes of the subsidiary, Holly Capital, and the increase in the balance of other payables caused by the increase in pledge cash payable to standard warrant.

Management Discussion and Analysis

(5) Equity

As of 31 December 2024, the total owners' equity of the Group amounted to RMB1,877 million, representing a year-on-year increase of RMB29 million or 2%. The composition of owner's equity of the Group is set out as follows:

In RMB'0,000	As of 31 December 2024	As of 31 December 2023	Change as at 31 December 2024 as compared to 31 December 2023	
			Change in amount	Change
Share capital	100,778	100,778	0	0%
Reserve	86,900	83,971	2,929	3%
Total shareholders' equity	187,678	184,749	2,929	2%

IV. Changes in branches and subsidiaries and impact on results

• Branches

1. Establishment of and changes in operation branches

• Establishment and closing of futures branches

During the Reporting Period, the Company closed Haimen branch, Liyang branch, Haikou branch, Zhangjiagang Free Trade Zone branch and Shenzhen branch. In addition, Shanghai branch, Nanjing branch, Beijing branch were closed subsequent to the Reporting Period. For details, please refer to the "Overseas Regulatory Announcement – Announcement of Resolutions of the 28th Meeting of the Fourth Session of the Board" and "Overseas Regulatory Announcement – Announcement of Resolutions of the 1st Meeting of the Fifth Session of the Board" published by the Company on 2 December 2024 and 18 February 2025, respectively.

• Relocation

The Company constantly adjusted and optimized its branch network. During the Reporting Period, 5 branches, namely the Taiyuan branch, Jinan branch, Yixing branch, Shenyang branch, Guangzhou branch, were relocated.

2. Establishment of and changes in sub-branch offices

During the Reporting Period, two sub-branches, Northeast Sub-branch and Shanghai Sub-branch, were relocated.

Management Discussion and Analysis

- **Impact on results**

According to the overall development strategy, the Company further combined and optimized regional resources and improved utilization of the resources to achieve optimal layout of branches, strove to build a network service system with risk control, effective management, sound functions, distinct image, moderate scale and reasonable layout, gave full play to the overall value of the business department, continuously optimized its functions, and finally realized the transformation of branches and the consistency of customer experience.

V. Major investment and financing of the Company and subsidiaries

(i) Equity financing

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

(ii) Debt financing

During the Reporting Period, the long-term debt financing is mainly a mortgage loan applied by the Company and its subsidiary, Holly Capital, to banks for the purchase of office premises in the Finance City, where the Company has now moved into the new office building. All the relevant loans have been repaid in advance as of the end of this year. Short-term debt financing is mainly short-term borrowings from banks or funds borrowed from related parties by the subsidiary and bank acceptance notes, Holly Capital, in accordance with its business needs, and is repaid in a timely manner, generally not exceeding one year.

(iii) Equity investment

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

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

For the year ended 31 December 2024, the Company had no material acquisition or disposal of subsidiaries, associates and joint ventures.

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

The risks entailed by the Company's business activities include those inherent to policy risk, management and risks of internal control, professional conduct, markets, credit, information technology and ESG (environmental, social and governance) risk. In 2024, the Company put into place measures to effectively deal with these risks and safeguard the efficiency of its business activities.

(I) Policy risk

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

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

(II) Risk management and internal control risk

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

Management Discussion and Analysis

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

(III) Professional conduct risk

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

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

Management Discussion and Analysis

(IV) Market risk

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

During the Reporting Period, China faced a complex and severe situation characterized by increasing external pressures and growing internal challenges. Both the Company's core business and financial asset investment operations encountered significant difficulties. In terms of equity asset investments, the Company aimed for steady asset appreciation, pursued absolute returns, and continued to promote low-volatility asset allocation while flexibly adjusting high-volatility asset allocation in response to market changes. The Company adhered to the principle of risk prevention and promoting high-quality development, managing market risks of its portfolio assets through various risk control measures.

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

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

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

Management Discussion and Analysis

(V) Credit risk

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

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

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

(VI) Information technology risk

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

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

Management Discussion and Analysis

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

(1) *Compliance risks*

In the new development environment, ESG information disclosure rules and guidelines for companies listed on the “A+H” stock exchange have been continuously improved and are gradually becoming more stringent. In June 2023, the International Sustainability Standards Board (ISSB) issued the General Requirements for Sustainability-related Financial Disclosures (IFRS S1) and the Climate-related Disclosure Standard (IFRS S2), which have become the foundational frameworks for consistency in disclosure practices globally. In April 2024, the Hong Kong Stock Exchange issued its consultation conclusions on climate-related disclosures, confirming the new climate rules are based on IFRS S2. New climate-related requirements under the Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange took effect in January 2025. In April 2024, the Shenzhen Stock Exchange officially released its Sustainability Disclosure Guidelines. In December 2024, Ministry of Finance, Ministry of Foreign Affairs, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Ecology and Environment, Ministry of Commerce, People’s Bank of China, State-owned Assets Supervision and Administration Commission of the State Council, National Financial Regulatory Administration jointly published the Notice on Issue of Corporate Sustainability Disclosure Standards – Basic Standards (Trial), and the Corporate Sustainability Disclosure Standards – Basic Standards (Trial) was officially published. These regulatory requirements collectively guide companies toward sustainable development, further strengthens the disclosure of information on sustainability, facilitate the realization of the dual-carbon goal and the sustainable development of economy, society and environment, and also marks a milestone in the disclosure of A-share and H-share ESG information. Holly Futures has established an ESG governance structure to implement the materiality mandate and proactively identify and respond to ESG risks and opportunities. The Company will continue to optimize the disclosure of its ESG reporting to demonstrate the initiatives taken by the Company to meet environmental commitments, social responsibility and strengthen internal governance.

(2) *Environmental pollution risks*

For the financial industry, mainstream international ESG rating agencies place significant emphasis on whether enterprises incorporate ESG factors into asset management and decision-making processes, while also conducting comprehensive assessments of their performance in green finance. As an integral component of the modern financial system, the futures market plays a crucial role that cannot be overlooked. Under the impact of environmental pollution and climate change, green futures have emerged as an important growth driver for the industry, and the sector’s green transformation is expected to accelerate further in the future. Holly Futures is actively exploring effective pathways for developing green finance, striving to contribute to building a greener, more harmonious, and sustainable social development framework while achieving its own stable growth. With the listing of polycrystalline silicon futures, Holly Futures’ new energy product offerings on the Guangzhou Futures Exchange have increased to three, helping to direct market attention to environmental protection industries, providing risk management tools for low-carbon economic development, and serving the new energy industrial chain.

Management Discussion and Analysis

(3) *Data security risks*

Both domestic and international ESG standards have consistently included information and data security as disclosure or evaluation criteria within the social or governance dimensions. This remains a key focus area for mainstream international ESG rating agencies. In MSCI ratings, financial sector performance on privacy and data security issues directly impacts overall corporate ratings. Data security and client privacy protection are also identified as material topics in the Shenzhen Stock Exchange's Sustainability Disclosure Guidelines. Holly Futures has established a board-centric ESG governance structure, with its Information Technology Committee and Strategy & ESG Committee are jointly responsible for the decision-making level of the Company's data security issues. Through comprehensive measures including data security management across business operations, client privacy protection, and supplier security management, complemented by internal IT audits and engagement of external agencies for IT audits and risk assessments, the Company identifies and mitigates relevant risks. Holly Futures actively conducts corporate cybersecurity training programs, fulfilling its ESG responsibilities while laying a solid foundation for sustainable development and long-term value creation.

VIII. Constructing the risk management system of the Company

The objective of risk management of the Company is to implement a comprehensive risk management system to ensure the business operation complies with the relevant rules and regulations, and limit the risk related to the business operation to a tolerable level, thereby maximizing the corporate value of the Company. The CSRC has rated the Company the "Class A of the A Category" for the past sixteen consecutive years since 2009 when the rating of futures companies was first introduced.

(1) *Risk management principles*

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

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

Management Discussion and Analysis

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

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

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

Management Discussion and Analysis

(2) Risk management system

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



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

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

Management Discussion and Analysis

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

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

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

IX. Industry competition, market position and core competitiveness

(1) Industry competition

In the context of the licensing system for futures companies in China, the main scope of business of futures companies in China is mainly commodity futures and financial futures brokerage, while gradually expanding into new areas such as futures investment consulting, asset management, risk management and wealth management. Generally speaking, the share of emerging businesses and the maturity of the market are both low.

At present, China's futures companies can be broadly divided into three categories: The first category is traditional futures companies, which are generally more geographically oriented and have a higher market share in their main operating provinces and cities, and derive their profits mainly from their traditional brokerage business. The second category is futures companies affiliated with large spot institutions. The third category is brokerage-based futures companies.

Management Discussion and Analysis

In 2024, China's futures market further improved its product portfolio, maintained stable performance with incremental progress, and effectively fulfilled its market functions. The total capital in the futures market demonstrated overall growth. In 2024, China's futures companies achieved a total operating income of RMB41.293 billion, up by 3% year-on-year, while net profit was RMB9.471 billion, down by 4% year-on-year. The total market management size (total customers' equity) of futures companies was RMB1.54 trillion, representing an increase of 8.1% compared to the end of 2023.

(2) Market position

After years of development, the Company has continuously improved its competitiveness, and all indicators continue to comply with the relevant requirements of the CSRC, and is in a good financial position with strong market competitiveness. The overall level of the Company ranks among the top 150 futures companies in China, with strong overall strength. As of 31 December 2024, the Company had 33 sales departments and 5 sub-branches in the territory, ranking among the top in the industry in terms of the number of network locations.

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

Unit: RMB100 million

Stock exchanges	2024		2023		2022	
	Turnover	Market share	Turnover	Market share	Turnover	Market share
SHFE	34,213.78	0.84%	15,616.12	0.52%	23,656.83	0.84%
ZCE	9,431.97	0.55%	14,569.63	0.57%	12,891.55	0.67%
DCE	12,232.42	0.62%	11,623.80	0.51%	15,883.60	0.64%
CFFE	11,191.06	0.29%	7,465.45	0.28%	5,350.90	0.20%
Energy Exchange	3,497.35	0.56%	2,037.58	0.28%	7,915.03	0.99%
GFE	739.65	0.34%	426.63	0.35%	2.21	0.70%
Total	71,306.23	0.58%	51,739.20	0.46%	65,700.12	0.61%

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

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

In the classification evaluation of futures companies conducted by the CSRC, the Company has been awarded Class A of the A Category in the futures industry for 16 consecutive years from 2009 to 2024.

Management Discussion and Analysis

(3) Core competitiveness

1. Superior geographical location

The Company's headquarters is located in Nanjing, the capital of Jiangsu Province, where it boasts an exceptionally solid presence. As of the end of the Reporting Period, the Company had a total of 38 branches (including 33 futures branches and 5 sub-branches), of which 17 were located in Jiangsu Province, consisting of 16 futures branches and 1 sub-branch.

Jiangsu Province is located in the eastern coastal areas of China and is developed in economy. In 2024, Jiangsu Province's GDP reached RMB13.70 trillion, up by 5.8% year-on-year. In 2024, the per capita disposable income of Jiangsu residents was RMB55,415, up by 5.2% year-on-year. In recent years, the People's Government of Jiangsu Province issued a series of new policies to stimulate its economic development, and especially that of the financial services industry. The general public budget revenue has reached the trillion-yuan scale once again. The main targets and tasks of economic and social development for the whole year have been successfully accomplished. It has played a leading and pillar role in the overall national development situation, and solid new strides have been made in the modernization drive of building a new Jiangsu that is "strong, prosperous, beautiful and highly" civilized.

2. Widely distributed business network

The Company has a total of 38 branches (including 33 futures branches and 5 sub-branches), of which 17 were located in Jiangsu Province. The rest are mainly located in economically developed and financially prosperous areas such as Beijing, Guangzhou, Shanghai, giving coverage of financially developed areas and other major areas. In addition, Holly International Financial, a subsidiary of the Company, provides securities and futures brokerage services at the Hong Kong Stock Exchange, the Hong Kong Futures Exchange, and other major futures exchanges around the world.

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

Management Discussion and Analysis

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

With competition intensifying in China's futures industry, the Company has worked to identify and seize new opportunities created by the industry's reform. These actions have broadened the Company's futures business, its revenue channels and customer base. In July 2012, the CSRC issued its Pilot Measures on Asset Management Business of Futures Companies and granted qualifications for asset management business to futures companies. In December 2014, the China Futures Association issued the Rules for the Administration of Asset Management Business of Futures Companies (Trial), which allowed futures companies to provide asset management services to multiple clients. In August 2014, the China Futures Association issued the Guidelines on Pilot Work for Establishment of a Subsidiary by Futures Company to Commence the Business Mainly Focusing on Risk Management Services (Revised), enabling futures companies to engage in commodity trading and risk management businesses through risk management subsidiaries. In September 2014, the CSRC issued its Opinions on Further Promoting the Innovative Development of Futures Business Institutions to further expand the pilot scope of futures companies' establishment of risk management subsidiaries. The Company seized the opportunity to commence various businesses, including assets management, commodities trading and risk management. The restriction on the proportion of foreign ownership in futures companies was removed from 1 January 2020, which is a specific measure by the futures industry to implement the deployment of the Central Committee of the Communist Party and the State Council to further expand the opening up of the financial sector to the overseas. The entry of foreign financial institutions with great international reputation and business performance will continue to enrich the participating entities in China's futures market, stimulate market competition, help the futures industry to accelerate the building of core competitiveness and further enhance its ability to serve the real economy.

4. *Efficient, comprehensive and stable*

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

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

Management Discussion and Analysis

5. ***Strong customer service capabilities***

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

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

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

6. ***Experienced and stable senior management team***

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

7. ***Comprehensive business qualifications***

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

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

Management Discussion and Analysis

Holly Capital, a subsidiary of the Company, is principally engaged in commodity trading and risk management, including variation basis trading, cooperative hedging, OTC derivatives business, market making business and warehouse receipt services. It is a trader on the Dalian Commodity Exchange, Zhengzhou Commodity Exchange and Shanghai Futures Exchange market makers for 7 futures varieties, and is a special trader on the National Cotton Exchange Market and the China Coal Trading Center, standard warehouse receipt trading platform dealer of Shanghai Futures Exchange.

8. Good market reputation

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

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

Time	Honours and qualifications	Institutions
2024	Special Contribution Unit for Rural Revitalization (鄉村振興特別貢獻單位)	Chinese Securities Journal
	2023 Model Enterprises for CSR Practices in Jiangsu Province (2023江蘇企業社會責任典範)	Xinhua Daily
	Lei Feng Demonstrative Unit of National Financial System in 2023 (2023年金融系統學雷鋒活動示範點)	The Committee for Inheriting the Spirit of Lei Feng of the Research Association of Ideological and Political Work of China Financial Institutions and the Volunteer Committee for Inheriting the Spirit of Lei Feng of the China Volunteers Association
	Advanced Unit in Digital Transformation in 2023 of the Financial and Technology Special Committee of Jiangsu Province (江蘇金科委2023年度數字化轉型先進單位)	Jiangsu Financial Association
	Growth Breakthrough Award in 2023 (2023年度成長突破獎)	China Financial Futures Exchange
	Excellent Member Prize	Dalian Commodity Exchange
	Excellent Member Prize	Shanghai Futures Exchange
	Shanghai Futures Exchange Contribution Award for “Strengthening the Source and Helping Enterprises” (上期「強源助企」貢獻獎)	Shanghai Futures Exchange

Management Discussion and Analysis

Time	Honours and qualifications	Institutions
	“Strengthening the Source and Helping Enterprises” of Shanghai Futures Exchange -Third Prize for “Improving the Operational Quality of the Options Market” in 2023 (上期「強源助企」－ 2023年度「提升期權市場運行質量」三等獎)	Shanghai Futures Exchange
	Benchmark Enterprise for High-quality Development in Jiangsu Province in 2023 (2023年度江蘇省高質量發展標杆企業)	Jiangsu Entrepreneurs Elite Convention
	Second Prize for the “Insurance + Futures” Project for Natural Rubber in 2023 (2023年天然橡膠「保險+期貨」項目二等獎)	Shanghai Futures Exchange
	Advanced Unit in Green Finance in Jiangsu Province in 2023 (2023年度江蘇省綠色金融先進單位)	Jiangsu Financial Association
	Top Ten Party Building Cases (Party Building Brand Cases) of SOHO Holdings Group in 2024 (蘇豪控股集團2024年十佳黨建案例(黨建品牌案例))	SOHO Holdings Group
	Golden Great Wall Service Provider Award for Enterprise Risk Management in 2023 (2023企業風險管理－金長城服務商獎)	Futures Daily
	2024 ESG Golden Jasmine Award – Social Responsibility Award (2024 ESG金茉莉獎－社會責任就獎)	Futures Daily
	Holly Futures – Excellent Project for Sinostar Cable Co., Ltd. (Copper) in the Options Entering Enterprises Activity of “Strengthening the Source and Helping Enterprises” of Shanghai Futures Exchange in 2023 (弘業期貨－中辰電纜股份有限公司(銅) 2023年上期「強源助企」期權走進企業活動優秀項目)	Shanghai Futures Exchange
	Excellent Futures Company in the Options Entering Enterprises Activity of “Strengthening the Source and Helping Enterprises” of Shanghai Futures Exchange in 2023 (2023年上期「強源助企」期權走進企業活動－優秀期貨公司)	Shanghai Futures Exchange
	Holly Futures – Excellent Project for Zhongtian Technology Industrial Wire & Cable System Co., Ltd. (Copper) in the Options Entering Enterprises Activity of “Strengthening the Source and Helping Enterprises” of Shanghai Futures Exchange in 2023 (弘業期貨－中天科技裝備電纜有限公司(銅) 2023年上期「強源助企」期權走進企業活動優秀項目)	Shanghai Futures Exchange

Management Discussion and Analysis

Time	Honours and qualifications	Institutions
	“Advanced Unit” in Green Finance in Jiangsu Province in 2023 (2023年江蘇省綠色金融「先進單位」)	Green Finance Committee of Jiangsu Financial Association
	Model of Financial Empowerment for Rural Industrial Revitalization of Jiangsu in 2024 (2024年江蘇金融賦能鄉村產業振興典範)	Committee of Jiangsu Rural Industrial Revitalization Forum Xinhua Daily Press
	Jun Ding Award for China’s Outstanding Futures Company on Rural Revitalization in 2024 (2024中國優秀鄉村振興期貨公司君鼎獎)	Securities Times – 2024 Annual Summit of Chinese Financial Institutions
	Jun Ding Award for China’s Outstanding Futures Risk Management Subsidiary in 2024 (2024中國優秀期貨風險管理子公司君鼎獎)	Securities Times – 2024 Annual Summit of Chinese Financial Institutions
	Best Futures Company of China (中國最佳期貨公司)	Futures Daily and Securities Times
	Best Commodity Futures Industry Service Award of China (中國最佳商品期貨產業服務獎)	
	Best Financial Futures Service Award (最佳金融期貨服務獎)	
	Public Welfare Award of Best Rural Revitalization Service & Social Responsibility (最佳鄉村振興服務及社會責任公益獎)	
	Best Risk Management and Enterprise Brand Building Award (最佳風輿管理及企業品牌建設獎)	
	Best Capital Operation and Development Award (最佳資本運營發展獎)	
	Newcomer in Internationalization Process Award (國際化進程新銳獎)	
	Best Derivatives Comprehensive Service Innovation Award (最佳衍生品綜合服務創新獎)	
	Award of the Year for Innovation in Investor Protection and Education (年度投資者保護教育創新獎)	
	Award for Best Contribution in Cultivating Future Talent in the Futures Industry (最佳期貨人才培養機構貢獻獎)	
	Best Futures Brokerage Institution for Digital Transformation (最佳數字化轉型期貨經營機構獎項)	
	Gold Medal Management Team for Futures Companies of China (中國期貨公司金牌管理團隊)	
	Annual Most Popular Self-Media Platform for Futures Brokerage Institutions (年度最受歡迎的期貨經營機構自媒體)	
	Annual Outstanding Performance for Best Futures Company App (年度最佳期貨公司APP突出表現獎)	

Management Discussion and Analysis

Time	Honours and qualifications	Institutions
	Excellent Industry Service Award (優秀產業服務獎)	Award Ceremony of the 18th National Futures (Options) Real Trading Competition
	Jun Ding Award for China's Outstanding Futures Risk Management Subsidiary in 2024 (2024中國優秀期貨風險管理子公司君鼎獎)	Securities Times, China Brokers
	Jun Ding Award for China's Outstanding Futures Company on Rural Revitalization in 2024 (2024中國優秀鄉村振興期貨公司君鼎獎)	Securities Times, China Brokers
	Excellent Example of ESG Practice among the Excellent Practice Example of High-quality Development of Listed Companies in 2024 (2024上市公司高質量發展優秀實踐範例ESG實踐優秀範例)	Chinese Securities Journal

X. Prospects for the Company's future development

Holly Futures has always adhered to the core concept of “serving the real economy, preventing financial risks, and promoting high-quality development”, and has deepened its strategic layout and enhanced its core competitiveness on the basis of sound operation and innovation drive. Looking ahead, the Company will take “technology-driven, professional cultivation, innovation and breakthrough” as the main axis of development, build a new model of “using futures and spot business as the initiating factor, trading as the core, and investment and research as the driving force” to help the development of the real economy, and build an industry-leading comprehensive service platform for futures and derivatives.

(I). Strategic direction: transformation to a technology-driven company

In the tide of digital transformation of the financial industry as a whole, the futures industry is naturally equipped with technology-driven genes due to its technology-intensive characteristics. In the face of the status quo of the industry, which is characterized by intensified homogeneous competition, the Company will firmly push forward its transformation into a technology-driven company, enhance its operational efficiency and market competitiveness by means of systematization, dataization and intelligence.

We will build a full-data operational IT system. Internally, we will build a T+0 real-time operational management system to ensure real-time presentation of business dynamics and enhance team management efficiency; Externally, we will integrate data resources, build customer profiles, realize precise marketing and intelligent recommendation to improve customer conversion rate.

We will strengthen the digital risk control system, which enables us to improve market risk identification capability and optimize the risk control model through artificial intelligence, big data analysis and other technologies to ensure the safety of funds and sound operation of the business.

Management Discussion and Analysis

We will deepen the intelligent trading support and launch the intelligent trading assistance system to provide investors with better trading strategy support and enhance the trading experience.

(II). Core layout: “1+N” development strategy

We will continue to deepen our “1+N” development strategy, centering on our brokerage business, while expanding our diversified businesses such as futures and spot business, asset management and over-the-counter derivatives, so as to enhance our overall profitability. For brokerage business, we will continue to consolidate its foundation, make innovative breakthroughs, strengthen the refined operation of the two major customer groups, namely industrial and retail, improve service quality and optimize customer structure. In terms of Internet financial business, we will continue to make efforts to improve online customer acquisition capability and improve the digital operation system. As for futures business, we will enhance the supply chain service capacity, and help industrial chain enterprises optimize supply chain management and improve risk-resistant ability through various modes, such as “basis trading, forward pricing, option trading, and cooperative hedging”. We will strengthen the investment and research capabilities and build a professional transaction service system, providing clients with high value-added services, enhance our active management capabilities in asset management business, explore differentiated development paths, and expand market share. For OTC derivatives business, we will strictly follow the industry’s regulatory requirements, innovate product design, meet customers’ individual risk management needs, standardize development and expand scale.

(III). Talent cultivation: building an efficient professional team

Talent is the core driving force of enterprise development. Aiming at the “specialization, rejuvenation, diversification” of our workforce, we will comprehensively optimize the talent system by strengthening the introduction of high-end talents, attracting talents with international vision and outstanding professional ability, and enhancing the strength of the team. We will also optimize the internal talent mobility mechanism, allowing mobility from back office to middle office and middle office to front office, so as to enhance the professional capabilities of the whole staff and sharpen our competitiveness in the market. To improve the incentive mechanism, we will implement the “horse racing” mechanism, strengthen performance appraisal, and create a performance-driven corporate culture. In addition, we will enhance the training system, establish a point-based training management model, accurately match employees’ pursuit for career development, and help them move forward.

Management Discussion and Analysis

(IV). Financial technology innovation: building an intelligent operation model

Technological innovation is the key to our future development. We will rely on financial technology to build an intelligent operation system and improve overall business efficiency. We will also strengthen IT infrastructure construction and enhance data storage, analysis and computing capabilities to provide solid support for business development. The Company will promote the application of AI+Big Data, combining artificial intelligence and big data analysis to realize intelligent risk control, precise marketing and transaction-assisted decision-making. It will optimize intelligent customer service and launch an intelligent customer service system, providing 7×24-hour online service to enhance customer satisfaction.

(V). Compliance management: building a secure bottom line for development

Compliance is the lifeline of enterprise development, and the Company will always adhere to sound operation, strengthen risk prevention, and ensure that the business is operated in a legal and compliant manner. It will strengthen compliance awareness, strictly implement industry regulatory requirements, enhance employee compliance training, and ensure standardized business operations. The Company will enhance risk control management and strengthen risk control measures for asset management, OTC business and spot and futures business to ensure sound operation of the Company. For strict assessment and accountability, we will implement the “one-vote veto” system for compliance, and maintain a “zero tolerance” attitude towards violations to ensure the healthy development of the Company.

(VI). Serving the real economy: practicing the social responsibility of financial enterprises

The Company has always taken serving the real economy as its core mission, helping industrial chain enterprises to improve their risk management capabilities and promoting high-quality economic development. To create a full range of industrial service system, we will provide full life cycle financial services through data empowerment and accurate matching of enterprise demand. We will strengthen synergies and cooperation within the Group, giving full play to the advantages of state-owned listed companies, and helping member enterprises within the Group to optimize risk management and enhance operational efficiency.

Looking ahead to 2025, Holly Futures will face the challenges in deepening reform and also seize the opportunities of industry development. At the new historical juncture, the Company will firmly stick to its strategic direction, take scientific and technological innovation and professional cultivation as the engine, and make every effort to promote the Company’s high-quality development. We believe that as long as all staff work together, innovate and rise to the challenge, we will be able to take the lead in the fierce market competition and create a more brilliant future together.

Management Discussion and Analysis

XI. Business overview

(1) Key financial ratios

	As at 31 December 2024	As at 31 December 2023
Net assets per Share attributable to shareholders of the Company (RMB/share)	1.86	1.83

The Group's net assets per Share attributable to shareholders of the Company as at 31 December 2024 increased by 2% as compared to 31 December 2023.

Gearing ratio

	As at 31 December 2024	As at 31 December 2023
Gearing ratio (%) ^{Note}	34%	25%

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

Gearing ratio of the Group as at 31 December 2024 increased compared to 31 December 2023, which was mainly attributable to the increase in the balance of bills payable resulted from additional bank acceptance notes of the subsidiary, Holly Capital, and the increase in the balance of other payables caused by the increase in pledge cash payable to standard warrant. The overall financial position of the Group remained stable, with sufficient liquidity and solvency.

Weighted average return on net assets

	2024	2023
Weighted average return on net assets	1.60%	0.42%

Weighted average return on net assets of the Group in 2024 increased compared to 2023, which was mainly attributable to the increase in profit for the year.

(2) Corporate social responsibility

1. Relationship with employees

The employees are the valuable wealth for the Company, the foundation of the survival and development for the Company. The Company treats employees with fairness and respect. The talents are the base of strong company, the foundation of development and the requirement of transition. The Company endeavours to be employee centered, and strives to create a people oriented and caring working environment, and is sparing no effort to build “enrichment platform”, “entrepreneurial platform” and “career platform” for employees. A total of 41 people were employed during 2024, and the total number of employees was 636 as of 31 December 2024.

The Company attaches great importance to talents, further broadening its channels for attracting talent, optimizing its talent strategic layout, and continuously refining its corporate talent pipeline. It actively promotes the synergy of four pillars: universities, markets, talents and businesses. The Company is committed to build a pyramid-shaped talent platform with high-quality graduates from universities as its reserve talent pool at the base of the pyramid, professionals selected through market-oriented recruitment as the core driver at the middle layer, and the high-level talents as the leading edge at the top. Firstly, the Company has made efforts to strengthen the synergy between industry and education, and facilitate seamless channels for talent recruitment and development between universities and businesses. The Company collaborates with universities to offer graduate credit courses, fostering the development of futures industry professionals in academia. Secondly, the Company has established and improved a system of open recruitment and conducted market-oriented selection and recruitment of innovative talents. The Company makes use of the network, new media and offline platforms to attract talent resources and provide talent support for its business transformation, improves the efficiency of talent introduction externally by establishing communication channels, so as to reserving suitable candidates in a timely manner, and actively appoints backbones internally by organizing competitions for the positions of heads of branches, so as to realize the compatibility of talents and positions. Thirdly, the Company proactively captures a leading position in the competition for talents, and strategically recruits high-level professionals. Responding to the national talent strategy requirements, the Company promotes the recruitment of high-level talents from overseas.

The Company persistently drives initiatives for nurturing talents and intensifies the training of their specialized skills. Through a scientific talent training system, the Company carries out talent training in the areas of, among others, skill enhancement, business innovation, comprehensive management, compliance, safety and stability, and creates a multi-dimensional talent training platform that is hierarchical, promotes development, and strengthens expertise. Throughout the year, more than 31 training sessions were conducted, according to the different levels and positions of employees, to update job skills, strengthen expertise, popularize industry standards and other special competency training, with an aim to continuously strengthen the employees' capabilities in party affairs, professional skills, compliance and safety management.

Management Discussion and Analysis

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

2. Environmental protection

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

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

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

3. Compliance with relevant laws and regulations

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

Management Discussion and Analysis

4. *Relationships with customers and suppliers*

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

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

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

XII. Event subsequent to the Reporting Period

(1) Subsequent investment and financing of the Company and subsidiaries

Nil.

Report of the Board

The Board of the Company are pleased to present the audited combined financial statements (the “**Financial Statements**”) of the Company for the year ended 31 December 2024.

I. The principal business lines of the Company

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

II. Business overview

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

III. Major risks and uncertainties faced by the Company

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

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

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

V. Profit distribution and profit distribution plan

In view of the long-term development and interests of investors, the Company is expected to make the following profit distribution plan: the Board proposed distribution of cash final dividend as of 31 December 2024 of RMB0.01 (tax inclusive) (“**2024 Final Dividend**”) to A Shareholders and H Shareholders of the Company. The proposed distribution of profit is based on the total issued share capital of 1,007,777,778 shares of the Company after the listing of A Shares and the total amount to be distributed is RMB10,077,777.78 (tax inclusive) among which, the number of A Shares is 758,077,778 with a cash dividend of RMB7,580,777.78 (tax inclusive); the number of H Shares is 249,700,000 with a cash dividend of RMB2,497,000.00 (tax inclusive). The actual total amount to be paid is determined based on the total share capital of the Company as at the record date of entitlement. The proposed distribution of the 2024 Final Dividend is subject to the approval of the Shareholders at the 2024 AGM of the Company. The Company will make separate announcement(s) on the record date of entitlement of the final dividend and the closure of the register of members. Please refer to the circular of general meeting to be published by the Company in due course for details and the actual arrangement regarding the distribution of final dividend. Regarding the distribution of the 2024 Final Dividend, the dividend payable to A Shareholders will be in RMB while those payable to H Shareholders of the Company will be in Hong Kong dollars. The exchange rate shall be calculated on the basis of the average benchmark exchange rate between RMB and Hong Kong dollars as announced by the People’s Bank of China for the five working days prior to the date of the 2024 AGM of the Company. During the Reporting Period, the Company is not aware of any arrangements where shareholders have waived or agreed to waive any dividends.

VI. Issue of Shares and use of proceeds

(1) Use of proceeds

H Shares

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

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

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

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

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

Report of the Board

A Shares

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

The Company’s proceeds of RMB161,354,358.20 have been fully utilized for capital replenishment. As of 31 December 2024, the proceeds have been fully utilized and the designated accounts for the proceeds have been cancelled.

(2) Use of proceeds for committed items

H Shares

As of 31 December 2024, the above-mentioned proceeds raised from H Share Offering, for the purposes as set out in the H Shares Prospectus, were used as follows:

Description	Consolidated usage of the proceeds raised (as of 31 December 2024)		
	Usable amount	Used amount	Balance
	HKD’0,000	HKD’0,000	HKD’0,000
Development of the future business in Hong Kong and throughout world ^{1, 2}	21,500	21,500	0
Development of the asset management business	13,404	13,404	0
Development of the commodity trading and risk management business ²	9,784	9,784	0
Development and enhancement of the existing futures brokerage business ²	52	52	0
Purchasing IT equipment and software ²	4,586	4,055	531
General working capital	4,289	4,289	0
Total	53,615	53,084	531

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

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

In order to enhance the efficiency of the utilisation of the proceeds, as of 31 December 2024, the Company’s remaining proceeds were deposited into large commercial banks as bank deposits. The Company intends to utilise the net proceeds in the amount and usages as prescribed in the H Shares Prospectus and as amended in the 2022 first extraordinary general meeting of the Company in due course in 2025.

A Shares

As of 31 December 2024, the aforementioned proceeds from the A Share Offering have been fully utilized for capital replenishment and the designated accounts for the proceeds have been cancelled.

VII. Directors

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

VIII. Service contracts of Directors and Supervisors

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

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

As of 31 December 2024, the Company or its subsidiaries did not enter into any material transactions, arrangements or contracts entitling direct or indirect substantial interests to the Directors or Supervisors of the Company (or the related entities of any Director or Supervisor) during the Reporting Period.

Report of the Board

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

As of 31 December 2024, none of the Directors of the Company had any interest in businesses directly or indirectly competing with the Company.

XI. Directors' right to purchase shares or debentures

As of 31 December 2024, the Company has not given Directors or their respective spouse or children under the age of 18 the rights to purchase the Shares or debentures of the Company to obtain benefit, nor did they exercise any such rights; nor have any arrangements been made by the Company or any of its subsidiaries to entitle such rights to the Directors or their respective spouse or children under the age of 18 in any other body corporate.

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

As at 31 December 2024, based on the information obtained by the Company and the knowledge of the Directors, the Directors, Supervisors and chief executive of the Company have no (i) interests and short positions that shall be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) shall be entered in the register maintained pursuant to Section 352 of the SFO, or (iii) interests or short positions which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code in the Shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO).

XIII. Purchase, sale and redemption of securities

During the year ended 31 December 2024, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares). As of 31 December 2024, the Company did not hold any treasury shares.

XIV. Controlling shareholders' interests in contracts

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

XV. Permitted indemnity provision

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

XVI. Share scheme

The Company and its subsidiaries have no share scheme.

XVII. Compliance with the non-competition undertakings

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

Report of the Board

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

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

Save as disclosed, no other non-competition agreements or arrangements have been provided by the controlling shareholder as of 31 December 2024 or during the Reporting Period.

XVIII. Other disclosures

(1) Equity

Details of changes in equity of the Group for the year ended 31 December 2024 are set out in Note V. 34 to the financial statements of this annual report.

(2) Pre-emptive rights arrangements

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

(3) Sufficiency of public float

Based on the information obtained by the Company and to the knowledge of the Directors, during the Reporting Period and the date of this report, the public float of the H Shares of the Company was approximately 24.78% and the public float of the A Shares was 32.39%, which was in compliance with the relevant requirements of Rule 8.08 and Rule 13.32 of the Listing Rules.

(4) Management contract

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

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

Individual investors

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

Report of the Board

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

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

Enterprise

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

(6) Reserves and reserves of profits available for distribution

Details of changes in reserve of the Group for the year ended 31 December 2024 are set out in Notes V. 35 to 39 to the financial statements of this annual report.

(7) Charity donation

During the Reporting Period, the staff of the Group carried out a one-day donation charity campaign and raised approximately RMB44,100.

(8) Major customers and suppliers

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

During the Reporting Period, income and other gains generated by the five largest customers was RMB4,902,436.74 (futures handling fee net income tax price inclusive), accounting for less than 30%.

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

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

(9) Property and equipment

Details of changes in property, plants and equipment of the Group for the year ended 31 December 2024 are set out in Note V. 15 to the financial statements of this annual report.

(10) Social responsibilities

The Company actively carried out a series of public welfare and charity activities such as helping rural revitalization, caring for women and children, voluntary donations, blood donation, etc., and effectively guided party members and cadres to play a pioneering role in driving the masses to participate in the construction of enterprises. Leveraging on our professional advantages, we have been supporting the revitalization of rural areas. In 2024, we carried out 123 “Insurance + Futures” projects in 49 counties in 14 provinces, insuring agricultural products with a value of more than RMB1.2 billion yuan, covering 11 kinds of agricultural products such as hogs, eggs, feed, corn, peanuts, etc., which helped stabilize prices and ensure supply in the agricultural industry. We also carried out the province’s first oilseed rape “Insurance + Futures” and fish feed “Insurance + Futures + Banking” and other local specialty agricultural products projects in Jiangsu. The Company was awarded the second prize for related project for natural rubber by the SHFE and the third prize for “Strengthening the Source and Helping Enterprises – Increasing Options Volume” by the SHFE.

Report of the Board

(11) Change of auditors

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

(12) Amendments to the Articles of Association

On 28 December 2023, the Board proposed to amend the Articles of Association in accordance with (i) the Listing Rules of the Shenzhen Stock Exchange (August 2023 Revision) (《深圳證券交易所上市規則(2023年8月修訂)》), the Guidelines on the Articles of Association of Listed Companies (Revised in 2023) (《上市公司章程指引(2023年修訂)》), the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Listing Rules of Hong Kong Stock Exchange and other laws, regulations and normative documents; and (ii) as required by the actual situation of the Company; On 28 March 2024, in accordance with the proposed change of company name, the Board proposed to amend the Articles of Association. Amendments to the Articles of Association were approved by the Shareholders at the annual general meeting of 2023 held on 28 June 2024 and has become effective on the same day. For details, please refer to the announcements of the Company dated 28 December 2023, 28 March 2024 and 28 June 2024 and the circular dated 29 May 2024. The change of company name is subject to the approval of the market regulation and administration bureau, and there is uncertainty as to whether the relevant approvals can be obtained, and there is the possibility of modifications and adjustments.

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

(13) Charges on the Group's assets

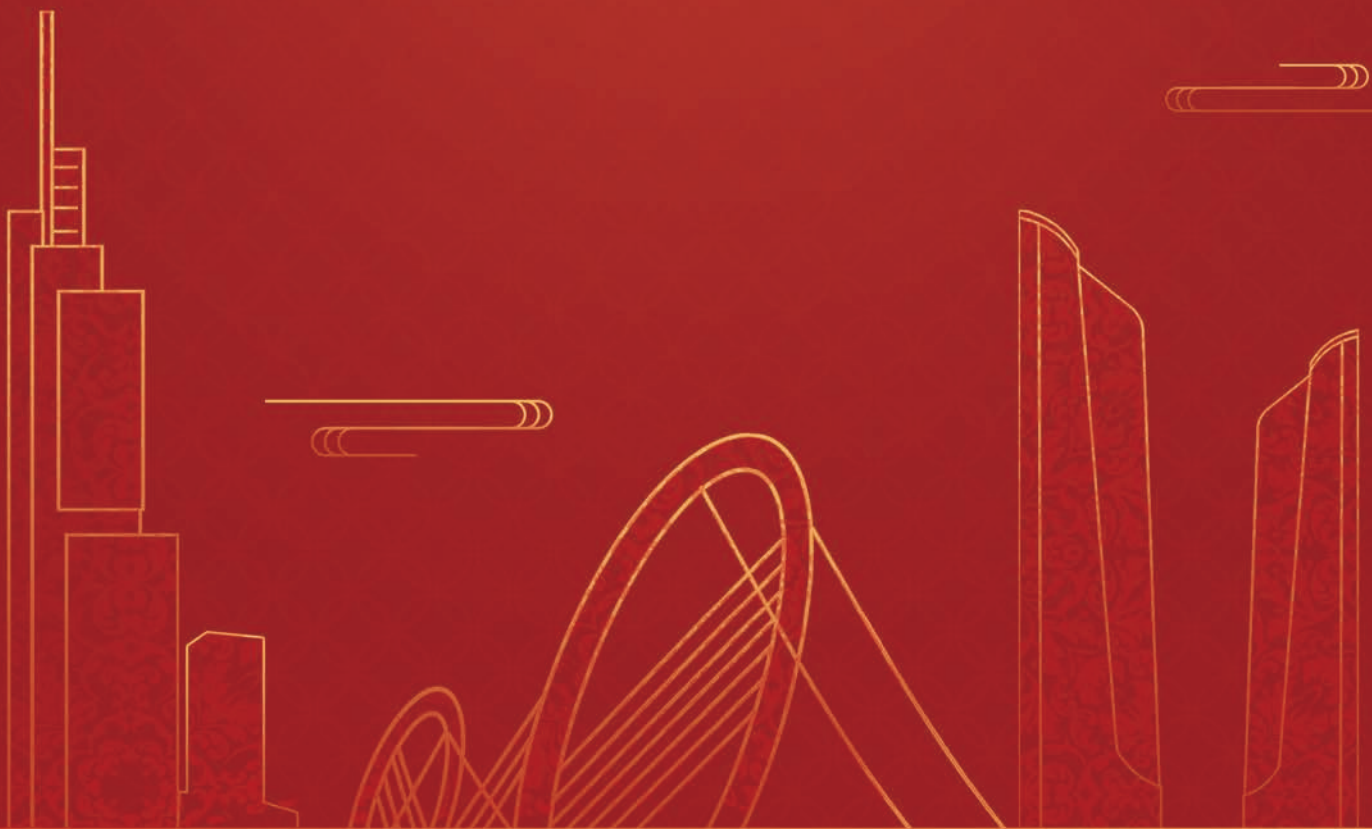
Charges and other restrictions on the use of the Group's assets at the end of 2024 are set out in Note V. 59 to the financial statements of this annual report.

By order of the Board
Mr. Chu Kairong
Chairman

Nanjing, the PRC, 28 March 2025

03

Corporate Governance



Material Matters

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

On 25 June 2024, the Jiangsu Securities Bureau issued a Decision Letter on Administrative Supervisory Measures of Decision of Jiangsu Securities Bureau on the Imposition of Correcting Administrative Regulatory Measures on Holly Futures Co., Ltd. ([2024] No. 116).

On 25 November 2024, the Jiangsu Securities Bureau issued a Decision Letter on Administrative Supervisory Measures of Decision of Jiangsu Securities Bureau on the Imposition of Increasing Compliance Inspection Frequency Administrative Regulatory Measures on Holly Futures Co., Ltd. ([2024] No. 223).

On 18 September 2024, the Hunan Securities Regulatory Bureau issued a Decision Letter on Administrative Supervisory Measures of Decision of Hunan Securities Regulatory Bureau on the Imposition of Correcting Regulatory Measures on the Changsha Branch of Holly Futures Co., Ltd..

II. Material litigations and arbitrations

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

Nil.

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

Nil.

(III) Outstanding material legal litigations during the Reporting Period

Nil.

(IV) New material legal litigations after the Reporting Period

Nil.

III. Material contracts and fulfillment

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

IV. Connected parties and connected transactions

Connected Transactions

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

(I) *Connected Persons*

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

SOHO Holdings

SOHO Holdings, a state-owned enterprise owned as to wholly-owned by Jiangsu SASAC, was established as a limited liability company under the laws of the PRC in April 1994 and is one of the promoters of the Company. As at the date of this Report, SOHO Holdings holds approximately 51.58% of equity interest in the Company, and hence is a Controlling Shareholder of the Company. Accordingly, SOHO Holdings is a connected person of the Company under Chapter 14A of the Listing Rules.

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

Material Matters

(II) *Continuing Connected Transactions*

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

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

- (1) Trading Framework Agreement, pursuant to which the Group would engage in commodity trading with SOHO Holdings Group whereby the Group would (a) purchase from and (b) sell to SOHO Holdings Group the Relevant Products during the period up to 31 December 2026. Relevant Products refer to paper pulp, rubber, polypropylene, nickel iron, cotton, corn or any other products depending on the demands in the market. The parties shall, based on the terms of the Trading Framework Agreement, enter into separate trading agreements in respect of each transaction under the Trading Framework Agreement. The entering into each of separate trading agreements shall be subject to the relevant requirements of the Listing Rules and relevant rules of the Shenzhen Stock Exchange (if applicable). The annual cap for 2024 are RMB500 million (purchase from SOHO Holdings Group) and RMB50 million (sell to SOHO Holdings Group).

Reasons for and benefits of the transactions

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

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

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

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

- (2) Financial Investment Framework Agreement, pursuant to which the Group would subscribe for wealth management products, including funds, trusts and asset management products from SOHO Holdings Group during the period up to 31 December 2026. The parties shall, based on the terms of the Financial Investment Framework Agreement, enter into separate investment agreements in respect of each transaction under the Financial Investment Framework Agreement. The entering into each of separate investment agreements shall be subject to the relevant requirements of the Listing Rules and relevant rules of the Shenzhen Stock Exchange (if applicable). The annual cap for 2024 is RMB50 million.

Reasons for and benefits of the transactions

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

- (3) Financial Services Framework Agreement, pursuant to which the Group provides various financial services to SOHO Holdings and its subsidiaries, including futures brokerage services, asset management services, etc during the period up to 31 December 2026. The parties shall, based on the terms of the Financial Services Framework Agreement, enter into separate service agreements in respect of each transaction under the Financial Services Framework Agreement. The entering into each of separate service agreements shall be subject to the relevant requirements of the Listing Rules and relevant rules of the Shenzhen Stock Exchange (if applicable). The annual cap for 2024 is RMB2.6 million.

Material Matters

Reasons for and benefits of the transactions

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

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

The following table sets out the annual caps for continuing connected transactions of the Group in 2024 and the actual transaction amounts for connected transactions of the Group in 2024. For the period ended 31 December 2024, the continuing connected transactions of the Group were as follows:

	2024	
	Actual Amount (RMB'000)	Annual Cap (RMB'000)
1 Trading Framework Agreement	0	500,000
		(purchase from SOHO Holdings Group)
	0	50,000
		(sell to SOHO Holdings Group)
2 Financial Investment Framework Agreement	0	50,000
3 Financial Services Framework Agreement	68	2,600

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

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

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

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

V. Acquisition, merger and separation during the Reporting Period

Nil.

VI. Attained qualifications for single business during the Reporting Period

Nil.

VII. Major off-balance sheet items

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

Material Matters

VIII. Engagement of accounting firm

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

Pursuant to the Administrative Measures for the Appointment of Accounting Firms by State-owned Financial Enterprises (《國有金融企業選聘會計師事務所管理辦法》) (Cai [2020] No. 6) issued by the Ministry of Finance of the People's Republic of China, the term of consecutive engagement of the same accounting firm by a financial enterprise shall in principle not exceed five years and the consecutive engagement shall not exceed eight years. As approved by the 2020 annual general meeting of the Company held on 14 May 2021, the Company appointed ShineWing Certified Public Accountants LLP as its external audit firm to provide related audit and review services based on the China Accounting Standards for Business Enterprises with a term ending at the date of the conclusion of the 2021 annual general meeting of the Company. As considered and approved at the 2023 annual general meeting of the Company held on 28 June 2024, ShineWing Certified Public Accountants LLP were re-appointed as auditors of the Company, with the term of office until the conclusion of the next annual general meeting.

Remunerations for accounting firm: Pursuant to the related authorization at the general meeting, the external auditing fees of the Company for 2024 was RMB1.38 million, including the fees for annual audit of H Share and annual statutory audit in the country and internal control audit fee in the amount of RMB1.00 million, interim audit fee in the amount of RMB380,000 and no non-audit service fee was paid.

IX. Other important particulars and subsequent events

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

1. *Holly International Financial*

On 9 May 2024, Ms. Chen Rongping ceased to be a director of Holly International Financial.

On 1 June 2024, Mr. Yao Hui ceased to be the deputy general manager of Holly International Financial.

2. *Holly International Asset Management*

On 18 January 2024, Mr. Guo Hanbin was appointed as a director of Holly International Asset Management; Mr. Ji Lin was appointed as a director of Holly International Asset Management.

On 27 February 2024, Mr. Kong Xiangwei ceased to be the director and general manager of Holly International Asset Management.

On 3 April 2024, Mr. Guo Hanbin was appointed as the general manager of Holly International Asset Management.

3. *Holly Capital*

On 27 August 2024, Mr. Li Jianfeng was appointed as Deputy General Manager of Holly Capital.

On 28 February 2025, Mr. Huang Haiqing ceased to serve as a director of Holly Capital, Ms. Chen Ling ceased to serve as a director of Holly Capital, Mr. Jia Fuhua was appointed as a director of Holly Capital, and Ms. Yao Aili was appointed as a director of Holly Capital.

2. Annual Profit Distribution Plan of the Company

The profit distribution plan for 2024 is set out in Section II – “Report of the Board” – “V. Profit distribution and profit distribution plan” of this Report.

3. Profit Distribution of Subsidiaries

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

4. Major Investment and Financing

- *Major investment and financing of the Company*

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

- *Major investment and financing of subsidiaries*

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

5. Future Plans for Major Investments or Capital Assets

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

6. Major Legal Proceedings and Arbitration

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

7. Merger or Disposal of Subsidiaries

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

Material Matters

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

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

9. Amendments to the Articles of Association

On 28 December 2023, the Board proposed to amend the Articles of Association in accordance with (i) the Listing Rules of the Shenzhen Stock Exchange (August 2023 Revision) (《深圳證券交易所上市規則(2023年8月修訂)》), the Guidelines on the Articles of Association of Listed Companies (Revised in 2023) (《上市公司章程指引(2023年修訂)》), the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Listing Rules of Hong Kong Stock Exchange and other laws, regulations and normative documents; and (ii) as required by the actual situation of the Company; On 28 March 2024, in accordance with the proposed change of company name, the Board proposed to amend the Articles of Association. Amendments to the Articles of Association were approved by the Shareholders at the annual general meeting of 2023 held on 28 June 2024 and has become effective on the same day. For details, please refer to the announcements of the Company dated 28 December 2023, 28 March 2024 and 28 June 2024 and the circular dated 29 May 2024. The change of company name is subject to the approval of the market regulation and administration bureau, and there is uncertainty as to whether the relevant approvals can be obtained, and there is the possibility of modifications and adjustments.

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

Changes in Share and Substantial Shareholders

I. Shareholding structure

The shareholding structure of the Company as of 31 December 2024 is as follows:

Shareholdings of the Shareholders holding more than 5% of the shares or the top ten Shareholders						
Name of shareholder	Nature of shareholder	Proportion	Number of shares held as at the end of the Reporting Period	Changes during the Reporting Period	Number of shares subject to selling restriction	Number of shares not subject to selling restriction
Jiangsu SOHO Holdings Group Co., Ltd.	State-owned legal person	27.33%	275,456,777	0	275,456,777	0
HKSCC NOMINEES LIMITED	Foreign legal person	24.78%	249,691,239	1,190	0	249,691,239
Soho Holly Corporation	State-owned legal person	14.68%	147,900,000	0	147,900,000	0
Jiangsu Holly Su Industrial Co., Ltd.	Domestic non-state-owned legal person	6.43%	64,795,299	-37,190,224	0	64,795,299
Jiangsu High Hope International Group Corporation	State-owned legal person	6.34%	63,930,134	0	0	63,930,134
Jiangsu Holly International Logistics Corporation	State-owned legal person	0.82%	8,285,345	0	8,285,345	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.56%	5,610,934	1,622,716	0	5,610,934
MERRILL LYNCH INTERNATIONAL	Foreign legal person	0.29%	2,931,286	2,931,286	0	2,931,286
Industrial Bank Co., Ltd—China Southern Finance-themed Flexible Allocation Hybrid Securities Investment Fund	Other	0.29%	2,928,900	2,431,700	0	2,928,900
Goldman Sachs International – own funds	Foreign legal person	0.22%	2,184,960	2,184,960	0	2,184,960

Changes in Share and Substantial Shareholders

Shareholding of Top Ten Shareholders Not Subject to Selling Restriction			
Name of shareholder	Number of shares not subject to selling restriction as at the end of the Reporting Period	Type of shares	
		Type	Number of shares
HKSCC NOMINEES LIMITED	249,691,239	Foreign shares listed overseas	249,691,239
Jiangsu Holly Su Industrial Co., Ltd.	64,795,299	RMB ordinary shares	64,795,299
Jiangsu High Hope International Group Corporation	63,930,134	RMB ordinary shares	63,930,134
Hong Kong Securities Clearing Company Limited	5,610,934	RMB ordinary shares	5,610,934
MERRILL LYNCH INTERNATIONAL	2,931,286	RMB ordinary shares	2,931,286
Industrial Bank Co., Ltd – China Southern Finance- themed Flexible Allocation Hybrid Securities Investment Fund	2,928,900	RMB ordinary shares	2,928,900
Goldman Sachs International – own funds	2,184,960	RMB ordinary shares	2,184,960
Chen Hong (陳宏)	1,958,300	RMB ordinary shares	1,958,300
China Merchants Bank Co., Ltd. – Southern China Securities 1000 Trading Open-ended Index Securities Investment Fund	1,898,200	RMB ordinary shares	1,898,200
CITIC Securities Co., Ltd	1,774,064	RMB ordinary shares	1,774,064

Notes:

1. The calculation is based on a total of 1,007,777,778 issued Shares of the Company as at 31 December 2024.
2. The type of shareholders of ordinary shares in RMB (A Shares) represents the type of accounts held by shareholders registered with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch.
3. Among shareholders of overseas listed foreign shares (H Shares) of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited on their behalf.
4. Hong Kong Securities Clearing Company Limited is a nominal holder of A Shares of the Company held by the investors in Northbound Trading under Shenzhen-Hong Kong Stock Connect.

II. Changes in Shares

Nil.

Changes in Share and Substantial Shareholders

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

As at 31 December 2024, to the knowledge of the Directors, Supervisors and the chief executives of the Company, the interests or short positions of substantial shareholders (except the Directors, Supervisors and chief executives of the Company) in Share or underlying shares of the Company which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which are required to be entered into the register of the Company pursuant to section 336 of the SFO are as follows:

Name of shareholders	Class of Shares	Capacity	Number of shares held	Approximate percentage to total issued Shares ⁽¹⁾	Approximate percentage to relevant Share class ⁽²⁾
SOHO Holdings ⁽³⁾	A Shares and H shares	Beneficial owner and interest in controlled corporation	519,827,256 (495,572,256 A Shares and 24,255,000 H Shares) (long position)	51.58%	A Shares 65.37% H Shares 9.71%
Zhong Shan Company (鍾山公司)	H Shares	Beneficial owner	24,255,000 (long position)	2.41%	9.71%
SOHO Holly	A Shares	Beneficial owner	147,900,000 (long position)	14.68%	19.51%
Holly Su Industrial ⁽⁴⁾	A Shares	Beneficial owner	64,795,299 (long position)	6.43%	8.55%
Shenzhen Changhong Investment Partnership (Limited Partnership) (深圳昌鴻投資合夥企業 (有限合夥)) ⁽⁴⁾	A Shares	Interest in controlled corporation	64,795,299 (long position)	6.43%	8.55%
Shanghai Taihe Yitian Investment Partnership (Limited Partnership) (上海泰合翌天投資合夥企業 (有限合夥)) ⁽⁴⁾	A Shares	Interest in controlled corporation	64,795,299 (long position)	6.43%	8.55%
Zhongshan Yigao Investment Development Co., Ltd. (中山易高投資發展有限公司) ⁽⁴⁾	A Shares	Interest in controlled corporation	64,795,299 (long position)	6.43%	8.55%
Huang Jieping ⁽⁴⁾	A Shares	Interest in controlled corporation	64,795,299 (long position)	6.43%	8.55%
High Hope Corporation	A Shares	Beneficial owner	63,930,134 (long position)	6.34%	8.43%

Changes in Share and Substantial Shareholders

Notes:

- (1) The calculation is based on the total number of 1,007,777,778 Shares in issue of the Company as at 31 December 2024.
- (2) The calculation is based on the 758,077,778 A Shares in issue and 249,700,000 H Shares in issue of the Company as at 31 December 2024.
- (3) On 31 December 2024, SOHO Holdings (i) directly held 275,456,777 A Shares; (ii) was the beneficial owner of 22.46% equity interest in SOHO Holly (directly holding 147,900,000 A Shares of the Company); (iii) was the beneficial owner of 67.41% equity interest in High Hope Corporation (directly holding 63,930,134 A Shares of the Company); (iv) was the beneficial owner of the entire equity interests of SOHO Culture Group (deemed to be interested in the 8,285,345 A Shares directly held by Holly Logistics); and (v) was the beneficial owner of 100% equity interest in Zhong Shan Company (directly holding 24,255,000 H Shares of the Company). As disclosed in the 2024 interim report of SOHO Holly, according to relevant PRC laws, SOHO Holdings is deemed to be the controlling shareholder of SOHO Holly. Accordingly, SOHO Holdings is deemed to be interested in the 147,900,000 A Shares of the Company directly held by SOHO Holly, 63,930,134 A Shares of the Company directly held by High Hope Corporation, 8,285,345 A Shares of the Company directly held by SOHO Culture Group and 24,255,000 H Shares of the Company directly held by Zhong Shan Company, and hence was directly and indirectly interested in 519,827,256 Shares.
- (4) According to the current information available to the Company, on 31 December 2024, (i) Shenzhen Changhong Investment Partnership (Limited Partnership) (深圳昌鴻投資合夥企業(有限合夥)) held 99% equity interests in Holly Su Industrial.; (ii) Shanghai Taihe Yitian Investment Partnership (Limited Partnership) (上海泰合翌天投資合夥企業(有限合夥)) held 99.71% equity interests in Shenzhen Changhong Investment Partnership (Limited Partnership) (深圳昌鴻投資合夥企業(有限合夥)); (iii) Zhongshan Yigao Investment Development Co., Ltd. (中山易高投資發展有限公司) held 79.5% equity interests in Shanghai Taihe Yitian Investment Partnership (Limited Partnership) (上海泰合翌天投資合夥企業(有限合夥)); (iv) Ms. Huang Jieping was the beneficial owner of 100% equity interests in Zhongshan Yigao Investment Development Co., Ltd. (中山易高投資發展有限公司). Accordingly, under the SFO, each of Shenzhen Changhong Investment Partnership (Limited Partnership) (深圳昌鴻投資合夥企業(有限合夥)), Shanghai Taihe Yitian Investment Partnership (Limited Partnership) (上海泰合翌天投資合夥企業(有限合夥)), Zhongshan Yigao Investment Development Co., Ltd. (中山易高投資發展有限公司) and Ms. Huang Jieping is deemed to be interested in the 64,795,299 A Shares directly held by Holly Su Industrial.

Save as disclosed above, the Directors, Supervisors and chief executives of the Company are not aware that, as at 31 December 2024, any other person (other than the Directors, Supervisors or chief executives of the Company) had an interest or short position in the Shares or underlying shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are required to be entered into the register of the Company pursuant to Section 336 of the SFO.

As at the end of the Reporting Period, SOHO Holdings, the Controlling Shareholder of the Company, held approximately 51.58% of the total issued Shares of the Company. SOHO Holdings was established in April 1994 with a registered capital of RMB2,000 million. It is a state-owned enterprise wholly-owned by the State-owned Assets Supervision and Administration Commission of Jiangsu. SOHO Holdings is an investment holding company and its business scope includes finance, industrial investment, operation and management of state-owned assets as authorised, international trading, rental housing, and manufacturing, R&D and sales of mulberry silk, textile and clothing.

Directors, Supervisors, Senior Management and Staff

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

(1) Directors

Name	Age	Gender	Position(s)	Date of appointment	Time of joining the group company	Remunerations received during the Reporting Period (RMB'0,000)	Relationship with other Directors, Supervisors or members of senior management	Remarks
Chu Kairong	50	Male	Chairman, executive Director	22 November 2022	September 2004	78.33	N/A	Appointed as the Chairman on 4 July 2024
Zhao Weixiong	49	Male	General manager, executive Director	6 September 2024	July 2024	15.19	N/A	
Xue Binghai	54	Male	Non-executive Director	30 June 2012	June 2012		N/A	
Jiang Lin	59	Male	Non-executive Director	15 November 2019	November 2019		N/A	Resigned on 18 February 2025
Jiang Haiying	42	Female	Non-executive Director	18 February 2025	February 2025		N/A	
Shan Bing	57	Male	Non-executive Director	26 May 2017	May 2017		N/A	Resigned on 30 January 2024
Huang Dechun	59	Male	Independent non-executive Director	15 November 2019	November 2019	11.90	N/A	
Lo Wah Wai	61	Male	Independent non-executive Director	23 December 2021	23 December 2021	13.21	N/A	
Zhang Hongfa	60	Male	Independent non-executive Director	21 July 2023	21 July 2023	11.90	N/A	

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

Directors, Supervisors, Senior Management and Staff

(2) Supervisors

Name	Age	Gender	Position(s)	Date of appointment	Time of joining the group company	Remunerations received during the Reporting Period (RMB'0,000)	Relationship with other Directors, Supervisors or members of senior management	Remarks
Yu Hong	49	Female	Chairlady of the Supervisory Committee	13 June 2019	July 2016		N/A	(Resigned on 17 July 2024 and took effect on 6 September)
Huang Dongyan	53	Male	Chairman of the Supervisory Committee	6 September 2024	June 2022	43.73	N/A	Appointed on 6 September 2024
Chen Liang	44	Male	Supervisor	23 December 2021	23 December 2021		N/A	
Zhang Lei	47	Female	Supervisor	20 March 2023	August 2018	22.78	N/A	Resigned on 18 February 2025
Gong Qi	38	Female	Supervisor	18 February 2025	September 2009		N/A	Appointed on 18 February 2025

Note: the term of the fourth session of the Supervisory Committee expired during the Reporting Period. At the 2025 first extraordinary general meeting, Mr. Huang Dongyan and Mr. Chen Liang have been re-appointed as shareholder representative Supervisors of the fifth session of the Supervisory Committee. Ms. Gong Qi has been appointed as an employee representative Supervisor of the fifth session of the Supervisory Committee at the employee representative meeting of the Company.

Directors, Supervisors, Senior Management and Staff

(3) Senior Management

Name	Age	Gender	Position(s)	Date of appointment	Relationship with other Directors, Supervisors or members of senior management	Remarks
Zhao Weixiong	49	Male	General manager	September 2024		
Zhao Dong	55	Male	Deputy general manager	March 2014	N/A	
Chen Rongping	56	Female	Supervisor of finance	June 2019	N/A	Retired on 9 May 2024
Huang Haiqing	42	Male	Deputy general manager Board secretary and joint company secretary	Deputy general manager since October 2020 Board secretary and joint company secretary since December 2020	N/A	
Wu Jiufeng	43	Male	Deputy general manager	October 2020	N/A	
Jia Fuhua	40	Male	Supervisor of finance	9 May 2024	N/A	
Zhan Jieying	43	Female	Chief risk officer	5 July 2023	N/A	

Note: The above ages are based on the date of this annual report (i.e., 28 March 2025).

Directors, Supervisors, Senior Management and Staff

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

(1) Directors

Name	Position(s) at the Company	Employment in other companies	Position(s) at other companies
Chu Kairong	Chairman, executive Director	Holly Capital	Chairman, general manager
Zhao Weixiong	General manager, executive Director	–	–
Xue Binghai	Non-executive Director	SOHO Holdings	Assistant to CEO, general manager of the financial division
		Jiangsu Jin Su Zheng Investment Development Co., Ltd. (江蘇金蘇證投資發展有限公司)	Chairman
		Jiangsu Zhonghe Venture Investment Co., Ltd. (江蘇眾合創業投資有限公司)	Director, general manager
		Jiangsu Zijin Rural Commercial Bank Co., Ltd. (江蘇紫金農村商業銀行股份有限公司)	Director
		Jiangsu SOHO Jisheng Investment Management Co., Ltd. (江蘇蘇豪基盛投資管理有限公司)	Chairman
Jiang Lin	Non-executive Director	Jiangsu Holly Environmental Technology Industrial Co., Ltd. (江蘇弘業環保科技產業有限公司)	Chairman
		Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司)	Director
Jiang Haiying	Non-executive Director	SOHO Holly (蘇豪弘業)	General manager, Director
Shan Bing	Non-executive Director	Jiangsu Holly Su Industrial Co., Ltd. (江蘇弘蘇實業有限公司)	Non-executive Director
Huang Dechun	Independent non-executive Director	Business School of Hohai University (河海大學商學院)	Professor
		Suzhou Sushi Test Group Co., Ltd. (蘇州蘇試試驗集團股份有限公司)	Independent director
		World Shuigu (Nanjing) Academy Culture Co., Ltd. (世界水谷(南京)書院文化有限公司)	Supervisor
Lo Wah Wai	Independent non-executive Director	BMI Consultants Limited (邦盟匯駿顧問有限公司)	Chairman, executive director
		Chongqing Machinery & Electric Co., Ltd. (重慶機電股份有限公司)	Independent non-executive Director
		Tenfu (Cayman) Holdings Company Limited (天福(開曼)控股有限公司)	Independent non-executive Director
Zhang Hongfa	Independent non-executive Director	Jiangsu Guoxin Corp., Ltd.	Independent director
		Suzhou Convert Semiconductor Co., Ltd. (蘇州鎔威特半導體股份有限公司)	Independent director
		Jiangsu Appraisal Society	Vice president

Directors, Supervisors, Senior Management and Staff

(2) Supervisors

Name	Position(s) at the Company	Employment in other companies	Position(s) at other companies
Yu Hong	Chairlady of the Supervisory Committee and shareholder representative Supervisor	SOHO Holdings	Deputy director of the inspection office of the Party committee
Huang Dongyan	Chairman of the Supervisory Committee	Jiangsu Futures Association Holly Capital	Supervisor Supervisor
Chen Liang	Shareholder representative Supervisor	SOHO Holdings Financial Business Division	Deputy general manager
Zhang Lei	Employee representative Supervisor	–	–
Gong Qi	Employee representative Supervisor	–	–

(3) Senior Management

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

Directors, Supervisors, Senior Management and Staff

III. Biographies of Directors, Supervisors and Senior Management

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

(1) Directors

Executive directors

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

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

Directors, Supervisors, Senior Management and Staff

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

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

Non-executive Directors

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

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

Directors, Supervisors, Senior Management and Staff

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

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

Independent non-executive Directors

Mr. Huang Dechun (黃德春), with Chinese nationality, without permanent residency abroad, was born in February 1966, and holds a doctoral degree.

Mr. Huang Dechun served as a teacher at Jiangsu Vocational College of Finance and Economics, the deputy director of Economic and Trade Commission of Suqian, Jiangsu (temporary post), a postdoctoral fellow in theoretical economics from Nanjing University, a visiting professor of Finance in University of Northern Iowa (UNI) in U.S., an independent director of Jiangsu Dexuantang Pharmaceutical (Group) Co., Ltd. (江蘇德軒堂醫藥(集團)有限公司), an independent director of Leysen Jewelry Co., Ltd. (萊紳通靈珠寶股份有限公司), an independent director of Yongan Futures Co., Ltd. (永安期貨有限公司), and a supervisor of Shanghai Xumao Information Technology Co., Ltd. (上海煦茂信息技術有限公司). He is currently a professor at Hohai University, an independent director of Suzhou Sushi Test Group Co., Ltd. (蘇州蘇試試驗集團股份有限公司), and a supervisor of World Shuigu (Nanjing) Academy Culture Co., Ltd. (世界水谷(南京)書院文化發展有限公司). Mr. Huang has been serving as an independent non-executive Director of the Company since 15 November 2019. He is also currently the chairman of the Remuneration Committee, and a member of the audit committee, the nomination committee and the strategic and ESG committee of the Board.

Directors, Supervisors, Senior Management and Staff

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

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

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

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

Directors, Supervisors, Senior Management and Staff

(2) Supervisors

Mr. Huang Dongyan (黃東彥), with Chinese nationality, without permanent residency abroad, was born in May 1971 and graduated from Party School of Jiangsu Provincial Committee of the Chinese Communist Party (中共江蘇省委黨校) with a postgraduate degree in business management.

Mr. Huang served various positions at SOHO Holly from August 1993 to February 2015, including, as an assistant to the manager of the finance department, with his last positions as the deputy general manager of the trade management department and assistant to the general manager. From January 2015 to June 2018, he served various positions at SOHO Culture Group Company Limited (蘇豪文化集團有限公司), including, as a member of the Party Committee, secretary of the Committee for Discipline Inspection and deputy general manager. He served as a member of the Party Committee and secretary of the Committee for Discipline Inspection of Jiangsu Soho Asset Operation Group Co. Ltd.* (江蘇蘇豪資產運營集團有限公司), from June 2018 to November 2018, and Jiangsu Soho Textile Group Co. Ltd.* (江蘇蘇豪紡織集團有限公司), from June 2018 to June 2022, respectively. He is currently a member of the Party Committee (黨委委員) and a secretary of the Committee for Discipline Inspection (紀委書記) of the Company, and a supervisor of Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a wholly-owned subsidiary of the Company.

Mr. Chen Liang (陳亮), with Chinese nationality, without permanent residency abroad, was born in March 1981, and holds a master's degree.

Mr. Chen Liang worked at Jiangsu High-Tech Investment Group (江蘇省高科技投資集團) as an investment manager from August 2008 to February 2013; worked at Shanghai Fosun Kailei Equity Fund (上海復星凱雷股權投資基金) as a vice president from March 2013 to May 2015; worked at CMB International Capital Management (Shenzhen) Co., Ltd. (招銀國際資本管理(深圳)有限公司) as a vice president from June 2015 to June 2018; worked at CEB International Asset Management (China) Co., Ltd. (光銀國際資產管理(中國)有限公司) from July 2018 to October 2019 as an investment director; and worked at Jiangsu High Hope International Group Corporation (江蘇匯鴻國際集團股份有限公司) as the deputy general manager of the strategic development department from November 2019 to November 2023. He has been worked at the Financial Business Division in SOHO Holdings and served as deputy general manager since November 2023.

Ms. Gong Qi (龔琦), with Chinese nationality, without permanent residency abroad, was born in November 1986, holds a bachelor degree in accounting and is currently a senior accountant (高級會計師) as credentialed by the Department of Human Resources and Social Securities of Jiangsu Province.

Ms. Gong joined the Company in September 2009. She was the person in charge of the finance department of Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a wholly-owned subsidiary of the Company, and an assistant of the manager of the finance department of the Company. She is currently the deputy manager of the finance department of the Company.

(3) Senior Management

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

Directors, Supervisors, Senior Management and Staff

Mr. Zhao Dong (趙東), with Chinese nationality but without permanent residency abroad, was born in December 1969, and holds a bachelor's degree.

Mr. Zhao Dong was appointed as the deputy general manager of the Company in March 2014 and is primarily responsible for branches of the Company. Prior to joining the Company, Mr. Zhao Dong served as an employee at Wuxi Xingye Textile Printing and Dyeing Co., Ltd. (無錫興業紡織印染有限公司) from June 1990 to August 1990, and as an employee at Yixing Industrial Materials Supply and Marketing Company (宜興市工業物資供銷公司) from August 1990 to January 1993. From January 1993 to April 1997, he was a staff member of Yixing City Building Materials General Store (宜興市建材總匯). He was an employee of the Marketing Department of the Yixing Office of Changzhou Jianzheng Futures Company (常州建證期貨公司宜興辦事處) from April 1997 to August 1999. Mr. Zhao Dong had been the manager of marketing department of Wuxi Lida Futures Brokerage Co., Ltd. (無錫利大期貨經紀有限公司) from September 1999 to July 2000. From August 2000 to September 2003, he served in Yixing Huazheng Investment Group Limited (宜興市華證投資集團有限公司) as Marketing Manager. From October 2003 to March 2014, he served in Huazheng Futures Brokerage Co., Ltd. (華證期貨經紀有限公司), where he served successively as market manager, head of Shanghai sales department, deputy general manager, and general manager. From August 2011 to March 2014, he served in Huazheng Futures Co., Ltd. (華證期貨有限公司) as General Manager. Since March 2014, he has been the deputy general manager of the Company.

Mr. Huang Haiqing (黃海清), with Chinese nationality, without permanent residency abroad, was born in March 1983, and holds a master's degree.

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

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

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

Directors, Supervisors, Senior Management and Staff

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

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

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

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

Directors, Supervisors, Senior Management and Staff

IV. Change of Directors, Supervisors and Senior Management

(1) Changes of Directors and Board Committees Members

On 30 January 2024, Mr. Shan Bing ceased to serve as the non-executive Director and the member of the remuneration committee of the Company.

On 4 July 2024, Mr. Chu Kairong was appointed as the Chairman of the Board of the Company.

On 6 September 2024, Mr. Chu Kairong was appointed as the chairman of the strategic and ESG committee, and a member of the remuneration committee and the nomination committee, and ceased to be a member of the risk committee; Mr. Zhao Weixiong was appointed as an executive Director, the chairman of the risk management committee and a member of the strategic and ESG committee; Mr. Jiang Lin was appointed as a member of the strategic and ESG committee; Mr. Huang Dechun was appointed as a member of the strategic and ESG committee; Mr. Lo Wah Wai was appointed as a member of the risk management committee and the strategic and ESG committee; Mr. Zhang Hongfa ceased to be the chairman of the risk management committee and remains as a member of the risk management committee, and was appointed as the chairman of the nomination committee.

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

(2) Changes of Supervisors

On 17 July 2024, Ms. Yu Hong resigned as the Chairlady of the supervisory committee and continued to fulfill her duties until the appointment of Mr. Huang Dongyan as the Chairman of the supervisory committee on 6 September 2024.

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

(3) Changes of Senior Management

On 9 May 2024, Ms. Chen Rongping ceased to be the supervisor of finance of the Company and Mr. Jia Fuhua was appointed as the supervisor of finance of the Company.

On 6 September 2024, Mr. Chu Kairong ceased to be the general manager of the Company and Mr. Zhao Weixiong was appointed as the general manager of the Company.

Directors, Supervisors, Senior Management and Staff

V. Remuneration Management of Directors, Supervisors and Senior Management

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

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

- **Basis of Remunerations of Directors, Supervisors and Senior Management**

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

- **Non-cash Remuneration**

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

- **Payment of Remuneration to Directors, Supervisors and Senior Management**

In 2024, the total remunerations of Directors, Supervisors and senior management of the Company amounted to RMB3,925.91 thousands. For details of payment of remuneration to Directors, Supervisors, please see “I. Basic Information about Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period” in this section.

For the year ended 31 December 2024, the remuneration of the Directors and Supervisors fell within the following bands:

Bands (RMB)	Number of Directors and Supervisors
Nil to 500,000	6
500,001–1,000,000	1

Directors, Supervisors, Senior Management and Staff

For the year ended 31 December 2024, the remuneration of senior management of the Company fell within the following bands:

Bands (RMB)	Number of senior management
Nil to 500,000	7
500,001–1,000,000	0
Above 1,000,000	0

VI. Employees and remuneration

(1) Headcount and Composition

As at the end of the Reporting Period, the Company has a total of 565 full-time and part-time employees while its subsidiaries have a total of 71 full-time and part-time employees, the composition of which is as follows:

Workforce Statistics of Holly Futures Co., Ltd. and Its Subsidiaries				
Headcount (staff member)		636		
Type of employment		Full-time and part-time		
Category	Sub-category	Number	Percentage	
Academic background	Ph.D.	5	0.73%	
	Master	151	20.56%	
	Undergraduate	422	67.84%	
	Diploma and below	58	10.87%	
Position	Futures brokerage	359	54.19%	
	Asset management	17	4.85%	
	Commodity trading and risk management	50	7.34%	
	Stock option business	4	0.59%	
	Overseas business	19	4.85%	
	Research	21	3.52%	
	Audit and legal department and risk management	16	2.06%	
	IT	26	4.99%	
	Accounting and Finance	42	6.90%	
	Administration	82	10.72%	
Age	35 and below	306	52.42%	
	36 to 40	174	25.7%	
	41 to 50	124	16.59%	
	51 and above	32	5.29%	

Directors, Supervisors, Senior Management and Staff

(2) Remuneration of Employees

The remuneration of the Company's employees is composed of basic salaries, allowances, performance bonuses and welfare. Basic salaries are a relatively fixed part of the remuneration and are the basic income of employees. As a supplement to basic salaries, allowances include those for special posts and professionals. Performance bonuses are distributed according to the results of performance evaluation in favor of the frontline employees with outstanding performance. For the year ended 31 December 2024, the total remuneration of employees, including remuneration of Directors, amounted to approximately RMB189 million. Details of which are set out in Note V. 27 to the financial statements of this report.

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

(3) Retirement Benefits

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

(4) Training Schemes

Firstly, the Company focused on professional training to consolidate the foundation of skills of employees. Through a combination of internal and external training, the Company made its efforts in organizing and participating in training for external organizations such as associations, exchanges and the holding group. The Company have also assisted various departments in carrying out daily training covering compliance with anti-money laundering, information technology, innovative business, futures knowledge, etc., so as to help our staff strengthen the foundation of their vocational skills and increase the depth of their specialised skills. A total of 31 internal and external training sessions were conducted throughout the year. Secondly, the Company organised thematic training to improve the professional skills of our staff. Staff were organised to participate in futures and fund follow-up training, and accounting staff further education training to update their professional skills in a timely manner. In order to increase the passing rate of staff in professional examinations, specialised training was provided for futures and fund qualification examinations; in order to fulfil our corporate social responsibility, the Company organised the construction of an independent examination centre for futures professional examinations and completed the enrolment of 80 subjects for registration and examination work. In order to strengthen the ideological education of our staff, the Company organised a series of courses on the ideological and political theories of the Futures Association's party building, and selected staff to

Directors, Supervisors, Senior Management and Staff

participate in the Holding Group's high-quality seminars and the "Qing Ying Yuan Hang (青英遠航)" talent project training courses. Thirdly, the Company increased institutional innovation to improve the staff training system. The Company have formulated the Education and Training Management Regulations, established staff training points files, and incorporated training assessment into the staff evaluation system; strengthened the training of internal trainers, and reserved a number of reserve cadres with high vocational quality and strong professionalism.

In 2025, the Company will continue to strengthen the training system and promote training innovation. We will launch step-by-step training for new employees, young cadres and middle-level cadres; improve the distribution of training courses for business, compliance and function sectors; and create a multi-dimensional training platform that is hierarchical, promotes development and strengthens professionalism.

(5) The Five Highest Paid Individuals

Of the five individuals with the highest emoluments in the year, one (last year: none) is Director whose emolument is disclosed in Note XII. (IV) to the financial statements. Emoluments in respect of the other four (last year: five) individuals are as follows:

(Unit: RMB'000)

	2024	2023
Salaries, allowances and benefits	1,090.66	904.87
Discretionary bonuses	2,251.90	3,365.40
Pension scheme contributions	205.27	230.80
Total	3,547.83	4,501.07

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

	2024 Number of Individuals	2023 Number of Individuals
Nil to HKD1,000,000	3	2
HKD1,000,001 to HKD1,500,000	1	3
HKD1,500,001 to HKD2,000,000	0	0
HKD2,000,001 to HKD2,500,000	0	0

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

Corporate Governance Report

I. Overview of corporate governance

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

During the Reporting Period, the Company has complied with the code provisions set out in Part 2 of Appendix C1 to the Listing Rules save for the deviation from code provision C.1.8 and C.2.1 (the Company has re-complied with C.2.1 during the Reporting Period) as disclosed below.

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

Corporate governance can be considered as the framework within which the Board forms their decisions and build their business. The entire Board should be focusing on creating long-term sustainable growth for Shareholders and delivering long-term values to all stakeholders. An effective corporate governance structure allows the Company to have a better understanding of, evaluate and manage, risks and opportunities (including environmental and social risks and opportunities). The Board is responsible for setting strategic objectives for risk management, implementing risk management values, evaluating and approving risk management policies, ensuring effective implementation of the risk management system and providing feedback on the effectiveness of the risk management system. For the principal risks faced by the Group's business, please refer to "VIII. Risk factors and uncertainties faced by the Company and its risk strategy" set out in Section II Operating Conditions "Management Discussion and Analysis" of this report. For details of environmental, social and governance matters for the year ended 31 December 2024, please refer to the separate ESG Report of the Company.

III. Corporate strategy, business models and culture

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

IV. Shareholders and General Meetings

• Rights of General Meetings

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

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

- (1) to elect and remove Directors not being staff representatives and to determine matters relating to the Directors' remunerations;
- (2) to elect and remove Supervisors being shareholders' representatives and to determine matters relating to the Supervisors' remunerations;
- (3) to consider and approve the reports of the Board;
- (4) to consider and approve the reports of the Supervisory Committee;
- (5) to consider and approve the Company's profit distribution plan and plan for making up losses;

Corporate Governance Report

- (6) to resolve on an increase or a reduction in the Company's registered capital and acquisition of the Company's shares;
- (7) to resolve on matters such as merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (8) to resolve on the issue of debentures by the Company;
- (9) to resolve on the appointment, dismissal or non-reappointment of the accounting firms;
- (10) to amend the Articles of Association;
- (11) to consider proposals put forward by any shareholder representing 3% or more of the Company's shares with voting rights;
- (12) to consider the purchases or sales of any material assets of the Company within a year in excess of 30% of the Company's audited net assets in the latest period;
- (13) to consider and approve long-term material investment, acquisition or disposal of asset, asset replacement, related transactions or pledged loans of the Company to be approved by shareholders' general meeting;
- (14) to consider related transactions to be resolved by shareholders' general meeting as required by listing rules of the place where the Company's shares are listed;
- (15) to consider and approve matters relating to change of the use of raised funds;
- (16) to consider share incentive plans and employee share scheme;
- (17) to consider any other matters to be resolved by shareholders' general meeting as required by the laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed and the Articles of Association.

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

- **Procedures for General Meetings**

More than 1/2 independent Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the independent Directors, the Board shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within 10 (ten) days after receiving the proposal.

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

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

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

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

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

Any shareholder individually or jointly holding over 10% of the Company's shares is entitled to propose to the Board for convening an extraordinary general meeting and such proposal shall be made in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such a meeting within 10 days after receipt of the request. The shareholding referred to above shall be calculated as of the date on which the written request is made by Shareholder(s).

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

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If the Board of Directors does not agree to call such meeting, or fails to give a response within 10 days after receipt of the request, the Shareholder alone or Shareholders together holding at least 10 percent of the shares shall have the right to propose to the Supervisory Committee in writing that it call the extraordinary general meeting.

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

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

Where the Company convenes a general meeting, the Board, the Supervisory Committee and Shareholder(s) severally or jointly holding 1% or more shares are entitled to submit written new proposals to the Company. Matters mentioned in proposals which are within the scope of the powers of the general meeting shall be included in the meeting agenda.

Shareholder(s) severally or jointly holding more than 1% shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting to other Shareholders within two days after receipt of a proposal, and announce the contents of provisional proposals.

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

Where the Company convenes an annual general meeting, a written notice shall be given at least 20 working days prior to the date of the meeting to notify all the Shareholders; where the Company convenes an extraordinary general meeting, a public announcement shall be published at least 15 days prior to the date of the meeting to notify all the shareholders. Any Shareholder who intends to attend the meeting shall deliver to the Company a written reply stating his or her intention to attend within the period stipulated in the meeting notice.

A general meeting convened by the Board, shall be presided over and chaired by the chairman of the Board. If the chairman is unable or fails to perform his duties, the meetings shall be presided over by a director jointly recommended by more than half of the directors, and take the chair of the meeting in his stead. If no chairman of the meeting has been designated, shareholders present shall choose one (1) person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

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If the Board is unable or fails to fulfill the obligation of convening the general meeting, the Supervisory Committee shall convene and preside over such meeting. If the Supervisory Committee does not convene and preside over such meeting, the shareholders individually or jointly holding no less than 10% of the shares for no less than 90 consecutive days may convene and preside over such meeting on their own.

If a general meeting is convened by the Supervisory Committee, the chairman of the Supervisory Committee shall preside over the meeting. If the chairman of the Supervisory Committee is unable to or will not discharge his duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman of the meeting and continue with the meeting.

At an annual general meeting, the Board and the Supervisory Committee shall report their work performance in the preceding year to the shareholders. Each independent director shall also report their work performance.

Directors, supervisors and senior management shall give explanations upon shareholders' inquiries and suggestions at the shareholders' general meeting.

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

To adopt an ordinary resolution, a majority of the voting rights represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

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

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

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

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

- (1) increase or reduction of the Company's share capital, repurchase of the Company's shares and issue of shares of any class, warrants and other similar securities;
- (2) issue of debentures of the Company;
- (3) demerger, split, merger, dissolution, liquidation and change of corporate form of the Company;
- (4) amendments to the Articles of Association;
- (5) purchases or sales of material assets of the Company in excess of 30 percent of the net assets of the Company within a year;
- (6) share incentive plans;
- (7) any other matters stipulated by the laws, administrative regulations, the listing rules of the places where the shares of the Company are listed or the Articles of Association or determined by an ordinary resolution at a shareholders' general meeting as having a material impact on the Company and requiring to be resolved by special resolution.

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• General Meetings

During the Reporting Period, the Company convened 2 general meetings in total, information and resolutions of which are set out as follows:

Session	Convening date	Meeting contents	Adoption
2023 annual general meeting	28 June 2024	<p>The resolution on the amendments to the Articles of Association of Holly Futures Co., Ltd. and its appendices</p> <p>The resolution on the Annual Report (A Shares) for 2023 and its summary of the Company</p> <p>The resolution on the Annual Results Announcement and the Annual Report (H Shares) for 2023 of the Company</p> <p>The resolution on the proposed change of Company name, stock abbreviation and proposed amendments to the Articles of Association</p> <p>The resolution on the 2023 Annual Working Report of the Board</p> <p>The resolution on the 2023 Annual Working Report of the Supervisory Committee</p> <p>The resolution on the 2023 final financial report</p> <p>The resolution on the profit distribution plan of the Company for 2023</p> <p>The resolution on the remuneration package of the Directors of the Company for 2023</p> <p>The resolution on the remuneration package of the supervisors of the Company for 2023</p> <p>The resolution on the re-appointment of certified public accountants</p> <p>The resolution on consideration of the Financial Services Framework Agreement between the Company and SOHO Holdings</p> <p>The resolution on consideration of the Trading Framework Agreement between the Company and SOHO Holdings</p> <p>The resolution on consideration of the Financial Investment Framework Agreement between the Company and SOHO Holdings</p> <p>The resolution on the use of part of the self-owned funds for entrusted wealth management</p> <p>The resolution on the annual financial budgets and investment plans for 2024</p> <p>The resolution on estimation of daily related party transactions for the year 2024</p>	Considered and approved
The first extraordinary general meeting in 2024	6 September 2024	<p>The resolution on the election of an executive Director of the fourth session of the Board of Directors of the Company</p> <p>The resolution on the election of the non-employee representative supervisor of the fourth session of the Supervisory Committee</p>	Considered and approved

Corporate Governance Report

V. Performance of duties of Board

• Respective Duties of the Board and the Management

Powers and duties of the Board and the management have been specified in the Articles of Association to ensure adequate check and balance for sound corporate governance and internal control. The Board is responsible for: convening the general meeting and presenting the work report at the meeting; implementing the resolutions of the general meeting; resolving on the Company's business plans and investment plans; formulating the proposed annual financial budgets and final accounts of the Company; formulating the Company's profit distribution proposal and loss recovery proposal; formulating proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures or other securities and listing proposals; drawing up plans for any substantial acquisition, purchase of the Company's shares or the merger, division, dissolution and transformation of the Company; deciding upon external investment, purchase and sale of assets, assets mortgage, entrustment of financing, connected transaction, external donations and other matters within the scope set forth by the general meeting; deciding on the setup of Company's internal management bodies and branches; deciding on the appointment or removal of the general manager, Chief Risk Officer, the Board secretary and other senior management; appointing or removing the deputy general manager, chief financial officer and other senior management personnel of the Company according to the nomination by the Chairman or the general manager and determining their remunerations and disciplinary matters; drafting the basic management system of the Company; formulating the proposals for any amendment to the Articles of Association; managing the disclosure of the Company's information; proposing the appointment or replacement of an accounting firm that performs audits for the Company at the general meeting; listening to the work report of the Chief Risk Officer and the general manager of the Company and examining on their work; approving the setting up of branches that is subject to the approval of the Board in accordance with the requirements of the regulatory authorities; checking and approving the Company's any major transactions, very substantial disposals, very substantial acquisitions and reverse takeovers under the Listing Rules and submitting it to shareholders' approval; checking and approving any transactions that shall be disclosed except the Company's any major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers under the Listing Rules; approving the connected transactions that are not required to be approved by the general meeting or announced under the Listing Rules; checking the connected transactions that shall be approved by the general meeting under the Listing Rules.

In addition, the Board is responsible for the performance of corporate governance functions, which includes developing and reviewing the Company's policies and practices on corporate governance; reviewing and monitoring the training and continuous professional development of directors and senior management; developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; and reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

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

• Composition of the Board

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

At present, the Board comprised of seven Directors, of which two are executive Directors (Mr. Chu Kairong (Chairman), Mr. Zhao Weixiong, two are non-executive Directors (Mr. Xue Binghai and Ms. Jiang Haiying) and three are independent non-executive Directors (Mr. Huang Dechun, Mr. Lo Wah Wai and Mr. Zhang Hongfa). Currently, the number of independent non-executive Directors meets the relevant requirements under the Listing Rules and the Articles of Association. Mr. Zhao Weixiong and Ms. Jiang Haiying obtained the legal opinions as described in Rule 3.09D of the Listing Rules on 5 September 2024 and 3 January 2025 respectively, confirming that they understand their responsibilities as directors of a listed issuer.

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Directors shall be elected at general meetings. A Director (including independent non-executive Director) shall serve a term of three years, and may seek re-election upon expiry of the said term. For the year ended 31 December 2024, the Company confirmed that it had received annual confirmations issued by each independent non-executive Director in respect of their independence according to Rule 3.13 of the Listing Rules. The Company further confirmed the independent non-executive Directors' respective independence from the Company.

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

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

- **Insurance arrangements for Directors**

According to code provision C.1.8 of part 2 of the Corporate Governance Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Board believes that with the current risk management and internal control systems and the close supervision of the management, the Directors' risk of being sued or getting involved in litigation in their capacity as Directors is relatively low. Benefits to be derived from taking out insurance may not outweigh the cost. As such, the Company currently does not have insurance cover for legal action against its Directors.

- **Board meetings**

During the Reporting Period, the Board convened a total of 12 meetings as follows:

Session	Convening date	Meeting contents	Adoption
19th meeting of the fourth session of the Board	9 January 2024	The resolution on nominating a Director of the Company to act as the Chairman of the Board and other related positions	Considered and approved

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Session	Convening date	Meeting contents	Adoption
20th meeting of the fourth session of the Board	28 March 2024	<p>The resolution on the Annual Report (A Shares) for 2023 and its summary of the Company</p> <p>The resolution on the Annual Results Announcement and the Annual Report (H Shares) for 2023 of the Company</p> <p>The resolution on the proposed change of Company name, stock abbreviation and proposed amendments to the Articles of Association</p> <p>The resolution on the 2023 Annual Working Report of the Board</p> <p>The resolution on the 2023 final financial report</p> <p>The resolution on estimation of daily related party transactions for the year 2023</p> <p>The resolution on the profit distribution plan of the Company for 2023</p> <p>The resolution on the self-assessment report of internal control for 2023</p> <p>The resolution on the special report of risk regulatory indicators for 2023</p> <p>The resolution on the 2023 internal review reporting and the 2024 internal review plan of the Company</p> <p>The resolution on the 2023 working report of the chief risk officer</p> <p>The resolution on the remuneration package of the Directors of the Company for 2023</p> <p>The resolution on the remuneration package of the senior management of the Company for 2023</p> <p>The resolution on determining the annual salary distribution coefficient of the deputy directors of the Holly Futures' leadership team (including deputy secretary of the Party Committee, secretary of the Disciplinary Committee and chief financial officer) in 2022</p> <p>The resolution on the cancellation of the Shanghai Management Center and the subordinate Shanghai Wealth Management Department and Shanghai Institutional Management Department</p> <p>The resolution on the 2023 ESG report</p> <p>The resolution on date selection for convening 2023 annual general meeting</p>	Considered and approved

Corporate Governance Report

Session	Convening date	Meeting contents	Adoption
21st meeting of the fourth session of the Board	26 April 2024	<p>The resolution on the first quarterly report for 2024 of the Company</p> <p>The resolution on the use of part of the self-owned funds for security investment</p> <p>The resolution on the use of part of the self-owned funds for entrusted wealth management</p> <p>The resolution on the annual financial budgets and investment plans for 2024</p> <p>The resolution on the re-appointment of certified public accountants</p> <p>The resolution on estimation of daily related party transactions for the year 2024</p> <p>The resolution on consideration of the continuing connected transactions between the Company and SOHO Holdings</p>	Considered and approved
22nd meeting of the fourth session of the Board	9 May 2024	The resolution on the change of the Company's chief financial officer	Considered and approved
23rd meeting of the fourth session of the Board	7 June 2024	The resolution on the cancellation of the Haikou Branch	Considered and approved
24th meeting of the fourth session of the Board	4 July 2024	<p>The resolution on the election of Mr. Chu Kairong as the Chairman of the Company</p> <p>The resolution on nominating candidates for executive Directors of the fourth session of the Board of the Company</p> <p>The resolution on date selection for convening the 2024 first extraordinary general meeting</p>	Considered and approved
25th meeting of the fourth session of the Board	16 August 2024	<p>The resolution on the Interim Report (A Shares) for 2024 and its summary of the Company</p> <p>The resolution on the Interim Results Announcement and the Interim Report (H Shares) for 2024 of the Company</p> <p>The resolution on the special report of risk regulatory indicators for the first half of 2024 of the Company</p> <p>The resolution on the Company's "14th Five-Year Plan" development strategy (interim revision 2024–2025)</p> <p>The resolution on the Company's Organizational Structure Adjustment, Functional Department Responsibilities and Staffing Plan</p>	Considered and approved

Corporate Governance Report

Session	Convening date	Meeting contents	Adoption
26th meeting of the fourth session of the Board	6 September 2024	<p>The resolution on the adjustment on the composition of members of special committees of the fourth session of the Board of Directors of the Company</p> <p>The resolution on the establishment of a list of the Board's authorizations to managers of the Company</p> <p>The resolution on the appointment of general manager of the Company</p> <p>The resolution on the Internal Review Reporting for the first half and the Internal Review Plan for the second half of 2024</p> <p>The resolution on the cancellation of Shenzhen Sub-branch of Holly Futures Co., Ltd.</p>	Considered and approved
27th meeting of the fourth session of the Board	29 October 2024	<p>The resolution on the third quarterly report for 2024 of the Company</p> <p>The resolution on the amendments to the rules of procedures for meetings of the General Manager's Office of the Company</p> <p>The resolution on the cancellation of International Business Department</p> <p>The resolution on the appointment of general counsel of the Company</p>	Considered and approved
28th meeting of the fourth session of the Board	2 December 2024	<p>The resolution on the cancellation of Shanghai Branch</p>	Considered and approved
29th meeting of the fourth session of the Board	11 December 2024	<p>The resolution on the allocation plan of the special award for the listing of the Company's A Shares</p> <p>The resolution on the evaluation results of the contractual reform of managerial staff under tenure system for 2022 and the compensation settlement</p>	Considered and approved
30th meeting of the fourth session of the Board	30 December 2024	<p>The resolution on the amendments to the Articles of Association of the Company and its appendices</p> <p>The resolution on the election of non-independent Directors for the fifth session of the Board of the Company</p> <p>The resolution on the election of independent Directors for the fifth session of the Board of the Company</p> <p>The resolution on the amendments to the rules of procedures of the special committees under the Board of the Company</p> <p>The resolution on the amendments to the rules of investor relations management</p> <p>The resolution on determining the annual salary distribution coefficient of the deputy directors of the Company's leadership team (including deputy secretary of the Party Committee, secretary of the Disciplinary Committee and chief financial officer) in 2023 and the tenure incentive distribution coefficient for the 2021-2023 term</p> <p>The resolution on date selection for convening 2025 first extraordinary general meeting, 2025 first A shareholders' class meeting and 2025 first H shareholders' class meeting of the Company</p>	Considered and approved

Corporate Governance Report

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

Nil.

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

1. *Attendances and voting of Directors at Board meetings*

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

Name	Number of Board meetings to be attended	Number of Board meetings attended in person	Number of Board meetings attended by proxy	Number of absences	Number of proposals to be voted on	Number of proposals voted on	Remarks
Chu Kairong	12	12	0	0	50	50	Abstained from voting on some resolutions
Zhao Weixiong	5	5	0	0	19	19	Appointed on 6 September 2024
Xue Binghai	12	12	0	0	51	51	Abstained from voting on some resolutions
Jiang Lin	12	12	0	0	51	51	Abstained from voting on some resolutions
Shan Bing	1	1	0	0	1	1	Resigned on 30 January 2024
Huang Dechun	12	12	0	0	53	53	Abstained from voting on some resolutions
Lo Wah Wai	12	12	0	0	53	53	Abstained from voting on some resolutions
Zhang Hongfa	12	12	0	0	53	53	Abstained from voting on some resolutions

Corporate Governance Report

2. Attendances of Directors at general meetings

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

Name	Number of general meetings to be attended	Number of general meetings attended in person	Number of absences	Remarks
Chu Kairong	2	2	0	
Zhao Weixiong	0	0	0	Appointed on 6 September 2024
Xue Binghai	2	2	0	
Jiang Lin	2	2	0	
Shan Bing	0	0	0	Resigned on 30 January 2024
Huang Dechun	2	2	0	
Lo Wah Wai	2	2	0	
Zhang Hongfa	2	2	0	

• Training for Directors

All Directors have provided training attendance records. The Company has arranged or provided the relevant trainings in accordance with the requirements of code provision C.1.4 of the Corporate Governance Code.

For the year ended 31 December 2024, Mr. Chu Kairong, Mr. Zhao Weixiong, Mr. Xue Binghai, Mr. Jiang Lin, Mr. Huang Dechun, Mr. Lo Wah Wai and Mr. Zhang Hongfa participated in the training on the responsibilities of listed companies on the main board of the Hong Kong Stock Exchange conducted by DeHeng Law Offices (Hong Kong) LLP, and learned about recent law enforcement cases, updates to Listing Rules and other materials. All directors participated in the training on 2024 continuous supervision for the Company conducted by China Securities, and learned about information on regulation of listed companies and information disclosure, etc.

Corporate Governance Report

VI. Special committees of the Board and duty performance

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

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

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

Corporate Governance Report

(1) Audit Committee

Pursuant to the Board resolution passed on 19 May 2015, the Company has established the Audit Committee (the “**Audit Committee**”) in accordance with Rules 3.21 and 3.22 of the Listing Rules, with written terms of reference. The written terms of reference of the Audit Committee were adopted in compliance with code provision D.3.3 and code provision D.3.7 of the Corporate Governance Code and are available on the websites of the Company and the Hong Kong Stock Exchange. The rules of procedures of the Audit Committee have been amended and approved on 30 December 2024.

The main duties of the Audit Committee include: proposing to the Board the appointment and replacement of external audit firms, approving the remuneration and terms of appointment of external auditors, supervising the implementation of the internal audit system and its implementation, liaising between the internal audit and external auditors, reviewing financial information and related disclosures, reviewing and supervising the internal control and risk management systems for financial monitoring of the Company; supervising annual audits, reviewing the financial statements, annual reports and accounts, interim reports and (if intend to issue) quarterly reports, and reviewing significant judgements relating to the financial reporting contained therein, and other information and the related disclosures in respect of management activities of operation; acting as the key representative for coordinating internal and external audits and overseeing the relationship between the Company and the external auditors. As of 31 December 2024, the Audit Committee comprises three members, including two independent non-executive Directors, namely Mr. Lo Wah Wai (chairman) and Mr. Huang Dechun, as well as a non-executive Director Mr. Xue Binghai.

The Audit Committee held seven meetings during the Reporting Period. In reviewing quarterly, interim and annual results, the Audit Committee leverages professional financial expertise to verify the accuracy of data, examine the application of accounting policies, and conduct in-depth investigations into abnormal fluctuations to ensure the reliability of financial reporting. In addition, it rigorously oversees corporate compliance, scrutinises connected transactions, and ensures operations comply with relevant regulatory requirements. The committee timely reports its findings and recommendations to the Board. For the year ended 31 December 2024, the Board has no disagreement with the Audit Committee on the selection, appointment, designation or removal of the external auditor.

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During the Reporting Period, the Audit Committee of the Board convened 7 meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Adoption
26th meeting of the Audit Committee	29 February 2024	The resolution on the summary of 2023 internal review and 2024 internal review plan of Holly Futures Co., Ltd.	Considered and approved
27th meeting of the Audit Committee	27 March 2024	The resolution on the Annual Report (A Shares) for 2023 and its summary of the Company The resolution on the Annual Results Announcement and the Annual Report (H Shares) for 2023 of the Company The resolution on the 2023 final financial report The resolution on the profit distribution plan of the Company for 2023 The resolution on the self-assessment report of internal control for 2023 The resolution on the special report of risk regulatory indicators for 2023 The resolution on the 2023 internal review reporting and the 2024 internal review plan of the Company The resolution on the evaluation report on the performance of the accounting firm for 2023 and the report on the supervision duties performed by the Audit Committee	Considered and approved
28th meeting of the Audit Committee	25 April 2024	The resolution on the first quarterly report for 2024 of the Company The resolution on the re-appointment of certified public accountants The resolution on estimation of daily related party transactions for the year 2024 The resolution on the annual financial budgets and investment plans for 2024 The resolution on the first quarterly internal review reporting for 2024 of the Company	Considered and approved
29th meeting of the Audit Committee	9 May 2024	The resolution on the change of the Company's chief financial officer	Considered and approved
30th meeting of the Audit Committee	15 August 2024	The resolution on the Interim Report (A Shares) for 2024 and its summary of the Company The resolution on the Interim Results Announcement and the Interim Report (H Shares) for 2024 of the Company The resolution on the special report of risk regulatory indicators for the first half of 2024 of the Company	Considered and approved
31st meeting of the Audit Committee	6 September 2024	The resolution on the internal review reporting for the first half and the internal review plan for the second half of 2024	Considered and approved
32nd meeting of the Audit Committee	28 October 2024	The resolution on the third quarterly report for 2024 of the Company The resolution on the internal review reporting for the third quarter and the internal review plan for the fourth quarter of 2024 of the Company	Considered and approved

Corporate Governance Report

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

Name	Position	Attendance in person/Number of meetings requiring attendance
Lo Wah Wai (chairman)	Independent non-executive Director	7/7
Xue Binghai	Non-executive Director	7/7
Huang Dechun	Independent non-executive Director	7/7

(2) Remuneration Committee

Pursuant to the Board resolution passed on 19 May 2015, the Company has established the Remuneration Committee (the “**Remuneration Committee**”) in accordance with Rules 3.25 and 3.26 of the Listing Rules, and adopted the written terms of reference. The written terms of reference of the Remuneration Committee were adopted in compliance with code provision E.1.2 of the Corporate Governance Code and are available on the websites of the Company and the Hong Kong Stock Exchange. The rules of procedures of the Remuneration Committee have been amended and approved on 30 December 2024.

The main duties of the Remuneration Committee include: studying, reviewing and making recommendations to the Board on the policy, structure and proposal concerning remuneration of Directors, supervisors and senior management of the Company, determining the terms of the specific remuneration package of each Director and member of senior management, reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board, and other duties conferred by the Board. During the Reporting Period, the remuneration of executive Directors is determined based on their skills, knowledge, individual performance and contribution, duties and responsibilities, with reference to the performance of the Company and the prevailing market conditions. The remuneration policy of independent non-executive Directors aims to providing sufficient compensation to the independent non-executive Directors for their efforts and time for participating the Company's affairs, including attending the meetings of Board committees. The remuneration of independent non-executive Directors is based on their skills, experience, knowledge, responsibility and market conditions. As of 31 December 2024, the Remuneration Committee comprises three members, including one executive Director and two independent non-executive Directors, namely Mr. Huang Dechun (chairman), Mr. Chu Kairong and Mr. Zhang Hongfa.

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

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

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

Session	Convening date	Meeting contents	Adoption
20th meeting of the Remuneration Committee	27 March 2024	The resolution on the remuneration package of the Directors of the Company for 2023 The resolution on the remuneration package of the senior management of the Company for 2023 The resolution on determining the annual salary distribution coefficient of the deputy directors of the Holly Futures' leadership team (including deputy secretary of the Party Committee, secretary of the Disciplinary Committee and chief financial officer) in 2022	Considered and approved
21st meeting of the Remuneration Committee	11 December 2024	The resolution on the allocation plan of the special award for the listing of the Company's A Shares The resolution on the evaluation results of the contractual reform of managerial staff under tenure system for 2022 and the compensation settlement	Considered and approved
22nd meeting of the Remuneration Committee	30 December 2024	The resolution on determining the remuneration of independent non-executive Directors of the fifth session of the Board The resolution on determining the annual salary distribution coefficient of the deputy directors of the Company's leadership team (including deputy secretary of the Party Committee, secretary of the Disciplinary Committee and chief financial officer) in 2023 and the tenure incentive distribution coefficient for the 2021–2023 term	Considered and approved

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

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Huang Dechun (chairman)	Independent non-executive Director	3/3	
Chu Kairong	Executive Director	2/2	Appointed on 6 September 2024
Zhang Hongfa	Independent non-executive Director	3/3	

(3) Nomination Committee

The Company has established the Nomination Committee (the “**Nomination Committee**”) on 19 May 2015 with written terms of reference in accordance with code provision B.3.1 of the Corporate Governance Code. Its terms of reference are available on the websites of the Company and the Hong Kong Stock Exchange. The Rules of Procedures of Nomination Committee have been amended and approved on 30 December 2024.

The main duties of the Nomination Committee include: reviewing the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations to the Board regarding the Company’s business activities, corporate strategy, asset size and shareholding structure in light of the operating activities of the Company, identifying, selecting or making recommendations to the Board on the selection of individuals to be nominated for directorships, assessing the independence of the independent non-executive Directors, making recommendations to the Board on relevant matters relating to the appointment and re-appointment of the Directors, succession planning for Directors, and other duties conferred by the Board. As of 31 December 2024, the Nomination Committee comprises three members, including one executive Director and two independent non-executive Directors, namely Mr. Zhang Hongfa (chairman), Mr. Chu Kairong and Mr. Huang Dechun.

The Nomination Committee held five meetings during the Reporting Period.

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

During the Reporting Period, upon review by the Nomination Committee of the Board on the biographical information and qualifications of the candidates of executive Director, the fourth session of the Board of the Company, as the nominator, nominated Mr. Zhao Weixiong as a candidate for election as an executive Director of the fourth session of the Board of the Company. The term of office of Mr. Zhao Weixiong shall commence on the date of election at the general meeting and expire on the date of conclusion of the fourth session of the Board.

According to articles 134 and 135 of Articles of Association, Directors of the Company shall meet the following conditions:

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

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Directors shall be elected at general meetings. A Director shall serve a term of three years, and may seek re-election upon expiry of the said term.

For written notice of intention to nominate a candidate for the Director and the candidate's acceptance to be nominated as Director, the notice of nomination from the Nomination Committee and acceptance of the nomination from the candidate to the Company shall be no less than seven (7) days. Such seven (7)-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and no later than seven (7) days prior to the shareholders' general meeting.

The chairman and vice chairman shall be elected and removed by more than one-half of all the Directors. The term of office of the chairman and vice-chairman, who shall be entitled to re-election and re-appointment, shall be three (3) years. Subject to the relevant laws and administrative regulations, a Director may be removed from office prior to the expiration of his term of office by means of an ordinary resolution at a shareholders' general meeting (however, any claims which may be lodged according to any contracts shall remain unaffected thereby).

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

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

Session	Convening date	Meeting contents	Adoption
16th meeting of the Nomination Committee	9 May 2024	The resolution on the change of the Company's chief financial officer	Considered and approved
17th meeting of the Nomination Committee	4 July 2024	The resolution on nominating candidates for executive Directors of the fourth session of the Board of the Company	Considered and approved
18th meeting of the Nomination Committee	6 September 2024	The resolution on the appointment of general manager of the Company	Considered and approved
19th meeting of the Nomination Committee	28 October 2024	The resolution on the appointment of general counsel of the Company	Considered and approved
20th meeting of the Nomination Committee	30 December 2024	The resolution on the election of non-independent Directors for the fifth session of the Board of the Company The resolution on the election of independent Directors for the fifth session of the Board of the Company	Considered and approved

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

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Zhang Hongfa (chairman)	Independent non-executive Director	5/5	
Chu Kairong	Executive Director	2/2	Appointed on 6 September 2024
Huang Dechun	Independent non-executive Director	5/5	

(4) Risk Management Committee

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

The main duties of the Risk Management Committee include: regularly identifying current and potential risks in the business operations of the Company, reviewing and assessing the risk management strategies and making recommendations, establishing precautionary risk management and internal control systems and providing mitigating solutions, and other duties as conferred by the Board.

As of 31 December 2024, the Risk Management Committee comprises five Directors, including one executive Director Mr. Zhao Weixiong (chairman), two non-executive Directors Mr. Xue Binghai and Mr. Jiang Lin and two independent non-executive Directors Mr. Lo Wah Wai and Mr. Zhang Hongfa.

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

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

Session	Convening date	Meeting contents	Adoption
12th meeting of the Risk Management Committee	27 March 2024	The resolution on the special report of risk regulatory indicators for 2023 The resolution on the report of the work of the chief risk officer for 2023	Considered and approved

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

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Zhao Weixiong (chairman)	Executive Director	0/0	Appointed on 6 September 2024
Chu Kairong	Executive Director	1/1	Resigned on 6 September 2024
Xue Binghai	Non-executive Director	1/1	
Jiang Lin	Non-executive Director	1/1	
Lo Wah Wai	Independent Non-executive Director	0/0	Appointed on 6 September 2024
Zhang Hongfa	Independent Non-executive Director	1/1	

(5) Strategic and ESG Committee

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

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

As of December 31, 2024, the Strategic and ESG Committee consists of all Directors.

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

Session	Convening date	Meeting contents	Adoption
2nd meeting of the Strategic Committee	25 April 2024	The resolution on the use of part of the self-owned funds for security investment The resolution on the use of part of the self-owned funds for entrusted wealth management The resolution on financial budget and investment plan for 2024 The resolution on consideration of continuing connected transactions between the Company and SOHO Holdings	Considered and approved
3rd meeting of the Strategic Committee	15 August 2024	The resolution on the Company's "14th Five-Year Plan" development strategy (interim revision 2024-2025)	Considered and approved

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

Name	Position	Attendance in person/ Number of meetings requiring attendance	Remarks
Chu Kairong (chairman)	Chairman, Executive Director	0/0	Appointed on 6 September 2024
Zhao Weixiong	Executive Director	0/0	Appointed on 6 September 2024
Xue Binghai	Non-executive Director	2/2	
Jiang Lin	Non-executive Director	0/0	Appointed on 6 September 2024
Huang Dechun	Independent non-executive Director	0/0	Appointed on 6 September 2024
Lo Wah Wai	Independent non-executive Director	0/0	Appointed on 6 September 2024
Zhang Hongfa	Independent non-executive Director	2/2	

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VII. Chairman and General Manager

The positions of the Chairman and general manager of the Company are taken by different persons, so as to guarantee the independence of their duties and balance of authorization. Mr. Chu Kairong served as the Chairman of the Board and since 6 September 2024, Mr. Zhao Weixiong served as the general manager. Following the above change of general manager of the Company, the Company has re-complied with code provision C.2.1. Their duties and authorities are clearly divided and specified in the Articles of Association. The Chairman is responsible for leading the Board in determining the Company's development strategy to guarantee the effective operation and duties fulfillment of the Board, and fully discusses the issues within the scope of the Board's duties, so as to ensure that the Directors can acquire true, accurate and complete information for making decisions in time, the Company can comply with well-established corporate governance procedures and the decisions of the Board are in the best interest of the Company and its Shareholders as a whole. Mr. Chu Kairong, the Chairman, also acts as the legal representative of the Company.

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

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

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

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

IX. Supervisory Committee and duty performance

(1) Duties of the Supervisory Committee

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

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

The Supervisory Committee performs its relevant duties according to relevant laws and regulations and the Articles of Association. The Supervisory Committee convened seven meetings during the Reporting Period. For details of the meetings, please refer to Section III Corporate Governance – “Report of Supervisory Committee” of this report.

X. Other related matters

(1) Shareholders' right

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

(2) Compliance with Model Code

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

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

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

(3) Responsibilities of Directors concerning financial statements

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

All the Directors of the Company confirmed their responsibility of preparing the financial statements that can truly reflect the Company's operating results for each financial year. During the Reporting Period, to the knowledge of the Directors, no event or circumstance that may cause material adverse impact on the Company's continuous operations needs to be reported.

(4) Appointment and remuneration of auditors

In 2024, the Company appointed ShineWing Certified Public Accountants LLP as its external audit firm for 2024 to provide related audit and review services based on the China Accounting Standards for Business Enterprises. The expenses related to the audit service are set out in Section III Corporate Governance "Material Matters" – "VIII. Engagement of accounting firm" of this Report.

(5) Review of the Audit Committee

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the financial statement of the Company for the year ended 31 December 2024.

(6) Joint Company Secretaries

Mr. Huang Haiqing, the Board secretary and one of the joint company secretaries, is responsible for making proposals to the Board on corporate governance and ensuring the policies and procedures of the Board, applicable laws, rules and regulations are observed. In order to maintain sound corporate governance and comply with the Listing Rules and applicable Hong Kong laws, the Company appointed Ms. Chan Yin Wah, an associate director of SWCS Corporate Services Group (Hong Kong) Limited, as the other joint company secretary of the Company to assist Mr. Huang Haiqing in fulfilling his duties as the Board secretary and a joint company secretary of the Company. Ms. Chan Yin Wah's main contact person in the Company is Mr. Huang Haiqing, the Board secretary and joint company secretary of the Company. For the year ended 31 December 2024, Mr. Huang Haiqing and Ms. Chan Yin Wah took no less than 15 hours of professional trainings in accordance with Rule 3.29 of the Listing Rules.

(7) Communications with Shareholders

The general meeting shall be the supreme authority of the Company. All Shareholders exercise their power through the general meeting. The Company formulated corresponding systems to ensure the compliance of the convening and holding of the general meetings. The Company explicitly specified Shareholders' rights in the Articles of Association, to ensure the Shareholders' right to know, especially the minority Shareholders. The Company treated all Shareholders impartially.

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

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

The Company's shareholder communications policy is designed to:

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

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

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

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

(8) Investor Relation Activities

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

On 26 June 2024, the Company held its 2023 annual performance briefing meeting, for details, please refer to the Investor Relations Activities Record Sheet published by the Company on 26 June 2024.

(9) Board Diversity Policy

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

Diversity policy can be summed up as follows: the Company understands and believes that board diversity is beneficial to the Company, and views it as an important element in maintaining its competitive edge. In designing the Board's composition, the Company takes into account multiple aspects of board diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service, etc. All Board appointments will be based on meritocracy, and candidates will be considered with due regard of the capacity, skill and experience required for the overall operation of the Board, so as to ensure the proper balance of the members of the Board.

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The Nomination Committee under the Board of the Company will review and assess the composition of the Board, and provide suggestions to the Board on the appointment of new Directors. The Nomination Committee under the Board of the Company will discuss annually all the measurable objectives for implementing the board diversity, and provide relevant suggestions on the objectives to the Board.

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

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

As at the date of this Annual Report, the Board comprises seven Directors, including three independent non-executive Directors. As a result of the resignation of Ms. Zhou Jianqiu, the former Chairlady of the Company, on 9 October 2023, the Board of the Company is composed of all male members. The Board has consistently gave full consideration to the identification of candidates, and Ms. Jiang Haiying has been elected as a non-executive Director at a general meeting held on 18 February 2025, so as to achieve the goal of gender diversity in the Board members.

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

- contribution to the Board;
- reputation;

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

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

- there are three independent non-executive Directors on the Board (representing more than one-third of the Board), all of whom have been diligent in performing their duties in accordance with the “Working System for Independent Directors” of the Company to ensure that they have enough time and energy to effectively fulfill their duties as independent Directors and work on-site in the Company for no less than fifteen days per year;
- site visits have been arranged from time to time for the independent non-executive Directors to enhance their understanding of the old and new projects of the Company;
- has continued to strengthen the independent Directors’ understanding of securities laws, regulations and rules to continuously improve their ability to fulfill their duties;
- the Chairman/Chairlady has conducted annual meeting with all independent non-executive Directors without the presence of other Directors to provide an effective platform for the Chairman/Chairlady to receive independent advice on various issues of the Group; and
- independent professional advice is provided to the independent non-executive Directors at their reasonable request to assist them in discharging their duties to the Company.

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

(10) Gender Diversity

In the course of introducing and cultivating staff, the Company adheres to the principle of equal employment, fair promotion to resist discrimination, harassment and defamation due to age, sex, marital status, disability, family status, race, skin colour, descent, nationality, ethnicity, or religion. As of 31 December 2024, the total number of employees of the Company was 636, of which 294 or approximately 46.23% were female employees. The proportion of female among the Company's Directors, Supervisors and senior management is shown in the table below. The Company's ratio of male to female employees is basically balanced. The Company will continue to maintain a basically balanced ratio of male to female employees in order to achieve the gender diversity in its workforce. A separate ESG Report provides details of the Company's gender diversity principles, governance approach and initiatives.

Proportion of female among Directors, Supervisors and senior management			
	Director	Supervisor	Senior management
Proportion of female	14.29%	33.3%	16.67%

(11) Articles of Association

On 28 December 2023, the Board proposed to amend the Articles of Association in accordance with (i) the Listing Rules of the Shenzhen Stock Exchange (August 2023 Revision) (《深圳證券交易所上市規則(2023年8月修訂)》), the Guidelines on the Articles of Association of Listed Companies (Revised in 2023) (《上市公司章程指引(2023年修訂)》), the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Listing Rules of Hong Kong Stock Exchange and other laws, regulations and normative documents; and (ii) as required by the actual situation of the Company; On 28 March 2024, in accordance with the proposed change of company name, the Board proposed to amend the Articles of Association. Amendments to the Articles of Association were approved by the Shareholders at the annual general meeting of 2023 held on 28 June 2024 and has become effective on the same day. For details, please refer to the announcements of the Company dated 28 December 2023, 28 March 2024 and 28 June 2024 and the circular dated 29 May 2024. The change of company name is subject to the approval of the market regulation and administration bureau, and there is uncertainty as to whether the relevant approvals can be obtained, and there is the possibility of modifications and adjustments.

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

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(12) Risk Management and Internal Control

1. *Building of internal control system*

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

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

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

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

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

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

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

Corporate Governance Report

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

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

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

As of the date of this Report, the Risk Management Committee under the Board has conducted a review on the 2024 working report of the Chief Risk Officer, and reviewed the legal compliance and risk management of the Company's operation and management of the same are sufficient and effective. The Board was of the view that the said systems were designed to manage, instead of eliminating, the risk of failing to meet the business goals, and therefore can only offer a reasonable, but not absolute, guarantee on the absence of significant false statements or significant loss.

Corporate Governance Report

2. *Report of Other Matters*

(1) *Building of compliance system*

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

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

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

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

The Company attaches great importance to supervision and inspection of establishment and implementation of internal control. In 2024, the Company established an independent audit department through organizational restructuring. Through continuous supervision and inspection of internal audit, the Company conducted regular evaluation of internal control to achieve the supervision and evaluation of the continuous and effective operation of internal control and continuously improve the defects of internal control.

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

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

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

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

In 2024, the internal audit department of the Company continued to deepen the construction of the internal audit management system and fully performed and implemented its audit supervision function. It adhered to the supervision and evaluation of risk management and the enhancement of internal control as its main tasks, strengthened the effort, frequency and depth of audit in actual audit work, depth, expanded the coverage and fineness of internal audit, innovated audit ideas, and improved audit methods. It intensified the implementation efforts in the follow-up rectification and continued to enhance the quality and effectiveness of audit work, which provided a safeguard for the healthy and sound operation of the Company.

Corporate Governance Report

(II) Continuously improving the internal control evaluation system

1. Continuously strengthening the evaluation of internal control. The Company established a more effective internal control evaluation system in accordance with the relevant rules and regulations, and determined the evaluation method and operation flow of internal control. In the meantime, the Company continued to carry out internal control self-evaluation and implemented rectification on it. The Company formulated the evaluation criteria for internal control defects and carried out the internal control evaluation annually within the Company. The evaluation scope covered the business operations of the Company's headquarters and all branches, as well as all business segments and key business management activities of the Company. In 2024, according to the requirements of the basic rules, evaluation guidelines and other relevant laws and regulations, the Company conducted a self-evaluation on the effectiveness of the Company's internal control design and operation as of 31 December 2024. It engaged ShineWing Certified Public Accountants LLP to review the Company's internal control related to the financial statements and rectify the existing issues, so that the effectiveness of internal control was further enhanced.
2. Further improving the internal control evaluation mechanism and broadening the evaluation coverage. In 2024, the Company continuously improved internal control evaluation mechanism, improved evaluation method, enhanced technical means and fully leveraged on internationally advanced methods to carry out evaluation. The Company also continued to improve its internal control management and continuously raised its management standard on various risks.

(III) Whistleblowing and anti-corruption policy

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

Corporate Governance Report

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

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

Report of Supervisory Committee

In 2024, the Supervisory Committee of Holly Futures Co., Ltd. (the “**Company**”), in accordance with the Company Law, the Articles of Association, the Rules of Procedure of the Supervisory Committee, and other relevant laws, regulations, and institutional provisions, adhered to the principles of integrity and due diligence. From the perspective of actively safeguarding the interests of the Company and the legitimate rights and interests of all shareholders, the Supervisory Committee earnestly fulfilled its various powers and obligations. Members of the Supervisory Committee effectively supervised the Company’s business operations, financial status, and the performance of duties by directors and senior management by attending general meetings and board meetings. This ensured the protection of the Company’s interests and the legitimate rights and interests of shareholders, promoting the smooth development and standardized operation of the Company’s management activities. The work report of the Supervisory Committee is as follows:

I. Performance of Supervisory Committee

The fourth session of the Supervisory Committee convened a total of seven meetings for 2024, specifically:

Date	Session	Attendance	Agenda
28 March 2024	The tenth meeting of the fourth session of the Supervisory Committee	Yu Hong, Chen Liang, Zhang Lei	The resolution on the Annual Report (A Shares) for 2023 and its summary of the Company The resolution on the Annual Results Announcement and the Annual Report (H Shares) for 2023 of the Company The resolution on the 2023 Annual Working Report of the Supervisory Committee The resolution on the 2023 final financial report The resolution on the profit distribution plan of the Company for 2023 The resolution on the self-assessment report of internal control for 2023 The resolution on the remuneration package of the supervisors of the Company for 2023 The resolution on the special report of risk regulatory indicators for 2023
26 April 2024	The eleventh meeting of the fourth session of the Supervisory Committee	Yu Hong, Chen Liang, Zhang Lei	The resolution on the first quarterly report for 2024 of the Company The resolution on the use of part of the self-owned funds for security investment The resolution on the use of part of the self-owned funds for entrusted wealth management The resolution on the annual financial budgets and investment plans for 2024
17 July 2024	The twelfth meeting of the fourth session of the Supervisory Committee	Yu Hong, Chen Liang, Zhang Lei	The resolution on Nomination of Candidates for Non-Employee Representative Supervisors for the Fourth Session of the Supervisory Committee
16 August 2024	The thirteenth meeting of the fourth session of the Supervisory Committee	Yu Hong, Chen Liang, Zhang Lei	The resolution on the Interim Report (A Shares) for 2024 and its summary of the Company The resolution on the Interim Results Announcement and the Interim Report (H Shares) for 2024 of the Company The resolution on the special report of risk regulatory indicators for the first half of 2024

Report of Supervisory Committee

Date	Session	Attendance	Agenda
6 September 2024	The fourteenth meeting of the fourth session of the Supervisory Committee	Huang Dongyan, Chen Liang, Zhang Lei	The resolution on election of the chairman of the fourth session of the Supervisory Committee of the Company.
29 October 2024	The fifteenth meeting of the fourth session of the Supervisory Committee	Huang Dongyan, Chen Liang, Zhang Lei	The resolution on the third quarterly report for 2024 of the Company
30 December 2024	The sixteenth meeting of the fourth session of the Supervisory Committee	Huang Dongyan, Chen Liang, Zhang Lei	The resolution on the election of non-employee representative Supervisors for the fifth session of the Supervisory Committee The resolution on the amendment of the Rules of Procedure of the Supervisory Committee of the Company

II. Independent opinion of Supervisory Committee on legality of Company's operation

In the opinion of the Supervisory Committee:

1. In 2024, with solicitude and support from all its Shareholders and the diligent work of all the staff, the Company operated in compliance with the Company Law and the Articles of Association, and its procedures for making decisions on operation are lawful and up to standard, thus making satisfactory results.
2. The Board was able to operate in accordance with the Company Law, the Futures and Derivatives Law, the Regulations for the Administration of Futures Trading (《期貨交易管理條例》), the Listing Rules and other relevant laws and regulations and the Articles of Association and the Company had in place lawful decision-making procedures, where the Directors, managers and other senior management were able to perform their duties in accordance with laws and regulations and the Articles of Association and exercise their powers in a proper and diligent manner without any act in violation of laws, regulations or the Articles of Association or contrary to the interest of the Company or the Shareholders.
3. The Company strictly follows the relevant laws and regulations and the provisions of the Company's "Management System for Information Disclosure Affairs" and "Management System for Registration of Insiders of Inside Information", faithfully fulfils its information disclosure obligations, discloses information in a timely and fair manner, and ensures that the disclosure of information is true, accurate and complete, and that there is no false representation, misleading statement or material omission. The Company has conscientiously done a good job in the management of inside information as well as the registration of insiders of inside information, and standardised the information transmission process, Directors, Supervisors and senior management of the Company and other relevant insiders have also strictly complied with the relevant provisions, and has not found any case of a insider of the inside information making use of the inside information to trade shares of the Company.

Report of Supervisory Committee

III. Independent opinion of Supervisory Committee on Company's financial position

In 2024, the Company prudently and conscientiously observed the accounting principles based on their importance. During the Reporting Period, the Company's financial structure was reasonable and assets were in good condition, and the annual financial report was able to give a true and accurate reflection of the Company's financial position and operating results. Audit reports with standard unqualified opinion were issued by ShineWing Certified Public Accountants LLP.

IV. Independent opinion of Supervisory Committee on actual application of funds raised by the Company

During the Reporting Period, the Supervisory Committee supervised the actual application of funds raised. The Supervisory Committee was of opinion that the Company strictly complied with the use disclosed in the A Shares and H Shares Prospectus in the management of funds raised. The use of proceeds raised conformed to the Company's project plan and approval decision procedure without any appropriation of funds raised in breach of stipulation.

V. Review of Supervisory Committee on self-assessment report of internal control

The Supervisory Committee has conducted a review on the Company and considered that the Company has established an appropriate internal control system in all material aspects, and the internal control management system has operated effectively, thus ensuring its consistent implementation and normal production and operation.

VI. Implementation of resolutions adopted at General Meetings

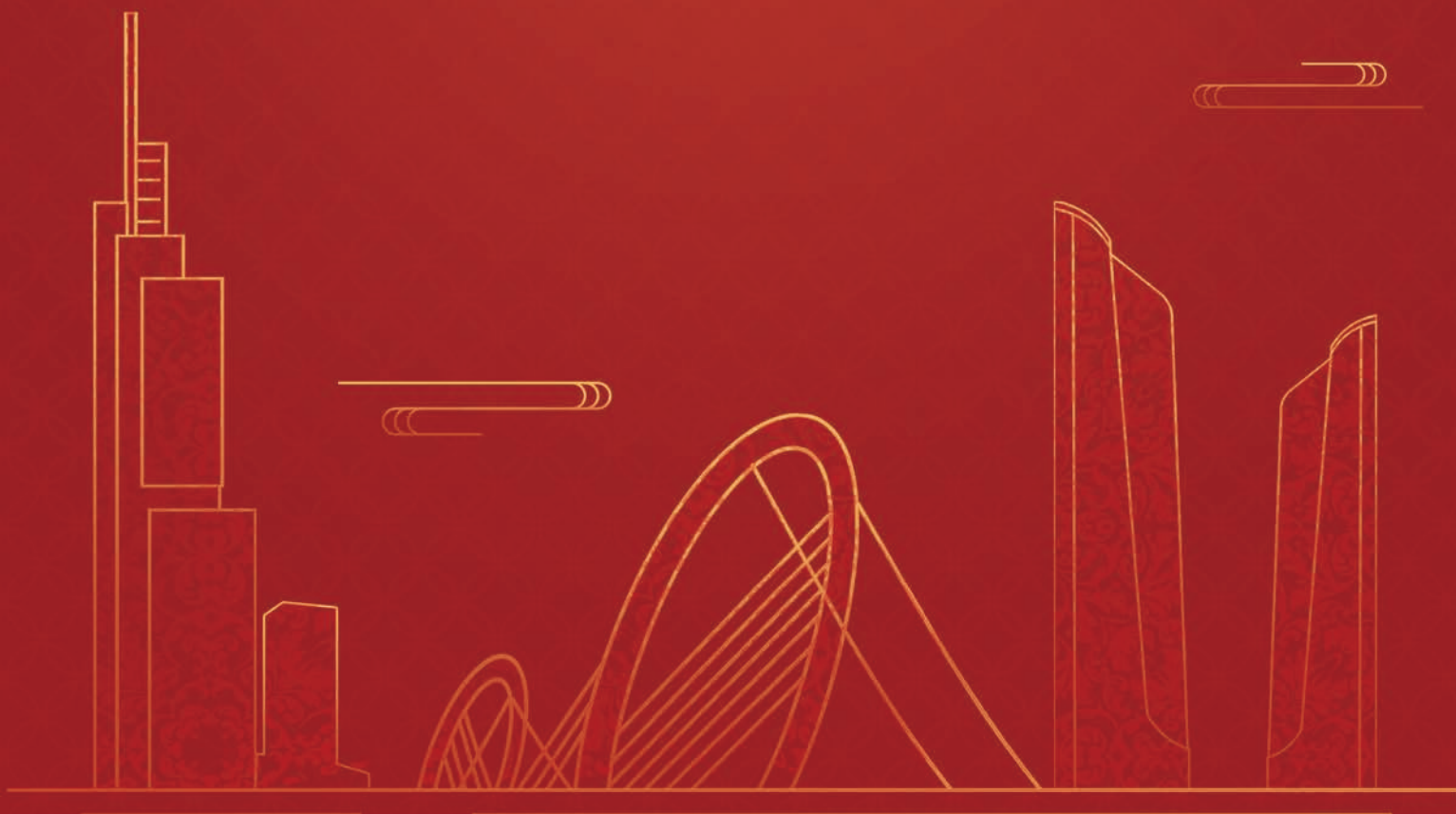
The members of the Supervisory Committee had no objection to the contents of resolutions submitted to the general meetings. The Supervisory Committee supervised the implementation of resolutions adopted at the general meetings, and considered that the Board was able to implement the relevant resolutions earnestly.

On behalf of the Supervisory Committee
Huang Dongyan
Chairman

Nanjing, China, 28 March 2025

04

Financial Information



Auditor's Report

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

I. AUDIT OPINION

We have audited the financial statements of Holly Futures Co., Ltd. (hereinafter referred to as Holly Futures), which comprise the consolidated and parent company's balance sheets as at 31 December 2024, the consolidated and parent company's income statements, the consolidated and parent company's cash flow statements, the consolidated and parent company's statements of changes in shareholders' equity for the year then ended, and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position of Holly Futures as at 31 December 2024, and the consolidated and parent company's financial performance and cash flows of Holly Futures for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Holly Futures in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTER

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

1. Recognition of fee income	
Key Audit Matter	How the matter was addressed in our audit
<p>As stated in Note III.25 and Note V.40 to the financial statements, Holly Futures recorded handling fees and net commission income of RMB179,321,100 in 2024. Handling fees and net commission income is one of the Company's key performance indicators.</p> <p>Holly Futures's handling fees and net commission income mainly consists of futures brokerage income, investment advisory income and asset management income.</p> <p>Revenue from futures brokerage business is recognized on the date of occurrence of agency transactions; revenue from investment advisory business and asset management business is recognized when the Group is entitled to receive the revenue under the agreement.</p> <p>As handling fees and net commission income is one of the Company's key performance indicators, and there is an inherent risk that the timing of revenue recognition may be manipulated to meet specific targets or expectations. The determination of the timing of the recognition of handling fees and net commission income involves management judgment and could have a material impact on the Company's net profit. Therefore, we identified the recognition of handling fees and net commission income as a critical audit issue.</p>	<p>The key audit procedures performed on handling fees and net commission income as a key audit matter included:</p> <ol style="list-style-type: none"> (1) Understanding the key internal controls related to the recognition of handling fees and net commission income, evaluating the design of these controls, determining whether they are implemented, and testing the operating effectiveness of the related internal controls. (2) For the critical information technology system that processes transactions related to handling fees and net commission income, we evaluate and test the design and operational effectiveness of critical internal controls of the system over the application of the information system, using the work of the Firm's in-house information technology experts. (3) For revenue from futures brokerage business, checking retained handling fee details from the Company's trade settlement system against book data; obtaining national futures market transaction data and comparing the Company's futures transaction data and fee income trends with national market trends; and comparing book data with settlement data and conducts cut-off tests on futures brokerage fee income. (4) For the income from asset management business, taking samples and checking whether the rates of management fees and performance-based compensation were consistent with the contractual agreements, obtaining a list of all the Company's asset management plans, and calculate the related income according to different fee standards. (5) For the revenue from investment consulting business, taking samples of business items, checking the contracts signed between Holly Futures and the customers to verify whether the relevant revenue recognition was consistent with the terms of the contracts, and evaluating whether the relevant revenue recognition was in compliance with the Company's accounting policies on revenue recognition.

Auditor's Report

III. KEY AUDIT MATTER *(Continued)*

2. Assessing financial instruments measured at fair value	
Key Audit Matter	How the matter was addressed in our audit
<p>As described in Note III.15, Notes V.5, 9, 10, 11 and 23 and Note XI to the financial statements, as at 31 December 2024, out of the financial instruments of Holly Futures, financial assets and financial liabilities measured at fair value amounted to RMB330,814,200 and RMB17,772,400, respectively.</p> <p>Since the valuation of the Company's financial instruments is based on a combination of market data and valuation models, a large number of variables are usually required to be entered. Of these inputs, the majority are derived from data available in liquid markets. Where observable market data is not available for Level 3 financial instruments, significant judgment and estimates are involved.</p> <p>We identified the valuation of financial instruments measured at fair value as a key audit matter due to the significant amounts involved and given the complexity involved in assessing the value of a particular financial instrument and the degree of reliance placed on management's judgment in determining the inputs to be used in the valuation methodology.</p>	<p>The key audit procedures performed on the valuation of financial instruments measured at fair value as a key audit matter included:</p> <ol style="list-style-type: none"> (1) understanding the key internal controls relevant to the valuation of the fair value of financial instruments, evaluating the design of those controls, and determining whether they are being performed; (2) assessing the fair value of all financial instruments of Holly Futures traded in active markets by comparing the fair value applied by Holly Futures with publicly available market data; (3) For financial instruments whose fair value is within Level 2 and Level 3, selecting a sample through a reasonable audit sampling method, obtaining the underlying information of the sample relevant to the valuation and identifying the conditions relevant to the valuation of the financial instruments, and evaluating the appropriateness of the valuation methods, valuation models and inputs used by management. On this basis, an independent valuation is performed and our valuation results are compared with those of Holly Futures. Specific procedures include: evaluating the valuation methods and valuation models used by Holly Futures against those typically used in the market, testing the inputs used in the valuation process, and applying the valuation methods and valuation models to re-measure the fair value of financial instruments; (4) assessing whether the disclosures in the financial statements appropriately reflected Holly Futures' exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.

III. KEY AUDIT MATTER *(Continued)*

3. Consolidation of structured entities	
Key Audit Matter	How the matter was addressed in our audit
<p>Please refer to the accounting estimates set out in Note "III.6 Accounting methods for business combination under common control and not under common control" and Note "III.32 Significant accounting estimates and judgments" to the financial statements and Note "VIII.1 Interests in subsidiaries" and Note "VIII.3 Interests in structured entities not included in the scope of consolidated financial statements" to the financial statements. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Holly Futures may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity through issuing or purchasing an asset management plan, a trust product or a wealth management product.</p> <p>In determining whether a structured entity is required to be consolidated by Holly Futures, management is required to consider the power Holly Futures is able to exercise over the activities of the entity, the exposure to variable returns and ability to influence its own returns from the entity.</p> <p>We identified the consolidation of structured entities of Holly Futures as a key audit matter because it involves significant management judgment in determining whether a structured entity is required to be consolidated by Holly Futures or not and because the impact of consolidating a structured entity on the consolidated balance sheet could be significant.</p>	<p>Our audit procedures to assess the consolidation of structured entities included the following:</p> <ol style="list-style-type: none"> (1) understanding and assessing the design and operation of key internal controls over consolidation of structured entities; (2) performing the following procedures for all new structured entities: <ol style="list-style-type: none"> 1) inspecting the related contracts, internal documents and information disclosed to the investors to understand the purpose of the establishment of the structured entities and the involvement Holly Futures has with the structured entities and to assess management's judgment over whether Holly Futures has the ability to exercise power over the structured entities; 2) evaluating the risk and reward structure of the structured entity to assess management's judgment as to exposure, or rights, to variable returns from Holly Futures's involvement in such entity; 3) reviewing management's analyses of the structured entities including qualitative analyses and calculations of the magnitude and variability associated with Holly Futures' economic interests in the structured entities to assess management's judgment over Holly Futures' ability to influence its own returns from the structured entities; 4) assessing management's judgment over whether the structured entities should be consolidated or not; (3) making enquiries of management if there have been any changes to related contracts and internal documents for structured entities established in previous years and obtaining and reviewing these contracts and internal documents on a sample basis to determine if the existing accounting treatment of those structured entities brought forward is still relevant; (4) assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.

Auditor's Report

IV. OTHER INFORMATION

The management of Holly Futures (the "Management") is responsible for the other information. The other information consists of the information included in the 2024 Annual Report of Holly Futures, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Holly Futures' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate Holly Futures or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Holly Futures' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Holly Futures to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Report

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ShineWing Certified Public Accountants LLP

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

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

Beijing, China

28 March 2025

Consolidated Balance Sheet

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

Item	Note	31-Dec-24	1-Jan-24
Assets:			
Monetary funds	V.1	7,208,804,109.21	4,840,823,714.33
Including: Futures margin deposits		6,778,156,567.10	4,426,745,702.71
Currency deposits receivable	V.2	2,848,560,087.28	3,354,606,892.26
Pledged deposits receivable	V.3	288,138,600.00	79,613,312.00
Advance to customers	V.4	3,537,846.38	26,718,486.91
Derivative financial assets	V.5	11,556,875.02	5,212,428.02
Settlement deposits receivable	V.6	20,000,000.00	20,000,000.00
Trade receivables			
Other receivables	V.7	12,644,472.25	32,744,189.68
Financial assets held under resale agreements	V.8	96,252,523.09	1,948,419.75
Financial investment:			
Financial assets held for trading	V.9	280,696,608.62	434,686,764.24
Other debt investments	V.10	8,824,536.85	
Investments in other equity instruments	V.11	29,736,228.88	1,853,110.00
Inventories	V.12	409,626,350.92	64,018,473.68
Long-term equity investment	V.13	8,709,774.28	8,252,558.04
Investment properties	V.14	48,467,078.00	48,573,122.00
Fixed assets	V.15	305,242,162.41	317,738,489.85
Work in progress			
Right-of-use assets	V.16	15,330,375.66	23,023,154.19
Intangible assets	V.17	1,070,943.74	543,732.00
Goodwill			
Deferred tax assets	V.18	18,349,584.85	21,001,079.72
Other assets	V.19	83,821,463.44	31,719,217.22
Total assets		11,699,369,620.88	9,313,077,143.89

Consolidated Balance Sheet

(All amounts in RMB unless otherwise stated)

Item	Note	31-Dec-24	1-Jan-24
Liabilities:			
Short-term borrowings	V.20	29,018,850.00	49,782,862.90
Currency deposits payable	V.21	8,812,672,179.43	6,779,281,113.85
Pledged deposits payable	V.22	26,216,168.00	61,590,912.00
Financial liabilities held for trading	V.23	7,912,762.09	61,534,340.24
Derivative financial liabilities	V.5	9,859,658.01	14,064,892.26
Financial assets sold under agreements to repurchase	V.24	4,298,255.52	56,687,229.99
Futures risk reserve	V.25	176,746,725.35	169,222,360.19
Futures investors protection funds payable	V.26	428,130.37	310,592.85
Employee benefits payable	V.27	6,830,112.98	2,303,860.56
Taxes payable	V.28	1,914,055.57	2,054,597.25
Trade payable			
Bills payable	V.29	237,954,486.22	
Contract liabilities	V.30		446,185.04
Other payables	V.31	489,672,703.56	183,508,959.48
Long-term borrowings	V.32		61,142,766.81
Lease liabilities	V.33	15,674,410.80	23,653,164.97
Estimated liabilities			
Deferred income tax liabilities	V.18	3,392,469.65	
Other liabilities			
Total liabilities		9,822,590,967.55	7,465,583,838.39
Shareholders' equity			
Share capital	V.34	1,007,777,778.00	1,007,777,778.00
Other equity instruments			
Incl.: Preference shares			
Perpetual bond			
Capital reserve	V.35	598,402,999.72	598,402,999.72
Less: Treasury shares			
Other comprehensive income	V.36	10,136,961.54	6,646,700.10
Surplus reserve	V.37	73,898,392.18	71,425,437.16
General risk reserve	V.38	99,777,969.55	97,305,014.53
Retained earnings	V.39	86,784,552.34	65,935,375.99
Total equity attributable to owners of the parent company		1,876,778,653.33	1,847,493,305.50
Minority interests			
Total shareholders' equity		1,876,778,653.33	1,847,493,305.50
Total liabilities and shareholders' equity		11,699,369,620.88	9,313,077,143.89

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Parent Company's Balance Sheet

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

Item	Note	31-Dec-24	1-Jan-24
Assets:			
Monetary funds		6,644,441,081.40	4,245,495,946.24
Including: Futures margin deposits		6,582,900,937.63	4,200,559,202.31
Currency deposits receivable		2,575,458,199.38	3,070,565,462.38
Pledged deposits receivable		288,138,600.00	79,613,312.00
Advance to customers			
Derivative financial assets			
Settlement deposits receivable		20,000,000.00	20,000,000.00
Trade receivables			
Other receivables		4,004,599.23	12,361,486.75
Financial assets held under resale agreements		93,305,000.00	
Financial investment:			
Financial assets held for trading		203,010,938.58	315,078,096.14
Other debt investments		8,824,536.85	
Other equity instruments investment		29,273,208.88	1,400,000.00
Inventories			
Long-term equity investment	XVI.1	709,158,354.09	708,701,137.85
Investment properties		48,467,078.00	48,573,122.00
Fixed assets		257,480,253.23	273,989,280.65
Work in progress			
Right-of-use assets		13,972,589.65	20,077,051.70
Intangible assets		515,319.74	
Goodwill			
Deferred tax assets			
Other assets		22,540,621.40	22,930,022.11
Total assets		10,918,590,380.43	8,818,784,917.82

Parent Company's Balance Sheet

(All amounts in RMB unless otherwise stated)

Item	Note	31-Dec-24	1-Jan-24
Liabilities:			
Short-term borrowings			
Currency deposits payable		8,483,320,368.00	6,535,431,368.09
Pledged deposits payable		288,138,600.00	79,613,312.00
Financial liabilities held for trading			
Derivative financial liabilities			
Financial assets sold under agreements to repurchase		4,298,255.52	52,106,000.53
Futures risk reserve		176,746,725.35	169,222,360.19
Futures investors protection funds payable		428,130.37	310,592.85
Employee benefits payable		5,754,827.97	1,715,882.76
Taxes payable		1,912,609.70	2,045,400.18
Trade Payable			
Contract liabilities			
Other payables		45,992,487.29	31,368,865.88
Long-term borrowings			50,860,140.05
Lease liabilities		14,312,470.68	20,667,289.56
Estimated liabilities			
Deferred income tax liabilities		3,392,469.65	1651630.41
Other liabilities			
Total liabilities		9,024,296,944.53	6,944,992,842.50
Shareholders' equity			
Share capital		1,007,777,778.00	1,007,777,778.00
Other equity instruments			
Incl.: Preference shares			
Perpetual bond			
Capital reserve		592,000,959.53	592,000,959.53
Less: Treasury shares			
Other comprehensive income		-197,078.46	
Surplus reserve		73,898,392.18	71,425,437.16
General risk reserve		99,777,969.55	97,305,014.53
Retained earnings		121,035,415.10	105,282,886.10
Total shareholders' equity		1,894,293,435.90	1,873,792,075.32
Total liabilities and shareholders' equity		10,918,590,380.43	8,818,784,917.82

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Consolidated Income Statement

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2024	2023
I. Total income from operation		2,875,785,622.98	1,943,218,118.09
Net handling fee and commission income	V.40	179,321,093.55	203,142,884.07
Including: Net fee income from brokerage operations		173,319,200.42	197,043,570.14
Net fee income from asset management business		6,001,893.13	6,099,313.93
Net interest income	V.41	111,356,819.77	101,599,422.92
Including: interest income		111,892,514.16	102,847,251.36
Interest expense		535,694.39	1,247,828.44
Investment gain (loss denoted by "-")	V.42	72,859,607.17	-26,380,162.72
Including: investment gains of associates and joint ventures		457,216.24	212.54
Gain arising from derecognition of financial assets measured at amortized cost (loss denoted by "-")			
Other gains	V.43	1,111,197.90	469,227.31
Gains on change in fair value (loss denoted by "-")	V.44	38,768,821.84	26,438,346.42
Exchange gains (loss denoted by "-")	V.45	-308,589.19	302,679.87
Income from other business activities	V.46	2,472,717,013.03	1,637,764,240.16
Asset disposal gain (loss denoted by "-")	V.47	-40,341.09	-118,519.94
II. Total operating expense		2,841,142,802.74	1,936,668,139.06
Futures risk reserve expenses	V.48	7,524,365.16	8,370,982.49
Taxes and surcharges	V.49	4,075,340.71	3,793,929.43
General and administrative expenses	V.50	309,985,842.24	289,501,592.55
Credit impairment loss	V.51	-492,840.97	555,340.22
Other assets impairment loss	V.52	11,376,949.55	
Other operating cost	V.53	2,508,673,146.05	1,634,446,294.37
III. Profit from operations (loss denoted by "-")		34,642,820.24	6,549,979.03
Add: Non-operating income	V.54	4,819,988.70	4,318,407.08
Less: Non-operating expenses	V.55	1,173,856.66	396,333.90
IV. Total profit (loss denoted by "-")		38,288,952.28	10,472,052.21
Less: Income tax expense	V.56	8,462,754.78	2,680,555.90
V. Net profit (loss denoted by "-")		29,826,197.50	7,791,496.31
(I) Classification by continuity of operations			
1. Net profit of operation on a going concern basis (Net loss denoted by "-")		29,826,197.50	7,791,496.31
2. Net profit from discontinued operations (Net loss denoted by "-")			
(II) Classification by ownership			
1. Net income attributable to owners of the parent company (Net loss denoted by "-")		29,826,197.50	7,791,496.31
2. Minority profit or loss (Net loss denoted by "-")			

Consolidated Income Statement

(All amounts in RMB unless otherwise stated)

Item	Note	2024	2023
VI. Other comprehensive income, net of tax		3,490,261.44	2,377,900.01
Net comprehensive income after tax attributable to owners of the parent company		3,490,261.44	2,377,900.01
(I) Other comprehensive income that cannot be reclassified into profit or loss		-212,705.52	
1. Changes arising from re-measurement of defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profits/losses under the equity method			
3. Changes in fair value of other equity instruments investment		-212,705.52	
4. Change in fair value of the Enterprise's own credit risk			
5. Other			
(II) Other comprehensive income that will be reclassified into profit or loss		3,702,966.96	2,377,900.01
1. Other comprehensive income that can be reclassified into profit or loss under the equity method			-41.21
2. Change in fair value of other debt investments		15,627.06	
3. Financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Reserve for cash flow hedging			
6. Translation difference of foreign currency financial statements		3,687,339.90	2,377,941.22
7. Other			
Post-tax net amount of other comprehensive income attributable to minority shareholders			
VII. Total comprehensive income		33,316,458.94	10,169,396.32
Total comprehensive income attributable to owners of the parent company		33,316,458.94	10,169,396.32
Total comprehensive income attributable to minority shareholders			
VIII. Earnings per share:			
(1) Basic earnings per share		0.0296	0.0077
(2) Diluted earnings per share		0.0296	0.0077

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Parent Company's Income Statement

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2024	2023
I. Total income from operation		303,773,403.72	278,555,287.14
Net handling fee and commission income	XVI.2	159,726,012.00	176,178,890.39
Including: Net fee income from brokerage operations		150,484,221.72	167,888,252.81
Net fee income from asset management business		6,086,679.88	6,592,588.10
Net interest income	XVI.3	92,175,143.96	90,812,031.85
Including: interest income		92,710,838.35	92,059,860.29
Interest expense		535,694.39	1,247,828.44
Investment gain (loss denoted by "-")	XVI.4	30,926,143.13	-13,401,359.19
Including: investment gains of associates and joint ventures		457,216.24	212.54
Gain arising from derecognition of financial assets measured at amortized cost (loss denoted by "-")			
Other gains		448,322.19	463,394.06
Gains on change in fair value (loss denoted by "-")	XVI.5	12,256,171.58	18,804,478.20
Exchange gains (loss denoted by "-")		125,046.55	275,214.37
Income from other business activities		8,156,905.40	5,536,998.78
Asset disposal gain (loss denoted by "-")		-40,341.09	-114,361.32
II. Total operating expense		279,747,744.76	266,068,819.54
Futures risk reserve expenses		7,524,365.16	8,370,982.49
Taxes and surcharges		2,223,162.51	2,576,313.38
General and administrative expenses		264,132,861.93	251,967,069.67
Credit impairment loss		-234,277.98	-3,965.43
Other assets impairment loss			
Other operating cost		6,101,633.14	3,158,419.43
III. Profit from operations (loss denoted by "-")		24,025,658.96	12,486,467.60
Add: Non-operating income		3,096,875.84	4,084,611.88
Less: Non-operating expenses		586,452.59	396,333.90
IV. Total profit (loss denoted by "-")		26,536,082.21	16,174,745.58
Less: Income tax expense		1,806,532.06	4,207,079.27
V. Net profit (loss denoted by "-")		24,729,550.15	11,967,666.31
(I) Net profit of operation on a going concern basis (Net loss denoted by "-")		24,729,550.15	11,967,666.31
(II) Net profit from discontinued operations (Net loss denoted by "-")			

Parent Company's Income Statement

(All amounts in RMB unless otherwise stated)

Item	Note	2024	2023
VI. Other comprehensive income, net of tax		-197,078.46	-41.21
(I) Other comprehensive income that cannot be reclassified into profits/losses		-212,705.52	
1. Changes arising from re-measurement of defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profits/losses under the equity method			
3. Changes in fair value of other equity instruments investment		-212,705.52	
4. Change in fair value of the Enterprise's own credit risk			
5. Other			
(II) Other comprehensive income that will be reclassified into profit or loss		15,627.06	-41.21
1. Other comprehensive income that can be reclassified into profit or loss under the equity method			-41.21
2. Change in fair value of other debt investments		15,627.06	
3. Financial assets reclassified into other comprehensive income			
4. Credit impairment provisions for other debt investments			
5. Reserve for cash flow hedging			
6. Exchange rate differences of financial statements denominated in foreign currency			
7. Other			
VII. Total comprehensive income		24,532,471.69	11,967,625.10
VIII. Earnings per share:			
(I) Basic earnings per share		0.0245	0.0119
(II) Diluted earnings per share		0.0245	0.0119

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		2,777,362,371.64	1,837,396,214.38
Cash received from interest, fees and commissions		327,190,966.61	337,506,752.98
Net decrease in currency deposits receivable and pledged deposits receivable		303,738,627.49	
Net increase in currency deposits payable and pledged deposits payable		1,998,016,321.58	
Net decrease from disposal of financial assets relating to risk management business		72,633,889.45	
Net decrease in restricted monetary funds			
Net decrease in term deposits with original maturity over three months			
Cash received from other operating activities	V.57	565,187,761.31	184,840,047.44
Subtotal of cash inflows from operating activities		6,044,129,938.08	2,359,743,014.80
Cash paid for goods and services		2,986,392,832.18	1,903,298,871.62
Cash paid for interest, fee and commissions		3,332,805.90	525,926.05
Net increase in currency deposits receivable and pledged deposits receivable			398,083,217.87
Net decrease in currency deposits payable and pledged deposits payable			1,233,056,555.56
Net decrease from disposal of financial assets relating to risk management business			10,196,016.30
Net increase in restricted monetary funds		146,889,226.08	2,254,666.81
Cash paid to and for employees		184,529,238.44	182,103,435.43
Cash paid for general and administrative expenses		79,576,044.58	66,223,379.43
Payments of various taxes		35,367,637.43	34,886,587.93
Cash paid for other operating activities	V.57	259,960,983.88	146,265,229.55
Subtotal of cash outflows from operating activities		3,696,048,768.49	3,976,893,886.55
Net cash flow from operating activities		2,348,081,169.59	-1,617,150,871.75

Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Item	Note	2024	2023
II. Cash flow from investing activities:			
Cash received from disposal of investments		18,529,300,435.34	15,752,091,820.68
Cash received from investment income		9,110,889.75	17,352,106.29
Cash received from disposal of associates			
Cash received from dividend distribution from associates			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		54,204.81	129,494.46
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		18,538,465,529.90	15,769,573,421.43
Cash paid for investment		18,484,314,150.08	15,619,177,984.80
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		16,366,051.86	28,492,454.11
Cash paid for investment on associates			
Other cash paid relating to investment activities			
Subtotal of cash outflows from investing activities		18,500,680,201.94	15,647,670,438.91
Net cash flow from investing activities		37,785,327.96	121,902,982.52
III. Cash flow from financing activities:			
Cash received from absorption of investments			
Cash received from borrowings		66,060,000.00	79,509,286.82
Net cash received from sale and repurchase operations			20,195,168.34
Other cash received relating to financing activities			
Subtotal of cash inflows from financing activities		66,060,000.00	99,704,455.16
Cash paid for repayment of debts		147,779,250.00	57,745,054.82
Cash paid for distribution of dividend and profit or repayment of interest		6,454,212.08	33,832,459.85
Cash paid for repayment of principal and interest of lease liabilities		16,043,796.07	16,066,598.85
Net cash paid for sale and repurchase operations		52,924,924.38	
Other cash paid relating to financial activities	V.57		1,849,056.60
Subtotal of cash outflows from financing activities		223,202,182.53	109,493,170.12
Net cash flow from financing activities		-157,142,182.53	-9,788,714.96
IV. Effect of change in foreign exchange rate on cash and cash equivalents		-4,708,313.08	1,035,545.34
V. Net increase in cash and cash equivalents		2,224,016,001.94	-1,504,001,058.85
Add: Opening balance of cash and cash equivalents		4,812,444,833.69	6,316,445,892.54
VI. Closing balance of cash and cash equivalents	V.57	7,036,460,835.63	4,812,444,833.69

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Parent Company's Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

Item	Note	2024	2023
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services			
Cash received from interest, fees and commissions		290,388,195.52	302,927,303.23
Net decrease in currency deposits receivable and pledged deposits receivable		286,581,975.00	
Net increase in currency deposits payable and pledged deposits payable		2,156,414,287.91	
Net decrease in restricted monetary funds			
Net decrease in term deposits with original maturity over three months			
Cash received from other operating activities		58,840,593.05	50,941,203.09
Subtotal of cash inflows from operating activities		2,792,225,051.48	353,868,506.32
Cash paid for goods and services			
Cash paid for interest, fee and commissions		979,109.11	525,926.05
Net increase in currency deposits receivable and pledged deposits receivable			182,592,888.09
Net decrease in currency deposits payable and pledged deposits payable			1,643,152,605.76
Net decrease from disposal of financial assets relating to risk management business			
Net increase in restricted monetary funds		13,691,577.92	3,080,489.26
Cash paid to and for employees		162,113,251.37	160,098,244.67
Cash paid for general and administrative expenses		63,468,614.49	57,881,160.83
Payments of various taxes		30,545,802.62	24,621,570.23
Cash paid for other operating activities		27,707,497.29	49,363,182.76
Subtotal of cash outflows from operating activities		298,505,852.80	2,121,316,067.65
Net cash flow from operating activities		2,493,719,198.68	-1,767,447,561.33

Parent Company's Consolidated Statement of Cash Flows

(All amounts in RMB unless otherwise stated)

Item	Note	2024	2023
II. Cash flow from investing activities:			
Cash received from disposal of investments		18,499,555,976.79	15,736,343,429.88
Cash received from investment income		30,839,969.78	9,129,432.10
Cash received from disposal of associates			
Cash received from dividend distribution from associates			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13,059.09	129,494.46
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		18,530,409,005.66	15,745,602,356.44
Cash paid for investment		18,504,424,165.83	15,620,997,277.44
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		10,439,699.44	28,176,969.64
Net cash paid for acquisition of subsidiaries and other business units			100,000,000.00
Other cash paid relating to investment activities			
Subtotal of cash outflows from investing activities		18,514,863,865.27	15,749,174,247.08
Net cash flow from investing activities		15,545,140.39	-3,571,890.64
III. Cash flow from financing activities:			
Cash received from absorption of investments			
Cash received from borrowings			
Net cash received from sale and repurchase operations			20,870,779.96
Other cash received relating to financing activities			
Subtotal of cash inflows from financing activities			20,870,779.96
Cash paid for repayment of debts		50,716,328.00	23,407,536.00
Cash paid for distribution of dividend and profit or repayment of interest		6,278,392.72	33,378,935.23
Cash paid for repayment of principal and interest of lease liabilities		14,434,015.94	14,832,782.19
Net cash paid for sale and repurchase operations		47,808,000.53	1,849,056.60
Other cash paid relating to financial activities			
Subtotal of cash outflows from financing activities		119,236,737.19	73,468,310.02
Net cash flow from financing activities		-119,236,737.19	-52,597,530.06
IV. Effect of change in foreign exchange rate on cash and cash equivalents		125,046.55	275,214.37
V. Net increase in cash and cash equivalents		2,390,152,648.43	-1,823,341,767.66
Add: Opening balance of cash and cash equivalents		4,217,117,065.60	6,040,458,833.26
VI. Closing balance of cash and cash equivalents		6,607,269,714.03	4,217,117,065.60

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Consolidated Statement of Changes in Owners' Equity

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

Item	2024									
	Equity attributable to owners of the parent company								Minority interests	Total owners' equity
	Share capital	Capital reserve	Less: Treasury shares	Other		Surplus reserves	General risk reserve	Retained earnings		
				comprehensive income						
I. Ending balance of last year	1,007,777,778.00	598,402,999.72	-	6,646,700.10	71,425,437.16	97,305,014.53	65,935,375.99		1,847,493,305.50	
Add: Changes in accounting policies							-		-	
Correction of previous error									-	
Business combination under common control										
Other										
II. Opening balance of the current year	1,007,777,778.00	598,402,999.72	-	6,646,700.10	71,425,437.16	97,305,014.53	65,935,375.99		1,847,493,305.50	
III. Increase/decrease of the current period (loss denoted by "-")	-	-	-	3,490,261.44	2,472,955.02	2,472,955.02	20,849,176.35		29,285,347.83	
(I) Total comprehensive income				3,490,261.44			29,826,197.50		33,316,458.94	
(II) Owners' capital injected and reduced	-	-							-	
1. Ordinary shares invested by owners									-	
2. Capital invested by holders of other equity instruments									-	
3. Amounts of share-based payments included in owners' equity		-							-	
4. Other									-	
(III) Profit distribution	-	-			2,472,955.02	2,472,955.02	-8,977,021.15		-4,031,111.11	
1. Withdrawal of surplus reserve					2,472,955.02		-2,472,955.02		-	
2. Withdrawal of general risk provisions						2,472,955.02	-2,472,955.02		-	
3. Distribution to owners							-4,031,111.11		-4,031,111.11	
4. Other									-	
(IV) Internal carryover of owners' equity	-	-				-	-		-	
1. Transfer of capital reserves into paid-in capital (or share capital)									-	
2. Transfer of surplus reserves into paid-in capital (or share capital)									-	
3. Surplus reserves for making up losses									-	
4. Carry-Forward of Retained Earnings by Changes in Defined Benefit Plan									-	
5. Other comprehensive income transferred to retained earnings									-	
6. Other									-	
(V) Others									-	
IV. Ending balance of the current period	1,007,777,778.00	598,402,999.72	-	10,136,961.54	73,898,392.18	99,777,969.55	86,784,552.34		1,876,778,653.33	

Consolidated Statement of Changes in Owners' Equity

(All amounts in RMB unless otherwise stated)

Item	2023								
	Equity attributable to owners of the parent company								Total owners' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Minority interests	
I. Closing balance in the last year	1,007,777,778.00	598,402,999.72	-	4,268,800.09	70,228,670.53	96,108,247.90	60,537,412.94		1,837,323,909.18
Add: Changes in accounting policies									-
Correction of previous error									-
Business combination under common control									
Other									-
II. Opening balance in the current year	1,007,777,778.00	598,402,999.72	-	4,268,800.09	70,228,670.53	96,108,247.90	60,537,412.94		1,837,323,909.18
III. Increase/decrease of the current period									
(loss denoted by "-")	-	-	-	2,377,900.01	1,196,766.63	1,196,766.63	5,397,963.05		10,169,396.32
(I) Total comprehensive income				2,377,900.01			7,791,496.31		10,169,396.32
(II) Owners' capital injected and reduced	-	-							-
1. Ordinary shares invested by owners									-
2. Capital invested by holders of other equity instruments									-
3. Amounts of share-based payments included in owners' equity		-							-
4. Other									-
(III) Profit distribution	-	-			1,196,766.63	1,196,766.63	-2,393,533.26		-
1. Withdrawal of surplus reserve					1,196,766.63		-1,196,766.63		-
2. Withdrawal of general risk provisions						1,196,766.63	-1,196,766.63		-
3. Distribution to owners									-
4. Other									-
(IV) Internal carryover of owners' equity	-	-			-		-		-
1. Transfer of capital reserves into paid-in capital (or share capital)									-
2. Transfer of surplus reserves into paid-in capital (or share capital)									-
3. Surplus reserves for making up losses									-
4. Carry-Forward of Retained Earnings by Changes in Defined Benefit Plan									-
5. Other comprehensive income transferred to retained earnings									-
6. Other									-
(V) Others									-
IV. Closing balance in the current period	1,007,777,778.00	598,402,999.72	-	6,646,700.10	71,425,437.16	97,305,014.53	65,935,375.99		1,847,493,305.50

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Statement of Changes in owners' Equity of the Parent Company

(All amounts in RMB unless otherwise stated)

Prepared by: Holly Futures Co., Ltd.

Unit: RMB

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

Statement of Changes in owners' Equity of the Parent Company

(All amounts in RMB unless otherwise stated)

Item	2023							
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Total owners' equity
I. Closing balance in the last year	1,007,777,778.00	592,000,959.53	-	41.21	70,228,670.53	96,108,247.90	95,708,753.05	1,861,824,450.22
Add: Changes in accounting policies								-
Correction of previous error								-
Other							-	
II. Opening balance of the current year	1,007,777,778.00	592,000,959.53	-	41.21	70,228,670.53	96,108,247.90	95,708,753.05	1,861,824,450.22
III. Increase/decrease of the current period (loss denoted by "-")								
(I) Total comprehensive income				-41.21	1,196,766.63	1,196,766.63	9,574,133.05	11,967,625.10
(II) Owners' capital injected and reduced	-	-	-	-41.21			11,967,666.31	11,967,625.10
1. Ordinary shares invested by owners								-
2. Capital invested by holders of other equity instruments								-
3. Amounts of share-based payments included in owners' equity		-						-
4. Other								-
(III) Profit distribution	-	-			1,196,766.63	1,196,766.63	-2,393,533.26	-
1. Withdrawal of surplus reserve					1,196,766.63		-1,196,766.63	-
2. Withdrawal of general risk provisions						1,196,766.63	-1,196,766.63	-
3. Distribution to owners							-	-
4. Other								-
(IV) Internal carryover of owners' equity	-	-			-		-	-
1. Transfer of capital reserves into paid-in capital (or share capital)								-
2. Transfer of surplus reserves into paid-in capital (or share capital)								-
3. Surplus reserves for making up losses								-
4. Carry-Forward of Retained Earnings by Changes in Defined Benefit Plan								-
5. Other comprehensive income transferred to retained earnings								-
6. Other								-
(V) Others								-
IV. Closing balance in the current period	1,007,777,778.00	592,000,959.53	-	-	71,425,437.16	97,305,014.53	105,282,886.10	1,873,792,075.32

Legal Representative:

Chu Kairong

Person in charge of accounting:

Jia Fuhua

Person in charge of the accounting firm:

Jia Fuhua

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

I. General Information of the Company

Holly Futures Co., Ltd. (the “Company”, together with its subsidiaries, the “Group”) is a joint stock company with limited liability with registered address at Building 3, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing City. The Company has a registered capital of RMB1,007,777,778.00 and legal representative of Chu Kairong. The Company’s unified social credit code is 91320000100022362N, and its futures business permit number is 30870000. The Company’s predecessor was Jiangsu Jinling Futures Brokerage Company Limited (江蘇金陵期貨經紀有限公司), a company established in July 1995.

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

The Company is headquartered in Nanjing. As of 31 December 2024, the Company had a total of 5 sub-branches and 33 branches in the PRC.

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

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

This financial report was approved by the Board of Directors of the Company on 28 March 2025. Pursuant to the Articles of Association of the Company, the financial statements will be submitted to the general meeting for consideration.

II. Basis for Preparation of the Financial Statements

1. Basis of preparation

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

2. Going concern

The Group has performed an assessment on the going concern ability within the 12 months since 31 December 2024 and has not identified any event and condition causing material doubt about the going concern ability. These financial statements have been prepared on a going concern basis.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

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

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

These financial statements comply with the Accounting Standards for Business Enterprises, which reflect the financial position as at 31 December 2024, results of operation and cash flow for the year 2024 of the Company and the Group truly, accurately and completely.

2. Accounting year

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

3. Operation cycle

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

4. Functional currency

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

5. The determination methods and selection basis of materiality standards

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

Matters disclosed that involve judgements of materiality standards	Location of the disclosure of such matter in the notes to these financial statements	Determination methods and selection basis of materiality standards
Significant receivables after a single bad debt provision	V.7	Amount exceeding RMB10 million
Significant Investment Activities	V.57	The Company determines cash flows from investing activities where the individual amount exceeds 5% of the total assets as material cash flows from investing activities
Material contingent matters/ subsequent matters/other material matters	XIII, XIV, XV	Amounts exceeding RMB10 million and accounting for more than 10% of the absolute value of the most recent audited net assets of the listed company

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

(1) Business combination under common control

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

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

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

(2) Business combination not under common control

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

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

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

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

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

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

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

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

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

9. Cash and cash equivalents

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

10. Foreign currency transactions and foreign currency translation

(1) Foreign currency transactions

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

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

(2) *Translation of financial statements denominated in foreign currency*

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

11. Branch capital management and transaction clearing principles

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

12. Customer futures deposits

(1) *Classification of customer futures deposits*

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

(2) *Customer futures deposits management*

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

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

12. Customer futures deposits (Continued)

(3) Accounting for customer futures deposits

1) Customer currency deposits

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

2) Pledged deposits of customers

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

13. Collateral management

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

14. Accounting for physical settlement

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

15. Financial instruments

(1) *Recognition and derecognition of financial instruments*

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

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

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

Regular way purchases and sales of financial assets are recognized and derecognized using the trade date accounting.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(2) Classification and measurement of financial assets

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

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

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

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

1) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are classified as financial assets at amortized cost: ① the purpose of the business model for managing the financial assets is to receive contractual cash flows; ② the contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding. The Group's financial assets in this category mainly include: Monetary funds, currency deposits receivable, trade receivables other receivables, financial assets held under resale agreements, pledged deposits receivable, financing capital, settlement deposits receivable.

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

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments *(Continued)*

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

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

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

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

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

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

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

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

1) *Financial liabilities measured at amortized cost*

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

Notes to the Financial Statements

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

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

2) Financial liabilities at fair value through profit or loss

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

(4) Impairment of financial instruments

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

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

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

The Group's assessment of the impairment of financial instruments using the expected credit loss model requires making significant judgments and estimates, taking into account all reasonable and reliable information, including forward-looking information. In making these judgments and estimates, the Group extrapolates expected changes in the debtor's credit risk based on historical repayment data combined with industry risk and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

1) Impairment of financial assets

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

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

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

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

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

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

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

2) Impairment of accounts receivable

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

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

The basis to determine the portfolio

The portfolio of risk	Grouped by ageing of accounts receivable of various natures as a credit risk
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Accrual method for provision for bad debts by portfolio

The portfolio of risk	Taking into account various natures of amounts and with reference to historical credit loss experience, current situation and forecasts of future economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates, to calculate the expected credit loss.
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From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

3) Grouping of other receivables and basis of determination

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

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

Basis for determining the portfolio

Risk Portfolio	Grouped by ageing of other receivables of various natures as a credit risk characteristic
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Provision for bad debts by portfolio

Risk Portfolio	Taking into account various natures of amounts and with reference to historical credit loss experience, current situation and forecasts of future economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates, to calculate the expected credit loss.
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The Group groups other receivables categorized into risk portfolios based on similar credit risk characteristics (aging) and on all reasonable and reliable information, including forward-looking information.

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

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

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

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

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

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

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

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

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

15. Financial instruments (Continued)

(6) *Derivative financial instruments*

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

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

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

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

16. Inventory

The Group's inventories mainly include spot commodities.

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

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

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

17. Long-term equity investments

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

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

The Group's judgment on common control is based on the fact that all participants or groups of participants collectively control the arrangement and the policies for the activities related to the arrangement must be agreed upon by those participants who collectively control the arrangement.

The Group is generally considered to have significant influence over an investee when it owns, directly or indirectly through subsidiaries, more than 20% but less than 50% of the investee's voting rights. If the Group owns less than 20% of the investee's voting rights, the Group's significant influence over the investee should be determined by taking into account the facts and circumstances, such as representation on the investee's board of directors or similarly empowered body, participation in the investee's financial and operating policy making process, significant transactions with the investee, dispatch of management personnel to the investee, or provision of critical technical information to the investee.

(2) *Accounting method*

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

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

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

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

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

17. Long-term equity investments (Continued)

(2) Accounting method (Continued)

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

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

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

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

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

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

17. Long-term equity investments (Continued)

(2) Accounting method (Continued)

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

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

18. Investment properties

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

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

Notes to the Financial Statements

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

19. Fixed assets

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

Fixed assets are recognised when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. The Group's fixed assets include plants and buildings, electronic equipment, transportation equipment and office equipment, etc.

The Group depreciates all fixed assets, except for fully depreciated fixed assets that continue to be used and land that is separately recorded in the accounts. Depreciation is provided using the average life method. The categorized depreciable lives, estimated net residual values and depreciation rates of the Group's fixed assets are as follows:

Fixed assets	Useful life	Residual value rate	Depreciation rate
Plants and buildings	10–33 years	5%	2.88%–9.5%
Motor vehicles	10 years	5%	9.5%
Office equipment	4–5 years	0%–5%	19%–25%
Electronic equipment	3–5 years	0%–5%	19%–33%

The Group reviews the estimated useful lives, estimated net residual values and depreciation methods of fixed assets at the end of each year and treats changes, if any, as changes in accounting estimates.

20. Intangible assets

The Group's intangible assets include software and customer relationships, which are measured at actual cost at the time of acquisition. Acquired intangible assets are measured at actual cost based on the price actually paid and related other expenses. The actual cost of intangible assets invested by investors is determined at the value agreed in the investment contract or agreement, but if the agreed value in the contract or agreement is not fair, the actual cost is determined at fair value. Intangible assets acquired in a combination under different control that are owned by the acquiree but not recognized in its financial statements are recognized as intangible assets at fair value upon initial recognition of the acquiree's assets.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

20. Intangible assets (Continued)

(1) *Useful life and the basis for its determination, estimation, amortisation method or review procedure*

Land use rights are amortised equally over their useful lives from the commencement date of the grant; application software is amortised equally over the shortest of the estimated useful life, the contractually stipulated beneficial life and the legally stipulated effective life. The amortised amount is included in the cost of the related assets and in profit or loss according to the beneficiary. The estimated useful lives and amortization methods of intangible assets with finite useful lives are reviewed at the end of each year, and any changes are treated as changes in accounting estimates.

As a result of the review, the useful lives and amortisation methods of intangible assets at the end of the Reporting Period have not changed from the previous estimates.

(2) *Scope of research and development expenditure and related accounting treatment*

The scope of the Group's research and development expenditure includes employee benefits of research and development personnel, direct input costs, depreciation and other expenses.

The Company treats information and related preparatory activities for further development activities as the research phase. Expenditures on intangible assets during the research phase are charged to profit or loss as incurred. Development activities that are carried out after the Company has completed the research phase are classified as the development phase. Expenditures during the development phase can be recognised as intangible assets when the following conditions are met: ① the technical feasibility of completing the intangible asset so that it will be available for use or sale; ② its intention to complete the intangible asset and use or sell it; ③ how the intangible asset will generate probable future economic benefits, among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; ④ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; ⑤ its ability to measure reliably the expenditure attributable to the intangible asset during the development phase.

21. Impairment of long-term assets

The Group examines long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful life at each balance sheet date, and performs impairment tests when there is an indication of impairment. Goodwill and intangible assets with indefinite useful life and development expenditure that has not yet reached its intended usable state are tested for impairment at the end of each period, regardless of whether there is an indication of impairment.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

21. Impairment of long-term assets (Continued)

(1) *Impairment of non-current assets other than financial assets (excluding goodwill)*

The Group determines the recoverable amount of an asset based on the higher of the asset's net fair value less costs of disposal and the present value of the asset's expected future cash flows when performing an impairment test. If, after impairment testing, the carrying amount of the asset exceeds its recoverable amount, the difference is recognised as an impairment loss.

The Group estimates the recoverable amount of an asset on an individual basis. Where it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of an asset group is determined on the basis of the asset group to which the asset belongs. The identification of an asset group is based on whether the major cash inflows generated from the asset group are independent of those from other assets or asset groups.

Fair value, net of disposal costs, is determined by reference to an agreed price for the sale of a similar asset in an arm's length transaction or an observable market price, less incremental costs that are directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or group of assets and select an appropriate discount rate to determine the present value of the future cash flows.

(2) *Impairment of goodwill*

The Group allocates the carrying amount of goodwill arising from a business combination to the relevant asset group in a reasonable manner from the date of acquisition, or to the combination of asset groups if it is difficult to allocate the goodwill to the relevant asset group. When testing for impairment of the relevant asset group or combination of asset groups that contains goodwill, if there is any indication of impairment for the asset group or combination of asset groups related to goodwill, the asset group or combination of asset groups that does not contain goodwill is first tested for impairment, the recoverable amount is calculated and compared with the relevant carrying amount, and the corresponding impairment loss is recognised; and then the asset group or combination of asset groups that contains goodwill is tested for impairment, and the carrying amount is compared with their recoverable amount. If the recoverable amount is lower than the carrying amount, the amount of the impairment loss shall first be offset against the carrying amount of goodwill allocated to the asset group or combination of asset groups, and then against the carrying amount of each other asset proportionally according to the proportion of the carrying amount of each other asset other than goodwill in the asset group or combination of asset groups.

Impairment losses on the above assets, once recognised, are not reversed in subsequent accounting periods.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

22. Employee benefits

The employee benefits of the Group include short-term compensation, post-employment benefits, and termination benefits.

Short-term benefits mainly include employee wages, bonuses, social insurance premiums and housing provident funds paid for employees, union funds withdrawn in accordance with the regulations, education funds and welfare expenses for employees. Short-term benefits actually incurred during the accounting period in which the employee provide services are recognised as liabilities and included in the profit or loss or the cost of the related assets in accordance with the beneficiary.

Post-employment benefits, mainly comprising basic endowment insurance premiums, unemployment insurance and enterprise pensions, are classified as defined contribution plans in accordance with the risks and obligations assumed by the Company. For defined contribution plans, contributions made to a separate entity at the balance sheet date in exchange for services rendered by employees during the accounting period are recognised as a liability and included in profit or loss or in the cost of the related assets according to the beneficiary. Pursuant to the relevant provisions of the Trial Measures for Enterprise Annuity, the Group's employees participate in the enterprise annuity plans considered and approved at the employee representative meeting and filed with the labour security administrative departments. The contribution amount of enterprise annuity is calculated according to the annuity plan.

When the Group cannot unilaterally withdraw the dismissal welfare provided due to the labor relationship termination plan or the redundancy offer, or when the costs or expenses (whichever is earlier) related to reorganization concerning the dismissal welfare payment are recognized, the liabilities of the employee compensation arising from dismissal welfare shall be recognized and included in profit or loss. Compensation payments made in excess of one year are discounted and recognised in profit or loss.

23. Futures risk reserve

(1) *Methods and uses of provision*

In accordance with the requirements of the Notice of the Tentative Provisions for the Financial Management of Commodities Futures Trading (Cai Shang Zi [1997] No. 44), the Company appropriates the futures risk reserve based on 5% of the fee income net of relevant expenses payable to futures exchanges. Futures risk reserve is specially used to make up for the loss caused by wrong single transactions of the Company, etc. The appropriation for futures risk reserve ceases when it reaches 10 times the registered capital of the Company.

In case of the following, risk loss is recognised and futures risk reserve is reduced: ① loss on liquidation of wrong single contracts; ② unaccountable risk loss due to the Company's own reasons; ③ unrecoverable risk loss due to customers' reasons.

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

23. Futures risk reserve *(Continued)*

(2) Accounting

The Company sets aside 5% of net agency fee income after deducting futures exchange fees payable as futures risk reserve, which is included in profit or loss and the “futures risk reserve” item at the same time. If futures risk reserve is utilised for intended uses, the balance of futures risk reserve is reduced to the extent of zero, and any excess is included in profit or loss.

24. Estimated liabilities

If the obligation related to a contingency is a present obligation of the Group, and it is probable that the settlement of the obligation will result in an outflow of economic benefits from the Group, and the amount can be measured reliably, the Group will recognize a provision.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. If there is a continuous range of required expenditure and the probability of various results within the range is the same, the best estimate shall be determined according to the middle value within the range; in other cases, the best estimate shall be handled as follows:

- ① If the contingency involves a single item, it shall be determined according to the most likely amount;
- ② If the contingency involves multiple projects, it shall be determined according to various possible results and relevant probability calculation.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

25. Revenue

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers. The following are the details of the accounting policies regarding revenue from the Group’s principal activities:

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III. Significant Accounting Policies and Accounting Estimates

(Continued)

25. Revenue (Continued)

(1) Fee income

Fee income from futures and options brokerage is recognised on the date of agency transaction. According to futures and options agency contracts, the Group recognises the fee income based on the fee charged to customers and the net amount after deducting the collected fee paid to the exchange.

Refund and reduction of handling fees from futures exchanges are recognised by the Group on the basis of the amount of exchange reimbursement reductions received when the settlement of exchange funds is completed.

The handling fee for asset management business is recognised when the Group has the right to receive income in accordance with the asset management agreement.

The Group recognises income from risk management business in accordance with the risk management business contracts.

(2) Interest income

Interest income is calculated and determined according to the time of money lending and the effective interest rate.

(3) Investment gains

Gains or losses on disposal of financial instruments and dividends received are recognised as investment income on the date of transaction.

(4) Gains or losses on fair value changes

Gains and losses arising from changes in the fair values of financial instruments are recognised on the balance sheet date at the difference between the fair value and the carrying amount.

(5) Income from other business activities

Income from other business activities is mainly from sales of goods and rendering of advisory services.

The Group recognises income from sales of goods when the Group has transferred the right to spot goods to the customer after receiving goods payment according to the contract and the customer has obtained control over the goods. The Group recognises income from sales of goods on gross basis as it is the principal that controls the goods before they are sold and is liable for storage, damage and loss of goods, assumes the price fluctuation risks of goods and promises to provide the specified goods under the terms of the contract.

The Group recognises income from advisory services according to the performance progress of advisory services.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

26. Government subsidies

Government grants are recognised when the conditions attaching to them can be met and when they are receivable. Government grants that are monetary assets are measured at the actual amount received, or at the amount receivable if the grant is provided at a fixed rate or there is conclusive evidence at the end of the year that the conditions set out in the financial support policy have been complied with and the grant is expected to be received; government grants that are non-monetary assets are measured at fair value, or at the nominal amount (RMB1) if the fair value is not reliably obtainable.

The Group's government grants include asset-related government grants and revenue-related government grants. Among them, asset-related government grants refer to government grants obtained by the Group for the purpose of acquiring or otherwise forming long-term assets; revenue-related government grants refer to government grants other than asset-related government grants. If the targets of the grants are not specified in the government documents, the Group makes judgement in accordance with the above principles of differentiation, and if it is difficult to differentiate them, they are categorised as revenue-related government grants as a whole.

Government grants relating to assets acquired by the Group are recognised as deferred income and phased into profit or loss on an equal basis over the useful life of the related assets.

If the related assets are sold, transferred, retired or damaged before the end of their useful life, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

If a government grant related to income acquired by the Company is to compensate the related cost, expenses or losses to be incurred in subsequent periods, it is recognized as deferred income, and is recognized in profit or loss for the period when the related cost, expenses or losses incurred. If a government grant is related to the ordinary activities, it is included in other income based on the economic substance of the business. Government grants not related to the ordinary activities are included in non-operating income.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

27. General risk reserve

The Company appropriates 10% of its net profit for the current period to the general risk reserve in accordance with the Rules on the Accounting by Financial Enterprises and the Implementation Guidance of Rules on the Accounting by Financial Enterprises.

28. Deferred income tax assets and deferred income tax liabilities

The Group's deferred income tax assets and deferred income tax liabilities are recognised on the basis of differences between the tax bases of assets and liabilities and their carrying amounts, as well as temporary differences arising from differences between the tax bases of items that are not recognised as assets and liabilities but whose tax bases can be determined in accordance with the provisions of the tax law.

Deferred income tax assets are recognized for deductible losses that can be offset against taxable income in subsequent years in accordance with the provisions of the tax law. For temporary differences arising from the initial recognition of goodwill, no corresponding deferred income tax liabilities are recognized. For temporary differences arising from the initial recognition of assets or liabilities in transactions other than business combinations that affect neither accounting profit nor taxable income (or deductible losses), the corresponding deferred income tax assets and deferred income tax liabilities are not recognized. At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

The Group recognizes deferred income tax assets to the extent that it is probable that future taxable income will be available against which deductible temporary differences, deductible losses and tax credits can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

- ① the taxable entity has a legally enforceable right to offset current tax assets and current tax liabilities;
- ② they relate to deferred income tax assets and deferred income tax liabilities levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or deferred income tax assets are expected to be settled or recovered.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

29. Lease

Lease is a contract that a lessor transfers the right to use an identified asset for a period of time to a lessee in exchange for consideration.

At inception of a contract, the Group assesses whether the contract is a lease or contains a lease. If one party under the contract transfers one or more of the right to use of the identified asset within a period of time in exchange for consideration, the contract shall be considered as a lease or containing lease.

To assess whether a contract conveys the rights to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use:

- ① Whether the contract involves the use of the identified assets. The identified asset may be explicitly specified by the contract or implicitly specified when the asset is available to the customer, and the asset is physically distinguishable, or if some part of the asset's capacity or other part is physically indistinguishable but substantially represents the entire capacity of the asset, thereby enabling the customer to reap virtually all of the economic benefits arising from the use of the asset. The asset is not an identified asset if the supplier of the asset has substantial replacement rights for the asset throughout its use;
- ② Whether the lessee is entitled to the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use;
- ③ Whether the lessee has the right to direct the use of the identified asset during the period of use.

Where the contract contains multiple lease components, the lessee and the lessor shall separate the lease components and account for each individual lease component separately. Where the contract includes both the lease and the non-lease component, the lessee and the lessor shall separate the lease and non-lease components. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

29. Lease (Continued)

(1) The Group as a lessee

On the commencement date of lease period, the Group recognises right-of-use assets and lease liabilities on leases. The right-of-use assets are initially measured at cost, including the initial measurement amount of lease liability, the lease payment amount paid on or before the commencement date of lease period, net of the relevant amount of lease incentives enjoyed, initial direct costs incurred and the estimate cost of dismantling and removing leased assets, restoring the leased assets or restoring the leased assets to the agreed conditions of the lease term.

The Group depreciates the right-of-use assets using the straight-line method. Where the ownership of the leased asset can be reasonably determined at the end of the lease term, the Group shall provide for depreciation over the remaining useful life of the leased asset. Otherwise, the leased asset shall be depreciated during the shorter of the lease term and the remaining useful life of the leased asset. Impairment losses are recognised in accordance with the accounting policy described in Note III.21.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group calculates interest expenses in each period during the lease term based on a constant periodic rate of interest, and recognizes the interest expenses in profit or loss of such period or part of the cost of other related assets. Variable lease payments not included in the measurement of the lease liability are recognised in profit or loss or part of the cost of another related asset as incurred.

After the commencement date, the Group remeasures the lease liability by discounting the revised lease payments, if either:

- ① there is a change in the amounts expected to be payable under a residual value guarantee;
- ② there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- ③ there is a change in the assessment of an option to purchase, to extend or terminate the lease, or the exercise of the option to extend or terminate the lease is different from the previous assessment.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

29. Lease *(Continued)*

(1) *The Group as a lessee (Continued)*

When the lease liability is re-measured, the Group recognises the carrying amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in profit or loss of such period.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (leases that have a lease term of 12 months or less) and leases of low-value assets, and recognised the lease payments associated with these leases in profit or loss of such period or part of the cost of another related assets on a straight-line basis over the lease term.

(2) *The Group as a lessor*

Properties held by the Group as a lessor to earn rentals and for capital appreciation are accounted as investment properties.

During each period of the lease term, the Group uses the straight-line method to recognise the lease payments from operating leases as rental income.

30. Fair value measurement

The Group measures financial assets held for trading, investment properties, derivative financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

For financial instruments traded in active markets, the Group determines its fair value with its active market quotation; for financial instruments that are not traded in active markets, the Group uses valuation techniques to determine their fair values. The valuation models used are mainly cash flow discount models.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

30. Fair value measurement (Continued)

Level 3 fair value is based on the Group's valuation models, such as discounted cash flows, Bloomberg OVML function, Black-Scholes PDE, Clark Nielsen finite difference method for solving partial differential equations, Valuation of underlying financial instruments and contract allocation method. The Group also considers the original transaction price, recent transactions of the same or similar instruments and completed third-party transactions in comparable instruments.

At each balance sheet date, the Group reassesses the assets and liabilities recognised in the financial statements that have been measured at fair value on a continuous basis to determine whether there has been a transition between fair value measurement levels.

31. Segment reporting

Reportable segments are identified based on the structure of the Group's internal organisation, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the laws and administrative regulations. Reportable segments are identified based on operating segment taking into consideration of the materiality principle.

In preparing segment reports, the Group measures the revenue from inter-segment transactions based on the actual transaction price. The accounting policies adopted for the preparation of segment reports are consistent with those adopted for the preparation of the Group's financial statements.

32. Significant accounting estimates and judgments

The preparation of the financial statements requires management of the Group to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following accounting estimates and key assumptions carry a significant risk of causing significant adjustments to the carrying amounts of assets and liabilities in future periods.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

32. Significant accounting estimates and judgments *(Continued)*

(1) *Provision for impairment of financial assets*

On the basis of expected credit losses, the Group performs the impairment treatment and recognises the provision for impairment losses on debt investments, other debt investments, assets arising from carrying out financing operations (including margin financing and securities lending, agreed repurchase, stock pledge repurchase, etc.), as well as placement (lending) of funds or securities in money market, accounts receivable and financial lease receivables.

Based on the classification and nature of the above financial assets, combined with its own risk management practices and the relevant requirements of the impairment guidelines, the Group establishes an expected credit loss model to measure impairment losses on the above financial instruments based on a probability-weighted average, taking into account the time value of money and reasonable and reliable information about past events, current conditions and projected future economic conditions that can be obtained at the balance sheet date without unnecessary additional costs or effort. The assumptions, parameters, data sources and measurement procedures associated with the expected credit loss model require the Company's professional judgment, and changes in the assumptions of these relevant factors can affect the results of the expected credit loss calculations for financial instruments.

The Group uses an expected credit loss model to evaluate the impairment of financial assets and the application of the expected credit loss model requires making significant judgments and estimates such as the probability of default, the rate of default losses and whether credit risk increases significantly, taking into account all reasonable and reliable information, including forward-looking information. In making these judgments and estimates, the Company extrapolates expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risk and other factors.

(2) *Impairment of non-current assets other than financial assets*

The Group makes judgement to determine whether non-current assets other than financial assets are likely to be impaired on the balance sheet date. When conducting an impairment test, if the carrying amount of an asset or asset group is higher than its recoverable amount, it indicates that an impairment has occurred. When estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or group of assets and select an appropriate discount rate to determine the present value of the future cash flows.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

32. Significant accounting estimates and judgments (Continued)

(3) Fair value of financial instruments

For financial instruments where there is a lack of active market, the Group uses valuation methods to determine their fair value. Valuation methods include referring to the transaction price determined when fair transactions are conducted between economic entities with complete information and willingness to buy and sell in the market, referring to the fair value of another similar financial instrument in the market, or using cash flow discount analysis and option pricing model to estimate. Valuation methods maximise the use of observable market information. However, when observable market information is unavailable, the management will estimate the significant non-observable information included in the valuation methods.

(4) Income tax and deferred income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. In accordance with relevant tax laws and regulations, the Group carefully evaluates the income tax implications of transactions and make tax provisions accordingly. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available against which the deferred income tax assets can be utilised.

(5) Determination of the consolidated scope

All facts and circumstances shall be considered when assessing whether the Group acts as an investor to control the investee. The definition of control includes the following three elements: 1) the power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; 3) has the ability to affect those returns through its power over the investee. If there are facts and circumstances that indicate that one or more of the factors mentioned above changed, the Group is required to reassess whether it controls the investee.

For structured entities managed and invested by the Group, the Group will assess whether its maximum risk exposure to the structured entities, together with the variable returns generated by the remuneration of its managers, is significant enough to indicate that the Group has control over its structured entities. If the Group has control over the structured entities under management, the structured entities shall be included in the consolidated scope of the consolidated financial statements.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

33. Significant changes in accounting policies and accounting estimates

(1) Significant changes in accounting policies

Nil

(2) Significant changes in accounting estimates

Nil

IV. Taxation

1. Main types of taxes and corresponding tax rates

The main types of taxes and corresponding tax rates applicable to the Company and its subsidiaries are as follows:

Types of tax	Tax base	Tax rate
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue according to taxation laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable	6%, 9%, 13%
City maintenance and construction tax	Based on VAT effectively paid	7%
Educational surcharges	Based on VAT effectively paid	3%
Local education surcharges	Based on VAT effectively paid	2%
Property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12%	1.2%, 12%

The statutory income tax rate applicable to the Company and Holly Capital Management Co., Ltd. (弘業資本管理有限公司) ("Holly Capital"), a domestic subsidiary of the Company, is 25%, and the statutory income tax rate applicable to Holly International Financial Holdings Limited (弘業國際金融控股有限公司) ("Holly International Financial Holdings") and Holly International Asset Management Company Limited (弘業國際資產管理有限公司) ("Holly International Assets"), being overseas subsidiaries of the Company, is 16.5%.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements

Unless otherwise stated, in respect of the following data disclosed in the financial statements, “the beginning of the year”, “the end of the year”, “the year” and “last year” refer to 1 January 2024, 31 December 2024, 1 January 2024 to 31 December 2024, and 1 January 2023 to 31 December 2023, respectively, while the currency unit is RMB.

1. Monetary funds

Item	Closing balance	Opening balance
Cash		
Bank deposit	7,038,694,981.90	4,801,790,844.06
Including: Futures margin	6,778,156,567.10	4,426,745,702.71
Own funds	260,538,414.80	375,045,141.35
Other Monetary funds	147,982,311.66	13,981,221.48
Accrued interest on Monetary funds	22,126,815.65	25,051,648.79
Total	7,208,804,109.21	4,840,823,714.33
Including: Total amount deposited overseas	304,477,319.26	318,376,918.01

(1) Futures margin deposit breakdown

Item	Closing balance	Opening balance
CITIC Bank	2,321,829,307.41	1,781,787,053.62
Minsheng Bank	79,020,134.97	652,052,687.10
Industrial Bank Co., Ltd	680,251,687.71	490,228,883.87
SPD Bank	300,166,113.91	100,500,255.05
Bank of Communications	18,948,843.75	530,066,254.86
China Guangfa Bank	251,318.55	1,332,588.21
Bank of China	20,060,580.09	89,226,470.24
Agricultural Bank of China	1,000,037,414.29	867,637.75
China Construction Bank	40,934.53	778,547.09
China Merchants Bank	91,888.07	100,467,745.25
ICBC	5,424,497.18	7,113,733.43
Ping An Bank	2,351,883,401.01	641,941,091.19
China Everbright Bank	149,914.57	30,382,054.12
HSBC	531.06	700.93
Total	6,778,156,567.10	4,426,745,702.71

(2) Use of restricted funds at the end of the period

See Note V.59.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

2. Currency deposits receivable

(1) By exchange/clearer

Item	Closing balance	Opening balance
Shanghai Futures Exchange	802,071,484.62	741,912,018.17
Dalian Commodity Exchange	550,535,581.06	591,825,087.77
Zhengzhou Commodity Exchange	321,437,179.70	625,846,425.84
China Financial Futures Exchange	640,340,183.92	760,999,082.04
China Securities Depository and Clearing Corporation Limited	129,536,627.82	121,309,944.34
Shanghai International Energy Exchange	62,251,024.56	119,164,843.10
The Guangzhou Futures Exchange	69,286,117.70	109,508,061.12
PHILLIPFUTURESPTLTD	91,720,603.24	54,960,458.15
Phillip Commodities (HK) Limited	3,615,206.86	4,994,614.72
Marex Financial	144,869,271.86	129,381,241.08
G.H. Financials (Hong Kong) Limited	21,871,956.39	90,468,325.36
PHILLIPSECURITIESPTLTD	4,876,665.82	1,706,326.61
Phillip Securities Ltd	14,632.93	18,624.30
Hong Kong Exchanges and Clearing Limited	7,505,922.10	3,939,183.53
Subtotal	2,849,932,458.58	3,356,034,236.13
Less: Provision for impairment	1,372,371.30	1,427,343.87
Total	2,848,560,087.28	3,354,606,892.26

(2) By category

Item	Closing balance	Opening balance
Settlement Reserve Funds	375,898,065.17	592,395,041.26
Trading margin	2,199,560,134.21	2,478,170,421.12
Offshore futures brokers	274,474,259.20	285,468,773.75
Subtotal	2,849,932,458.58	3,356,034,236.13
Less: Provision for impairment	1,372,371.30	1,427,343.87
Total	2,848,560,087.28	3,354,606,892.26

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

3. Pledged deposits receivable

(1) Breakdown of Exchanges

Item	Closing balance	Opening balance
Shanghai Futures Exchange	154,050,696.00	61,590,912.00
Dalian Commodity Exchange	512,304.00	18,022,400.00
Zhengzhou Commodity Exchange	133,575,600.00	
Total	288,138,600.00	79,613,312.00

(2) Breakdown of pledges

Category	Market value at the end of year	Discount rate	Amount at the end of year
Shanghai Futures Exchange			
Including: Shanghai Silver	13,686,570.00	80%	10,949,256.00
Shanghai Nickel	178,876,800.00	80%	143,101,440.00
Dalian Commodity Exchange			
Including: PVC	640,380.00	80%	512,304.00
Zhengzhou Commodity Exchange			
Including: Silicon iron	5,729,360.00	80%	4,583,488.00
Manganese silicon	34,795,800.00	80%	27,836,640.00
PTA	119,500,000.00	80%	95,600,000.00
Rapeseed oil	6,944,340.00	80%	5,555,472.00
Total	360,173,250.00		288,138,600.00

Type of Pledge	Market value at the beginning of year	Discount rate	Amount at the beginning of year
Shanghai Futures Exchange			
Including: Shanghai Tin	76,988,640.00	80%	61,590,912.00
Dalian Commodity Exchange			
Including: PVC	22,528,000.00	80%	18,022,400.00
Total	99,516,640.00		79,613,312.00

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements *(Continued)*

4. Advance to customers

(1) *Category of advance to customers*

Item	Closing balance	Opening balance
Domestic		
Including: Individual		
Institutional		
Less: Provision for impairment		
Subtotal of book value		
Overseas	3,555,624.51	26,852,750.66
Including: Individual	3,555,623.70	10,563,258.11
Institutional	0.81	16,289,492.55
Less: Provision for impairment	17,778.13	134,263.75
Subtotal of book value	3,537,846.38	26,718,486.91
Total	3,537,846.38	26,718,486.91

(2) *Collateral information*

Fair value of collaterals provided by customers to the Company for margin financing and securities lending business:

Item	Closing balance	Opening balance
Stock	18,155,162.37	91,097,674.88
Total	18,155,162.37	91,097,674.88

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

4. Advance to customers (Continued)

(3) Provision for impairment

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the future 12 months	Expected credit losses for the lifetime (No credit impairment)	Expected credit loss for the lifetime (Credit impaired)	
Balance as at 1 January 2024	134,263.75			134,263.75
Book balance of advance to customers as at 1 January 2024 in the current year	-	-	-	-
- Transfer to Stage 2				
- Transfer to Stage 3				
- Transfer back to Stage 2				
- Transfer back to Stage 1				
Provision in the current year	-116,485.62			-116,485.62
Reversal in the current year				
Write-off in the current year				
Cancellation in the current year				
Other changes				
Balance as at 31 December 2024	17,778.13			17,778.13

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements *(Continued)*

5. Derivative financial instruments

Item	Closing balance		
	Nominal amount	Fair value	
		Assets	Liabilities
Commodity derivative financial instruments			
Including: Futures contracts	5,696,266,286.02	16,690,880.00	4,044,305.00
Option contracts	1,766,458,955.60	11,556,875.02	9,859,658.01
Total	7,462,725,241.62	28,247,755.02	13,903,963.01
Less: Settlement amount		16,690,880.00	4,044,305.00
Net amount		11,556,875.02	9,859,658.01

Item	Opening balance		
	Nominal amount	Fair value	
		Assets	Liabilities
Commodity derivative financial instruments			
Including: Futures contracts	2,186,376,444.00	47,756,813.91	44,080,410.20
Option contracts	2,363,260,879.14	5,212,428.02	14,064,892.26
Total	4,549,637,323.14	52,969,241.93	58,145,302.46
Less: Settlement amount		47,756,813.91	44,080,410.20
Net amount		5,212,428.02	14,064,892.26

6. Settlement guarantee deposits receivable

Item	Closing balance	Opening balance
China Financial Futures Exchange	20,000,000.00	20,000,000.00
Total	20,000,000.00	20,000,000.00

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

7. Other receivables

Item	Closing balance	Opening balance
Interest receivables		
Dividend receivables		
Other receivables	12,644,472.25	32,744,189.68
Total	12,644,472.25	32,744,189.68

7.1 Other receivables

(1) Other receivables by nature

Nature	Closing book balance	Opening book balance
Refundable payment for PTA spot transactions		10,000,644.61
Dividends and redemptions receivable from funds and asset management plans	578,727.70	635,799.24
Securities settlement accounts receivable	3,948,308.60	9,625,473.20
OTC option margin receivable	4,062,136.51	9,520,213.07
Deposit	3,474,253.76	4,971,076.64
Risk loss receivable	229,541.25	463,107.84
Other	828,559.27	7,400,945.64
Total	13,121,527.09	42,617,260.24

(2) Other receivables by aging

Aging	Closing book balance	Opening book balance
Within 1 year (Inclusive)	9,207,199.44	28,723,250.71
1 to 2 years	2,187,959.18	682,544.65
2 to 3 years	491,171.78	846,600.99
Over 3 years	1,235,196.69	12,364,863.89
Total	13,121,527.09	42,617,260.24

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

7. Other receivables (Continued)

7.1 Other receivables (Continued)

(3) Provision for bad debts on other receivables

Category	Closing balance				
	Closing balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Provision ratio (%)	
Bad debt provision made on a line-by-line basis					
Provision for bad debts by portfolio	13,121,527.09	100.00	477,054.84	3.64	12,644,472.25
Combination: Liquidation combination	4,527,036.30	34.50			4,527,036.30
Margin and deposit	7,536,390.27	57.44	75,363.90	1.00	7,461,026.37
Other combination	1,058,100.52	8.06	401,690.94	37.96	656,409.58
Total	13,121,527.09	100.00	477,054.84	3.64	12,644,472.25

Category	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Provision ratio (%)	
Bad debt provision made on a line-by-line basis	10,000,644.61	23.47	9,106,090.80	91.06	894,553.81
Provision for bad debts by portfolio	32,616,615.63	76.53	766,979.76	2.35	31,849,635.87
Combination: Liquidation combination	10,261,272.44	24.08			10,261,272.44
Margin and deposit	14,491,289.71	34.00	144,912.91	1.00	14,346,376.80
Other combination	7,864,053.48	18.45	622,066.85	7.91	7,241,986.63
Total	42,617,260.24	100.00	9,873,070.56	23.17	32,744,189.68

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

7. Other receivables (Continued)

7.1 Other receivables (Continued)

(3) Provision for bad debts on other receivables (Continued)

1) Other receivables with provision for bad debts on a portfolio basis

Aging	Closing balance		
	Closing balance	Bad debt provision	Provision ratio (%)
Within 1 year (Inclusive)	9,207,199.44	76,360.04	0.83
1 to 2 years	2,187,959.18	26,886.63	1.23
2 to 3 years	491,171.78	4,911.72	1.00
Over 3 years	1,235,196.69	368,896.45	29.87
Total	13,121,527.09	477,054.84	—

2) Other receivables with provision for bad debts made under the general model of expected credit losses

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss for future 12 months	Expected credit loss for lifetime (No credit impairment)	Expected credit loss for lifetime (Credit impaired)	
Balance as at 1 January 2024	546,195.34	220,784.42	9,106,090.80	9,873,070.56
Book balance of other receivables as at 1 January 2024 in the current year	—	—	—	—
– Transfer to Stage 2	-33,452.58	33,452.58		
– Transfer to Stage 3				
– Transfer back to Stage 2				
– Transfer back to Stage 1				
Provision in the current year	-425,067.44	135,142.52		-289,924.92
Reversal in the current year				
Write-off in the current year				
Cancellation in the current year			9,106,090.80	9,106,090.80
Other changes				
Balance as at 31 December 2024	87,675.32	389,379.52		477,054.84

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

7. Other receivables (Continued)

7.1 Other receivables (Continued)

(4) Provision, recovery or reversal of bad debt provision on other receivables in the current year

Category	Opening balance	Amount of change in the current year				Closing balance
		Provision	Recovery or reversal	Transfer or written-off	Others	
Other receivables	9,873,070.56	-289,924.92		9,106,090.80		477,054.84
Total	9,873,070.56	-289,924.92		9,106,090.80		477,054.84

(5) Other receivables actually written-off in the current year

Item	Amount written off
Hanbang (Jiangyin) Petrochemical Co., Ltd. (漢邦(江陰)石化有限公司)	9,106,090.80

(6) Other receivables grouped by debtor, ranked by year-end balance (top 5)

Name of entity	Category	Closing book balance	Aging	Proportion to closing balance of other receivables as at the end of the year (%)	Closing balance of bad debt provision
Huanong Property & Casualty Insurance Co., Ltd. (華農財產保險股份有限公司)	OTC option margin receivable	1,395,877.63	Within 1 year	10.64%	13,958.78
People's Insurance Company of China Limited, Suqian Branch (中國人民財產保險股份有限公司宿遷市分公司)	OTC option margin receivable	1,091,133.55	Within 1 year	8.32%	10,911.34
Trisight Ltd and Dynasty Hotel Ltd	Deposit	506,921.70	Within 2-3 years	3.86%	5,069.22
Qingdao Hengshi Intercontinental Trading Co., Ltd. (青島橫石洲際貿易有限公司)	OTC option margin receivable	488,639.46	Within 1 year	3.72%	4,886.39
Jiangsu Zhongen International Trading Co., Ltd. (江蘇中恩國際貿易有限公司)	OTC option margin receivable	424,560.88	Within 1 year	3.24%	4,245.61
Total		3,907,133.22	-	29.78%	39,071.34

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

7. Other receivables (Continued)

7.1 Other receivables (Continued)

(7) Borrowings due from employees

As at the end of the Reporting Period, there were no borrowings due from employees.

8. Financial assets held under resale agreements

Item	Closing balance	Opening balance
Treasury bond reverse repurchase	96,252,523.09	1,948,419.75
Total	96,252,523.09	1,948,419.75

9. Financial assets held for trading

(1) Breakdown

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss		
Including: Investments in debt instruments	59,788,335.70	220,764,797.88
Investments in equity instruments	220,908,272.92	213,921,966.36
Total	280,696,608.62	434,686,764.24

(2) For details of the financial assets held for trading with commitment conditions or restrictions, see Note V. 59 Assets with restricted ownership or use rights.

10. Other debt investments

(1) Other debt investments

Item	Opening balance	Accrued interest	Interest adjustment	Changes in fair value for the current year	Closing balance	Cost	Cumulative changes in fair value	Cumulative provision for impairment recognized in other comprehensive income	Remarks
Corporate Bonds		363,666.85	440,033.92	20,836.08	8,824,536.85	8,000,000.00	20,836.08		
Total		363,666.85	440,033.92	20,836.08	8,824,536.85	8,000,000.00	20,836.08		-

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

10. Other debt investments (Continued)

(2) No provision for impairment for other debt investments for the year

(3) Significant other debt investments at the end of the year

Item	Closing balance					Opening balance				
	Nominal value	Coupon rate	Effective interest rate	Maturity	Principal past due	Nominal value	Coupon rate	Effective interest rate	Maturity	Principal past due
21 Xigao Bonds	8,000,000.00	5.990%	4.172%	2028/3/31						
Total	8,000,000.00	-	-	-			-	-	-	

(4) No other debt investments that were actually written-off in the year

11. Investment in other equity instruments

Item	Increase/decrease for the current period									
	Opening balance	Additional investment	Investment reduction	Profit		Others	Closing balance	Dividend income recognized in the current period	Profit accumulated in other comprehensive income	Loss accumulated in other comprehensive income
				included	Loss included					
				in other	in other					
				comprehensive	comprehensive					
current period	income for the current period	income for the current period								
Futures membership investment	1,853,110.00					9,910.00	1,863,020.00			
Non-trading securities		28,331,738.70	174,922.46	1,163,712.04	1,447,319.40		27,873,208.88	568,804.46	1,163,712.04	1,447,319.40
Total	1,853,110.00	28,331,738.70	174,922.46	1,163,712.04	1,447,319.40	9,910.00	29,736,228.88	568,804.46	1,163,712.04	1,447,319.40

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

12. Inventory (Continued)

(1) Category of inventory

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/ provision for impairment of contract performance cost	Book value	Book balance	Provision for decline in value of inventories/ provision for impairment of contract performance cost	Book value
Goods in stock	421,003,300.47	11,376,949.55	409,626,350.92	64,018,473.68		64,018,473.68
Total	421,003,300.47	11,376,949.55	409,626,350.92	64,018,473.68		64,018,473.68

(2) Provision for decrease in value of inventories

Item	Opening balance	Increase in the current year		Decrease in the current year		Closing balance
		Provision	Others	Reversal or resale	Others	
Goods in stock		11,376,949.55				11,376,949.55
Total		11,376,949.55				11,376,949.55

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

13. Long-term equity investment

Investee	Change for this year										Balance of the provision for impairment at the end of the year
	Balance of the provision for impairment at		Investment							Closing balance	
	Opening balance	the beginning of the year	Additional Investment	Investment reduction	Investment gain/loss recognized under equity method	Other comprehensive income adjustment	Declared cash dividend or profit	Provision for impairment			
									Others		
I. Joint ventures											
II. Associates											
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	6,109,358.88				463,406.15						6,572,765.03
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	2,143,199.16				-6,189.91						2,137,009.25
Total	8,252,558.04				457,216.24						8,709,774.28

14. Investment properties

(1) Investment properties measured by fair value model

Item	Plants and buildings	Total
I. Opening balance	48,573,122.00	48,573,122.00
II. Change for the current year		
Add: Purchases		
Transfer from inventories/fixed assets/work in progress		
Increase in business combinations		
Less: Disposal		
Other transfers		
Add: Changes in fair value	-106,044.00	-106,044.00
III. Closing balance	48,467,078.00	48,467,078.00

(2) At the end of the period, there was no investment property in existence without property right certificate.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

15. Fixed assets

Item	Closing book value	Opening book value
Fixed assets	305,242,162.41	317,738,489.85
Disposal of fixed assets		
Total	305,242,162.41	317,738,489.85

15.1 Fixed assets

(1) Details of fixed assets

Item	Plants and buildings	Motor vehicles	Office equipment	Electronic equipment	Total
I. Book cost					
1. Opening balance	309,678,954.40	4,530,441.60	6,632,059.43	57,280,797.38	378,122,252.81
2. Increase in the current year	5,600,000.00	492,614.48	136,814.63	296,683.59	6,526,112.70
(1) Purchase	5,600,000.00	492,614.48	136,814.63	296,683.59	6,526,112.70
(2) Transfer from work in progress					
(3) Increase in business combinations					
3. Decrease in the current year			366,999.68	1,258,041.30	1,625,040.98
(1) Disposal or scrap			366,999.68	1,258,041.30	1,625,040.98
(2) Transfer to work in process					
4. Exchange difference			2,178.08	39,806.70	41,984.78
5. Closing balance	315,278,954.40	5,023,056.08	6,404,052.46	56,359,246.37	383,065,309.31
II. Cumulative depreciation					
1. Opening balance	12,365,798.08	3,961,809.21	1,566,259.46	42,489,896.21	60,383,762.96
2. Increase in the current year	12,455,948.34	60,213.18	1,213,126.70	5,241,851.24	18,971,139.46
(1) Provision	12,455,948.34	60,213.18	1,213,126.70	5,241,851.24	18,971,139.46
3. Decrease in the current year			346,334.24	1,224,501.92	1,570,836.16
(1) Disposal or scrap			346,334.24	1,224,501.92	1,570,836.16
(2) Transfer to work in process					
4. Exchange difference			1,848.67	37,231.97	39,080.64
5. Closing balance	24,821,746.42	4,022,022.39	2,434,900.59	46,544,477.50	77,823,146.90
III. Provision for impairment					
IV. Book value					
1. Closing book value	290,457,207.98	1,001,033.69	3,969,151.87	9,814,768.87	305,242,162.41
2. Opening book value	297,313,156.32	568,632.39	5,065,799.97	14,790,901.17	317,738,489.85

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

15. Fixed assets (Continued)

15.1 Fixed assets (Continued)

(2) Fixed assets without registered title certificates

Item	Book value	Reasons for failure to obtain the certificate of title
Underground parking space in Hexi Financial City	38,500,403.98	Not yet surveyed and mapped by Housing Authority

- (3) At the end of the Reporting Period, there was no sign of impairment on fixed assets, thus no provision was made for such impairment.

16. Right-of-use assets

(1) Breakdown of right-of-use assets

Item	Property leasing	Total
I. Book cost		
1. Opening balance	101,637,497.44	101,637,497.44
2. Increase in the current year	7,380,032.39	7,380,032.39
(1) Leased-in	7,380,032.39	7,380,032.39
(2) Increase in business combinations		
3. Decrease in the current year	12,263,186.83	12,263,186.83
(1) Disposal	12,263,186.83	12,263,186.83
4. Exchange difference	221,252.40	221,252.40
5. Closing balance	96,975,595.40	96,975,595.40
II. Cumulative depreciation		
1. Opening balance	78,614,343.25	78,614,343.25
2. Increase in the current year	15,137,245.33	15,137,245.33
(1) Provision	15,137,245.33	15,137,245.33
3. Decrease in the current year	12,263,186.83	12,263,186.83
(1) Disposal	12,263,186.83	12,263,186.83
4. Exchange difference	156,817.99	156,817.99
5. Closing balance	81,645,219.74	81,645,219.74
III. Provision for impairment		
IV. Book value		
1. Closing book value	15,330,375.66	15,330,375.66
2. Opening book value	23,023,154.19	23,023,154.19

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

16. Right-of-use assets (Continued)

- (2) At the end of the Reporting Period, there was no sign of impairment on the right-of-use assets, thus there was no provision for such impairment.

17. Intangible assets

(1) Breakdown of intangible assets

Item	Software	Customer relations	Total
I. Book cost			
1. Opening balance	7,790,727.02	6,100,000.00	13,890,727.02
2. Increase in the current period	687,093.01		687,093.01
(1) Purchase	687,093.01		687,093.01
3. Decrease in the current period			
(1) Disposal or scrap			
4. Exchange difference	14,369.67		14,369.67
5. Closing balance	8,492,189.70	6,100,000.00	14,592,189.70
II. Cumulative amortisation			
1. Opening balance	7,246,995.02	6,100,000.00	13,346,995.02
2. Increase in the current year	171,773.27		171,773.27
(1) Provision	171,773.27		171,773.27
3. Decrease in the current year			
(1) Disposal or scrap			
4. Exchange difference	2,477.67		2,477.67
5. Closing balance	7,421,245.96	6,100,000.00	13,521,245.96
III. Provision for impairment			
IV. Book value			
1. Closing book value	1,070,943.74		1,070,943.74
2. Opening book value	543,732.00		543,732.00

- (2) At the end of the Reporting Period, there was no sign of impairment on the intangible assets, thus there was no provision for such impairment.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements *(Continued)*

18. Deferred income tax assets and deferred income tax liabilities

(1) *Deferred income tax assets not yet offset*

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Employee benefits payable	5,100,000.00	1,275,000.00	1,200,000.00	300,000.00
Credit impairment loss	465,133.39	116,283.35	10,619,346.70	2,590,417.46
Accrued expenses	165,888.33	41,472.08	367,367.61	91,841.90
Changes in the fair value of derivative financial instruments			4,738,944.24	1,184,736.06
Provision for decline in value of inventories	11,376,949.55	2,844,237.39		
Unrealized profit of internal transactions	43,709,129.72	10,927,282.43	54,069,408.60	13,517,352.15
Lease liabilities	14,312,470.68	3,578,117.67	20,667,289.56	5,166,822.39
Other	47,764,556.11	8,859,544.70	34,458,315.27	5,663,358.96
Total	122,894,127.78	27,641,937.62	126,120,671.98	28,514,528.92

(2) *Deferred income tax liabilities without offset*

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Changes in the fair value of investment properties	5,093,522.83	1,273,380.71	5,199,566.83	1,299,891.71
Changes in the fair value of financial assets/liabilities held for trading	17,329,385.19	4,332,346.30	4,777,178.24	1,194,294.56
Right-of-use assets	13,972,589.65	3,493,147.41	20,077,051.70	5,019,262.93
Changes in the fair value of derivative financial instruments	14,343,792.01	3,585,948.00		
Total	50,739,289.68	12,684,822.42	30,053,796.77	7,513,449.20

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

18. Deferred income tax assets and deferred income tax liabilities

(3) Net deferred income tax assets or liabilities after offsetting

Item	Closing amount of deferred income tax assets and liabilities after offsetting	Closing balance of deferred income tax assets or liabilities after offsetting	Opening amount of deferred income tax assets and liabilities after offsetting	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred tax assets	-9,292,352.77	18,349,584.85	-7,513,449.20	21,001,079.72
Deferred income tax liabilities	-9,292,352.77	3,392,469.65	-7,513,449.20	

(4) Breakdown of unrecognised deferred income tax assets

Item	Closing amount	Opening amount
Provision for impairment of goodwill	53,167,251.21	53,167,251.21
Deductible losses	60,416,340.89	63,835,966.39
Total	113,583,592.10	117,003,217.60

(5) The deductible loss of unrecognised deferred income tax assets will be due in the following years

Under the current tax law, Holly International Financial's deductible losses may be carried forward indefinitely from the year in which they are incurred for tax deduction purposes.

19. Other assets

(1) Breakdown

Item	Closing balance	Opening balance
Advance payments	12,396,591.16	11,123,235.91
Prepaid expenses	5,765,679.02	6,614,928.65
Taxes to be refunded, deducted and settled	63,966,816.41	12,463,648.38
Overseas futures exchange deposit	1,692,376.85	1,517,404.28
Total	83,821,463.44	31,719,217.22

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

20. Short-term borrowings

(1) Category of short-term borrowings

Item	Closing balance	Opening balance
Principal amount of credit borrowings	29,000,000.00	49,735,200.00
Accrued interest	18,850.00	47,662.90
Total	29,018,850.00	49,782,862.90

21. Currency deposits payable

(1) By customer category

Customer category	Closing balance		Opening balance	
	QTY	Amount	QTY	Amount
Natural persons	98,063	3,820,942,886.69	94,185	3,779,072,587.27
Legal persons	3,747	4,991,729,292.74	3,607	3,000,208,526.58
Total	101,810	8,812,672,179.43	97,792	6,779,281,113.85

(2) By exchange

Exchange	Closing balance		Opening balance	
	QTY	Amount	QTY	Amount
Domestic futures exchanges				
Including: Shanghai Futures Exchange	2,563	921,148,336.20	2,316	716,472,501.67
Dalian Commodity Exchange	3,462	430,264,231.10	3,285	439,328,269.02
China Financial Futures Exchange	675	638,340,183.90	568	728,095,615.82
Zhengzhou Commodity Exchange	3,216	356,517,463.70	2,897	330,809,289.75
Shanghai International Energy Exchange	233	39,166,334.70	290	39,224,954.20
China Securities Depository and Clearing Corporation Limited	16	2,685,210.10	9	7,207,033.66
Guangzhou Futures Exchange	467	64,292,330.10	308	39,985,190.50
Subtotal	10,632	2,452,414,089.80	9,673	2,301,122,854.62
Overseas futures brokers	5,081	464,941,146.98	4,861	507,857,510.15
Total	15,713	2,917,355,236.78	14,534	2,808,980,364.77

Note: The customer margins stated by exchange shall not include the customer margins deposited in bank accounts or the settlement reserves deposited at the exchanges.

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

V. Notes to the Financial Statements (Continued)

22. Pledged deposits payable

(1) By customer category

Customer category	Closing balance		Opening balance	
	QTY	Amount	QTY	Amount
Legal persons	3	26,216,168.00	1	61,590,912.00
Total	3	26,216,168.00	1	61,590,912.00

(2) By exchange

Exchange	Closing balance	Opening balance
Shanghai Futures Exchange	10,949,256.00	61,590,912.00
Dalian Commodity Exchange	512,304.00	
Zhengzhou Commodity Exchange	14,754,608.00	
Total	26,216,168.00	61,590,912.00

23. Financial liabilities held for trading

Item	Closing balance	Opening balance
Financial liabilities at fair value through profit or loss	7,912,762.09	61,534,340.24
Including: Accounts payable	7,912,762.09	61,534,340.24

For the financial liabilities at fair value through profit or loss, the changes of their fair values are listed below:

Item	Changes of fair value at the end of year	Cumulative changes of fair values due to changes of their own credit risks
Trade Payable	-87,572.36	Nil

At the end of Reporting Period, there was no difference between the book value of the financial liabilities measured at fair value through profit or loss and the amount payable to creditors under contract.

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

V. Notes to the Financial Statements (Continued)

24. Financial assets sold under repurchase agreements

(1) By business category

Item	Closing balance	Opening balance
Bonds	4,298,255.52	56,687,229.99
Total	4,298,255.52	56,687,229.99

(2) Security information

Item	Closing balance	Opening balance
Bonds	49,736,241.85	90,901,734.50
Total	49,736,241.85	90,901,734.50

25. Futures risk reserve

(1) Breakdown

Item	Opening balance	Current increase	Current decrease	Closing balance
Futures risk provision	169,222,360.19	7,524,365.16		176,746,725.35
Total	169,222,360.19	7,524,365.16		176,746,725.35

(2) Description of accrual method and ratio of futures risk provision

The futures risk provision is accrued at 5% of the parent company's net agency fee income and is included in the current period's profit or loss.

26. Futures investors protection funds payable

(1) Breakdown

Item	Opening balance	Current increase	Current decrease	Closing balance
Futures investors protection funds payable	310,592.85	427,837.33	310,299.81	428,130.37
Total	310,592.85	427,837.33	310,299.81	428,130.37

(2) Description of accrual method and ratio of payable to futures investors protection fund

According to the CSRC Decree No. 129: Decision to Modify the Interim Measures for the Administration of Futures Investor Safeguard Funds (dated 8 November 2016) (關於修改<期貨投資者保障基金管理暫行辦法>的決定), starting from 8 December 2016, the Company should make payment to this fund at a rate of six in 100 million of the broker transaction volume instead of six in 10 million.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

27. Employee benefits payable

(1) Employee compensation payable by category

Item	Opening balance	Current increase	Current decrease	Closing balance
Short-term compensation	2,303,860.56	163,704,671.79	159,204,383.53	6,804,148.82
Post-employment benefits-Defined Contribution Plan		24,319,819.10	24,293,854.94	25,964.16
Dismissal benefits		1,360,403.65	1,360,403.65	
Total	2,303,860.56	189,384,894.54	184,858,642.12	6,830,112.98

(2) Short-term compensation

Item	Opening balance	Current increase	Current decrease	Closing balance
Salary, bonus, subsidy and allowance	1,740,576.22	128,385,932.91	124,014,907.61	6,111,601.52
Workers' benefits	–	10,184,231.52	10,184,231.52	
Social insurance premiums	–	11,445,947.82	11,445,947.82	
Including: Medical insurance premiums	–	10,535,169.17	10,535,169.17	
Work injury insurance premiums	–	224,314.56	224,314.56	
Maternity insurance premiums	–	686,464.09	686,464.09	
Housing reserve fund	16,710.01	11,181,769.96	11,198,479.97	
Labour union funding and employee education funding	546,574.33	2,506,789.58	2,360,816.61	692,547.30
Total	2,303,860.56	163,704,671.79	159,204,383.53	6,804,148.82

(3) Defined Contribution Plan

Item	Opening balance	Current increase	Current decrease	Closing balance
Basic pension		17,088,967.48	17,063,003.32	25,964.16
Unemployment insurance		543,582.73	543,582.73	
Enterprise annuity contributions		6,687,268.89	6,687,268.89	
Total		24,319,819.10	24,293,854.94	25,964.16

The Group has contribution schemes only, mainly endowment insurance, annuity, and unemployment insurance, and the Group cannot use the endowment insurance and enterprise annuity deposited for employees, and the Company's employees can only receive their contributions to endowment insurance and enterprise annuity when they reach the retirement age stipulated by the state. Also, the Group does not apply defined benefit schemes (defined benefit schemes).

For each of the two financial years ended 31 December 2023 and 2024, there were no forfeited contributions under the Group's defined contribution schemes (represented by employees who left the schemes before the contributions were fully vested) available to the Group to reduce the existing level of contributions.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements *(Continued)*

28. Taxes payable

Item	Closing balance	Opening balance
Enterprise income tax	75,993.63	669,321.47
VAT	1,026,799.00	709,229.11
Taxes and surcharges	389,995.57	584,182.98
Withholding of personal income tax	421,267.37	91,863.69
Total	1,914,055.57	2,054,597.25

29. Bills payable

Type of bills	Closing balance	Opening balance
Banker's acceptance bills	237,954,486.22	
Total	237,954,486.22	

There was no matured but unpaid bills payable as of the end of the period.

30. Contract liabilities

Item	Closing balance	Opening balance
Receipts in advance		446,185.04
Total		446,185.04

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements *(Continued)*

31. Other payables

Item	Closing balance	Opening balance
Interest payable		
Dividend payable		
Other payables	489,672,703.56	183,508,959.48
Total	489,672,703.56	183,508,959.48

31.1 Other payables

Item	Closing balance	Opening balance
Margins payable	177,653,464.02	125,442,231.49
Construction payable	7,155,454.63	16,267,959.69
Amounts pending settlement of asset management plans	18,157,751.20	3,209,023.53
Risk guarantee payable	4,721,366.24	4,393,114.21
Auditor's fee payable	2,480,000.00	2,580,000.00
Amounts due to the Distributor Fund	10,025,003.14	111.86
Customers' equity payable	1,511,923.57	1,183,337.26
Warrant pledge payment payable	261,922,432.00	18,022,400.00
Others	6,045,308.76	12,410,781.44
Total	489,672,703.56	183,508,959.48

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements *(Continued)*

32. Long-term borrowings

(1) Category of long-term borrowings

Item	Closing balance	Opening balance
Principal amount of mortgage borrowings		60,984,050.00
Accrued interest		158,716.81
Total		61,142,766.81

(2) Profile of maturity dates of long-term borrowings

Type of borrowings	Closing balance	Opening balance
Mortgage borrowings		61,142,766.81
Total		61,142,766.81

The carrying amount of the aforementioned borrowings shall be repaid in the following periods:

Within one year		28,129,684.81
After one year from the balance sheet date but within two years		27,970,968.00
After two years from the balance sheet date but within five years		5,042,114.00
Total		61,142,766.81

33. Lease liabilities

Item	Closing balance	Opening balance
Within 1 year	10,432,579.90	14,911,256.81
1 to 2 years	3,664,751.26	7,326,887.35
2 to 5 years	1,577,079.64	1,415,020.81
Book value of lease liability	15,674,410.80	23,653,164.97

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

34. Share capital

Item	Opening balance	Change for the current year (+/-)				Subtotal	Closing balance
		New issue	Bonus issue	Provident fund conversion	Others		
Total shares	1,007,777,778.00				-	-	1,007,777,778.00

35. Capital reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Share premium	593,701,109.72			593,701,109.72
Others	4,701,890.00			4,701,890.00
Total	598,402,999.72			598,402,999.72

36. Other comprehensive income

Item	Amount incurred in the current year							
	Opening balance	Amount incurred before income tax for the year	Less:	Less:	Less: Income tax expense	Attributable to the parent after tax	Attributable to minority shareholders after tax	Closing balance
			Transfer from previous other comprehensive income to current profit or loss	Transfer from previous other comprehensive income to current retained earnings				
I. Other comprehensive income that cannot be reclassified into profit or loss		-283,607.36			70,901.84	-212,705.52		-212,705.52
Changes in fair value of Investment in other equity instruments		-283,607.36			70,901.84	-212,705.52		-212,705.52
II. Other comprehensive income to be reclassified into profit and loss	6,646,700.10	3,708,175.98			-5,209.02	3,702,966.96		10,349,667.16
Change in fair value of other debt investments		20,836.08			-5,209.02	15,627.06		15,627.06
Translation difference of foreign currency financial statements	6,646,700.10	3,687,339.90				3,687,339.90		10,334,040.00
Others								
Total other comprehensive income	6,646,700.10	3,424,568.62			65,692.82	3,490,261.44		10,136,961.54

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

37. Surplus reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Statutory surplus reserve	71,425,437.16	2,472,955.02		73,898,392.18
Total	71,425,437.16	2,472,955.02		73,898,392.18

38. General risk reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
General risk reserve	97,305,014.53	2,472,955.02		99,777,969.55
Total	97,305,014.53	2,472,955.02		99,777,969.55

39. Retained earnings

Item	Current year	Last year
Retained earnings at the end of the previous year before adjustment	65,935,375.99	60,537,412.94
Adjustments to total undistributed profits at the beginning of the year (+ for increase and – for decrease)		
Undistributed profits at the beginning of the year after adjustment	65,935,375.99	60,537,412.94
Add: Current net profit attributable to shareholders of parent company	29,826,197.50	7,791,496.31
Less: Statutory surplus reserve	2,472,955.02	1,196,766.63
Appropriation for general risk reserve	2,472,955.02	1,196,766.63
Dividend payable on ordinary shares	4,031,111.11	
Balance at the end of current year	86,784,552.34	65,935,375.99

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

40. Net handling fee and commission income

(1) Breakdown of net handling fee and commission income

Item	Amount incurred in the current year	Amount incurred in the last year
Net brokerage fee income	39,907,185.05	39,813,976.81
Exchange fee reduction deemed as income	133,412,015.37	157,229,593.33
Subtotal of net brokerage fee income	173,319,200.42	197,043,570.14
Income from asset management business	6,001,893.13	6,099,313.93
Total	179,321,093.55	203,142,884.07

(2) Net handling fee and commission income by business offices in administrative regions

Administrative regions	Amount incurred in the current year		Amount incurred in the last year	
	Number of branches	Net handling fee and commission income	Number of branches	Net handling fee and commission income
Jiangsu Province	19	133,814,373.73	22	162,067,938.68
Fujian Province	2	3,129,317.32	2	4,541,227.25
Shanghai	2	4,905,359.91	2	3,029,648.22
Zhejiang Province	2	3,813,414.53	2	4,667,945.66
Henan Province	1	2,920,852.19	1	1,926,138.18
Guangdong Province	2	1,882,461.67	3	1,536,304.23
Beijing	2	1,270,430.78	2	1,284,200.61
Hong Kong, China	1	10,215,552.88	1	7,751,586.22
Shandong Province	2	3,550,910.47	2	3,074,298.59
Shaanxi Province	1	2,822,217.66	1	2,070,682.46
Anhui Province	2	2,374,345.38	2	2,225,613.03
Liaoning Province	2	2,625,186.91	2	1,901,853.35
Guangxi Province	1	1,272,211.77	1	1,042,989.45
Hunan Province	1	1,565,985.16	1	1,243,894.79
Chongqing	1	1,853,625.78	1	3,485,416.41
Sichuan Province			1	157,080.96
Shanxi Province	1	1,130,979.91	1	679,029.86
Hainan Province	1	173,867.50	1	457,036.12
Total	43	179,321,093.55	48	203,142,884.07

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

41. Net interest income

Item	Amount incurred in the current year	Amount incurred in the last year
Interest income		
Including: Interest income from customer fund deposits	85,361,582.33	83,438,712.27
Interest income from own funds deposit	25,190,760.02	18,121,955.34
Interest income from repurchase agreements	1,340,171.81	1,286,583.75
Total interest income	111,892,514.16	102,847,251.36
Interest expense		
Including: Interest expense on sale and repurchase	535,694.39	1,247,828.44
Total interest expenses	535,694.39	1,247,828.44
Net interest income	111,356,819.77	101,599,422.92

42. Investment gains

(i) Investment gains breakdown

Item	Amount incurred in the current year	Amount incurred in the last year
Long term equity investment gains calculated with cost method		
Long term equity investment gains calculated with equity method	457,216.24	212.54
Including: Gains on investment in associates	457,216.24	212.54
Gains on investment in joint ventures		
Investment gains from disposal of long term equity investment		
Financial instrument investment gains	72,402,390.93	-26,380,375.26
Including: Grains on financial instrument during holding period	3,182,160.36	10,379,305.28
– Financial instrument held for trading	2,579,546.68	10,379,305.28
– Other debt investments	33,809.22	
– Investment in other equity instruments	568,804.46	
Proceeds from disposal	69,220,230.57	-36,759,680.54
– Derivative financial instruments	63,663,718.16	-15,872,937.62
– Financial instrument held for trading	5,392,258.35	-20,886,742.92
– Other debt investments	164,254.06	
Total	72,859,607.17	-26,380,162.72

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From 1 January 2024 to 31 December 2024

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

V. Notes to the Financial Statements (Continued)

42. Investment gains (Continued)

(2) Gains from investment in associates

Item	Amount incurred in the current year	Amount incurred in the last year
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	463,406.15	3,470.61
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	-6,189.91	-3,258.07
Total	457,216.24	212.54

(3) There is no significant restriction on repatriation of investment gains.

43. Other gains

Item	Amount incurred in the current year	Amount incurred in the last year
Government subsidies	1,003,936.94	445,288.93
Individual income tax refund	107,260.96	23,938.38
Total	1,111,197.90	469,227.31

(1) Government subsidies included in profit or loss for the year

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	1,679.00	Related to income	Office of Jiangsu Provincial People's Government	Implementation Opinions of the Provincial Government on Implementing Employment Priority Policies and Further Doing a Good Job of Stabilizing Employment (Su Zheng Fa [2020] No. 53)
Job stabilization subsidy	6,232.00	Related to income	Employment and Talent Service Center of Liaoning Province	Circular of Liaoning Province on Optimizing and Adjusting Policies and Measures for Stabilizing Employment Stabilization Policies to Further Promote Development, Benefit the People's Livelihood and Assist Revitalization (Liao Zheng Ban Fa No. [2023] 8)

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

43. Other incomes (Continued)

(1) Government subsidies included in profit or loss for the year (Continued)

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	4,071.46	Related to income	Department of Human Resources and Social Security of Fujian Province, Department of Finance of Fujian Province, Fujian Provincial Taxation Bureau of the State Administration of Taxation	Notice of the Fujian Province Department of Human Resources and Social Security and the Fujian Province Department of Finance Fujian Province State Administration of Taxation on the Implementation of the Policy of Assistance to Enterprises and Stabilization of Posts by Unemployment Insurance (Fujian Province Human Resource and Social Security Department, Fujian Province) (Min Ren She Wen [2024] No. 56)
Job stabilization subsidy	7,959.00	Related to income	Office of Jiangsu Provincial People's Government	Notice of Office of Jiangsu Provincial People's Government on Optimizing and Adjusting Employment Stabilization Policies and Measures for Promoting Development to Benefit Citizens (Su Zheng Ban Fa [2023] No. 33)
Job stabilization subsidy	5,170.64	Related to income	Department of Human Resources and Social Security of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration	Notice of the Department of Human Resources and Social Security of Guangxi Zhuang Autonomous Region, the Department of Finance of Guangxi Zhuang Autonomous Region and the Tax Bureau of Guangxi Zhuang Autonomous Region of the State Administration of Taxation on the Continuation of the Implementation of the Unemployment Insurance Assistance Stabilization Policy (Gui Ren She Fa [2024] No. 26)
Job stabilization subsidy	5,324.00	Related to income	Jincheng Municipal Human Resources and Social Security Bureau	Notice of the Department of Human Resources and Social Security of Shanxi Province, the Department of Finance of Shanxi Province and the State Administration of Taxation on Issues Relating to the Continued Implementation of the Policy of Unemployment Insurance in Support of Enterprises and Stabilization of Posts in the Province (Jin Ren She Ting Fa [2024] No. 28)

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V. Notes to Financial Statements (Continued)

43. Other incomes (Continued)

(1) Government subsidies included in profit or loss for the year (Continued)

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	5,818.98	Related to income	Department of Human Resources and Social Security of Jiangsu Province, Department of Finance of Jiangsu Province, Jiangsu Commission of Health, Bureau of Medical Security of Jiangsu Province, and Administrative Office of Jiangsu Province	Circular of the Provincial Department of Human Resources and Social Security, the Provincial Department of Finance, the Provincial Department of Health and Healthcare Commission, the Provincial Medical Security Bureau and the Provincial Administrative Office on Matters Relating to Corporate Social Insurance Subsidies during Maternity Leave (Su Ren She Fa [2022] No. 47)
Job stabilization subsidy	3,000.00	Related to income	Department of Human Resources and Social Security of Jiangsu Province, Jiangsu Education Department, Department of Finance of Jiangsu Province	Notice of the Provincial Department of Human Resources and Social Security, the Provincial Department of Education and the Provincial Department of Finance on the Continued Implementation of the One-time Expansion Subsidy Policy (Su Ren She Fa [2023] No. 42)
Job stabilization subsidy	10,669.56	Related to income	Department of Human Resources and Social Security of Hunan Province, Department of Finance of Hunan Province, Hunan Provincial Department of Finance, Hunan Healthcare Security Administration, Hunan Provincial Tax Service, State Taxation Administration	Notice of the Department of Human Resources and Social Security of Hunan Province, the Department of Finance Hunan Province, the Hunan Provincial Medical Security Bureau and the Hunan Provincial Tax Bureau of the State Administration of Taxation on Enhancing the Implementation of Unemployment Insurance to Support Enterprise Stability and Ensure the Livelihoods of Unemployed Workers (Xiang Ren She Gui [2024] No. 8)
Job stabilization subsidy	12,124.84	Related to income	Ministry of Human Resources and Social Security, MOF, State Taxation Administration	Circular of the Ministry of Human Resources and Social Security, Ministry of Finance, and State Taxation Administration on the Work of Stabilizing Jobs and Enhancing Skills to Prevent Unemployment (Ren She Bu Fa [2022] No. 23)

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements *(Continued)*

43. Other incomes *(Continued)*

(1) Government subsidies included in profit or loss for the year *(Continued)*

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	7,053.58	Related to income	Department of Human Resources and Social Security of Shandong Province, Department of Finance of Shandong Province, Shandong Provincial Tax Service, State Taxation Administration, Qingdao Tax Service, State Taxation Administration	Notice of Four Departments Including Department of Human Resources and Social Security of Shandong Province on Ensuring the Effective Implementation of Unemployment Insurance Policies to Support Enterprise Stability (Lu Ren She Fa [2024] No. 8)
Job stabilization subsidy	1,000.00	Related to income	Human Resources and Social Security Department of Guangdong Province	Administrative Procedures for Guangdong Province's Unemployment Insurance Job-Stabilization Refunds (Yue Ren She Gui [2024] No. 19)
Job stabilization subsidy	7,928.18	Related to income	Ministry of Human Resources and Social Security, MOF, State Taxation Administration	Notice of the Ministry of Human Resources and Social Security, MOF and the State Administration of Taxation on the Continued Implementation of the Policy of Unemployment Insurance to Assist Enterprises in Stabilizing Their Posts (Ren She Bu Fa [2024] No. 40)
Job stabilization subsidy	1,500.00	Related to income	Department of Human Resources and Social Security of Jiangsu Province	Circular of the Office of the Provincial Department of Human Resources and Social Security on Ensuring the Effective Implementation of the One-time Expansion Subsidy Policy Implementation Procedure (Su Ren She Ban Fa Han [2024] No. 97)
Job stabilization subsidy	246,923.00	Related to income	Department of Human Resources and Social Security of Jiangsu Province, Department of Finance of Jiangsu Province, Jiangsu Provincial Tax Service, State Taxation Administration	Notice of the Provincial Department of Human Resources and Social Security, the Provincial Department of Finance and the Tax Bureau of Jiangsu Province of the State Administration of Taxation on the Continued Implementation of the Policy of Assisting Enterprises and Stabilizing Their Posts through Unemployment Insurance (Su Ren She Fa [2024] No. 31)

Notes to the Financial Statements

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V. Notes to Financial Statements (Continued)

43. Other incomes (Continued)

(1) Government subsidies included in profit or loss for the year (Continued)

Subsidy	Amount	Related to assets/gains	Issuing authority	Approval document
Job stabilization subsidy	657,400.00	Related to income	Nanshan District People's Government of Shenzhen	Notice of the People's Government of Nanshan District of Shenzhen on the Printing and Issuance of the Measures for the Administration of Special Funds for Promoting High-Quality Development of Industries in Nanshan District and Other Policies for Supporting Industries (Shen Nan Fu Gui [2024] No. 2)
Job stabilization subsidy	20,082.70	Related to income	General Office of the Shanghai Municipal People's Government	Notice of the Office of Shanghai Municipal People's Government on the Printing and Issuance of the "Notice of Certain Policy Measures of Shanghai on Reducing the Burden of Enterprises and Supporting the Development of Small and Medium-sized Enterprises" (Hu Fu Ban Gui [2024] No. 4)
Total	1,003,936.94			

44. Gains from changes in fair value

Item	Amount incurred in the current year	Amount incurred in the last year
Financial assets held for trading	18,816,830.22	31,584,224.64
Investment properties	-106,044.00	152,394.00
Financial liabilities held for trading	538,183.08	-11,158,881.42
Derivative financial instruments	19,519,852.54	5,860,609.20
Total	38,768,821.84	26,438,346.42

45. Foreign exchange gains

Item	Amount incurred in the current year	Amount incurred in the last year
Foreign exchange gains	-308,589.19	302,679.87
Total	-308,589.19	302,679.87

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

46. Income from other business activities

Item	Amount incurred in the current year	Amount incurred in the last year
Spot sales revenue	2,464,560,107.63	1,632,227,241.38
Revenue of Insurance + Futures business	5,756,051.25	3,181,132.07
Leasing income	2,400,854.15	2,355,866.71
Total	2,472,717,013.03	1,637,764,240.16

47. Profit from disposal of assets

Item	Amount incurred in the current year	Amount incurred in the last year
Gain on disposal of fixed assets	-40,341.09	-118,519.94
Total	-40,341.09	-118,519.94

48. Futures risk reserve expenses

Item	Amount incurred in the current year	Amount incurred in the last year
Provision for futures risk reserve	7,524,365.16	8,370,982.49
Total	7,524,365.16	8,370,982.49

49. Taxes and surcharges

Item	Amount incurred in the current year	Amount incurred in the last year
City maintenance and construction tax	331,928.03	304,332.35
Educational surcharges	142,208.64	129,665.02
Local education surcharges	94,805.82	86,443.35
Property tax	1,994,388.42	2,397,617.26
Other	1,512,009.80	875,871.45
Total	4,075,340.71	3,793,929.43

Notes to the Financial Statements

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V. Notes to Financial Statements (Continued)

50. Operating and management expenses

Item	Amount incurred in the current year	Amount incurred in the last year
Staff benefits	187,701,669.38	181,712,365.97
Office expenses	42,831,015.31	38,861,416.48
Depreciation & amortization	34,280,158.06	33,758,765.43
Rent	7,237,618.63	5,721,320.87
Finance costs	6,016,106.96	6,428,668.48
Insurance, brokerage and consulting services fees	12,057,289.56	5,143,377.14
Including: Audit fee	1,301,886.79	1,396,226.42
Investor Protection Fund	403,447.44	292,868.29
Maintenance fees	3,864,576.62	6,035,853.97
R&D costs	1,761,496.15	2,045,984.26
Other	13,832,464.13	9,500,971.66
Total	309,985,842.24	289,501,592.55

51. Credit impairment loss

Item	Amount incurred in the current year	Amount incurred in the last year
Impairment loss on currency deposits receivable	-84,953.16	722,725.55
Bad debt loss on other receivables	-290,179.57	-240,147.85
Bad debt loss on advance to customers	-117,708.24	72,762.52
Total	-492,840.97	555,340.22

52. Other assets impairment loss

Item	Amount incurred in the current year	Amount incurred in the last year
Loss on decline in value of inventories	11,376,949.55	
Total	11,376,949.55	

53. Other operating cost

Item	Amount incurred in the current year	Amount incurred in the last year
Cost of sales of spot goods	2,502,571,512.91	1,631,287,874.94
Cost of Insurance + Futures business	6,101,633.14	3,158,419.43
Total	2,508,673,146.05	1,634,446,294.37

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

54. Non-operating income

(1) Breakdown of non-operating income

Item	Amount incurred in the current year	Amount incurred in the last year	Amount included in non-recurring profit or loss for the year
Government subsidy	2,000,000.00	3,000,000.00	2,000,000.00
Exchange subsidy	931,981.12	810,849.06	931,981.12
Liquidated damages	1,716,248.39		1,716,248.39
Others	171,759.19	507,558.02	171,759.19
Total	4,819,988.70	4,318,407.08	4,819,988.70

(2) Government subsidies included in profit or loss for the year

Subsidy	Issuing authority	Reason for issuing the subsidies	Nature	Whether the subsidy affects the profit or loss for the year	Whether it is a special subsidy	Amount incurred in the current year	Amount incurred in the last year	Related to assets/income
Preliminary subsidies	Jianye District Financial Supervisory Authority	Interim Measures on Supporting High-Quality Development of Financial Industries and Capital Markets in Jianye District	Preliminary subsidies	Yes	No	2,000,000.00	3,000,000.00	Related to income
Total						2,000,000.00	3,000,000.00	

55. Non-operating expenses

Item	Amount incurred in the current year	Amount incurred in the last year	Amount included in non-recurring profit or loss for the year
Late payment expenses	97,710.23		97,710.23
Litigation compensation expenses	388,744.00	171,381.00	388,744.00
Others	687,402.43	224,952.90	687,402.43
Total	1,173,856.66	396,333.90	1,173,856.66

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

56. Income tax expense

(1) Breakdown of income tax expense

Item	Amount incurred in the current year	Amount incurred in the last year
Current income tax expense	2,225,066.65	6,967,739.49
Deferred income tax expense	6,237,688.13	-4,287,183.59
Total	8,462,754.78	2,680,555.90

(2) Accounting profit and income tax expense adjustments

Item	Amount incurred in the current year
Total profit of the current period	38,288,952.28
Income tax expense calculated at the statutory/applicable tax rate	9,572,238.07
Impact of different tax rates applied to subsidiaries	-442,034.72
Impact of accelerated deduction on R&D expenses	-440,374.04
Impact of non-taxable income	-398,428.13
Impact of non-deductible costs, expenses and losses	745,296.95
Effect of unrecognized deductible losses on deferred income tax assets in prior periods of use	-573,943.35
Income tax expense	8,462,754.78

57. Additional information on cash flow statement

(1) Cash related to operating activities

1) Other cash received related to operating activities

Item	Amount incurred in the current year	Amount incurred in the last year
Securities settlement or redemption payments received	5,677,164.60	
Pending settlement payments received	48,329,039.27	53,590,528.84
Standard warrant pledge received	243,900,032.00	18,022,400.00
Margin and commission received	229,776,354.78	104,479,372.08
Non-operating income and other income	5,931,186.60	4,787,634.39
Other	31,573,984.06	3,960,112.13
Total	565,187,761.31	184,840,047.44

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

57. Additional information on cash flow statement (Continued)

(1) Cash related to operating activities (Continued)

2) Cash paid for other operating activities

Item	Amount incurred in the current year	Amount incurred in the last year
Funds paid by other holders of structured entity	53,083,395.07	36,069,942.55
Payment of amount to be settled	4,176,714.04	48,495,377.95
Margin and commission paid	172,107,045.69	34,795,894.85
Litigation compensation	388,744.00	171,381.00
Other	30,205,085.08	26,732,633.20
Total	259,960,983.88	146,265,229.55

(2) Cash related to investing activities

1) Material cash received related to investing activities

Item	Amount incurred in the current year	Amount incurred in the last year
Treasury bond reverse repurchase	16,342,727,000.00	11,328,887,000.00
Total	16,342,727,000.00	11,328,887,000.00

2) Material cash paid related to investing activities

Item	Amount incurred in the current year	Amount incurred in the last year
Treasury bond reverse repurchase	16,490,545,000.00	11,859,351,000.00
Total	16,490,545,000.00	11,859,351,000.00

(3) Cash related to financing activities

1) Other cash paid related to financing activities

Item	Amount incurred in the current year	Amount incurred in the last year
Expenses related to financing		1,849,056.60
Total		1,849,056.60

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

58. Additional information on cash flow statement

(1) Additional information on cash flow statement

Item	Amount incurred in the current year	Amount incurred in the last year
1. Adjustment of net profit to cash flow from operating activities:		
Net profit	29,826,197.50	7,791,496.31
Add: Impairment loss on assets	11,376,949.55	
Credit impairment loss	-492,840.97	555,340.22
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	18,971,139.46	18,353,069.58
Depreciation of right-of-use assets	15,137,245.33	15,405,695.85
Amortization of intangible assets	171,773.27	
Amortization of long-term deferred expenses		
Loss ("-" for gain) from disposal of fixed assets, intangible assets and other long term assets	40,341.09	118,519.94
Fixed assets scrap loss ("-" for gain)		
Loss ("-" for gain) from changes in fair value	-19,248,969.30	-20,577,737.22
Financial expense ("-" for income)	3,174,880.61	5,740,652.60
Exchange losses ("-" for income)	308,589.19	-302,679.87
Investment loss ("-" for gain)	-9,195,889.01	4,821,007.84
Decrease ("-" for increase) of deferred income tax assets	2,651,494.87	-4,287,183.59
Increase ("-" for decrease) of deferred income tax liabilities	3,392,469.65	
Decrease ("-" for increase) of inventories	-356,984,826.79	-64,018,473.68
Decrease ("-" for increase) of operating receivables	174,216,569.99	-414,520,735.15
Increase ("-" for decrease) of operating payables	2,468,016,157.41	-1,174,562,071.76
Net interest income	-804,477.42	-38,755.31
Futures risk reserve expenses	7,524,365.16	8,370,982.49
Others		
Net cash flow from operating activities	2,348,081,169.59	-1,617,150,871.75
2. Major investment and financing activities that do not involve cash receipts and expenditures:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Finance lease fixed assets		
3. Net changes in cash and cash equivalents:		
Cash balance at the end of period	7,036,460,835.63	4,812,444,833.69
Less: Cash balance at the beginning of period	4,812,444,833.69	6,316,445,892.54
Add: Cash equivalent balance at the end of period		
Less: Cash equivalent balance at the beginning of period		
Net increase of cash and cash equivalents	2,224,016,001.94	-1,504,001,058.85

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

58. Additional information on cash flow statement (Continued)

(2) Cash and cash equivalents

Item	Amount incurred in the current year	Amount incurred in the last year
Cash		
Including: Cash on hand		
Bank deposit immediately available	7,021,676,172.13	4,798,463,612.21
Other Monetary funds immediately available	14,784,663.50	13,981,221.48
Cash equivalents		
Closing balance of cash and cash equivalents	7,036,460,835.63	4,812,444,833.69

(3) Monetary funds that are not cash and cash equivalents

Item	Amount for the year	Amount for previous year	Reasons not belonging to cash and cash equivalents
Monetary funds	150,216,457.93	3,327,231.85	Restricted in use
Monetary funds	22,126,815.65	25,051,648.79	Accrued interest on Monetary funds
Total	172,343,273.58	28,378,880.64	—

59. Assets with restricted ownership or use rights

Item	At the end of the year			
	Closing balance	Book value	Type of restriction	Restriction status
Monetary funds	17,018,809.77	17,018,809.77	Frozen	Product Fund Raising Account
Monetary funds	133,197,648.16	133,197,648.16	Frozen	Note Margin
Financial assets held for trading	49,736,241.85	49,736,241.85	Pledge	Pledge for sale and repurchase
Total	199,952,699.78	199,952,699.78	—	—

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

V. Notes to Financial Statements (Continued)

59. Assets with restricted ownership or use rights (Continued)

Item	At the beginning of the year		Type of restriction	Restriction status
	Closing balance	Book value		
Monetary funds	3,327,231.85	3,327,231.85	Frozen	Product Fund Raising Account
Financial assets held for trading	90,901,734.50	90,901,734.50	Pledge	Pledge for sale and repurchase
Fixed assets	274,678,954.40	263,320,732.12	Mortgage	Mortgage of long-term borrowings
Investment properties	48,573,122.00	48,573,122.00	Mortgage	Mortgage of long-term borrowings
Total	417,481,042.75	406,122,820.47	–	–

60. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Foreign currency balance at the end of the year	Exchange rate	Year-end balance in RMB equivalent
Monetary funds			
Including: USD	26,526,191.99	7.1884	190,680,878.50
HKD	119,934,891.92	0.92604	111,064,507.31
JPY	1.00	0.046233	0.05
Financing capital			
Including: HKD	3,820,403.42	0.92604	3,537,846.38
Currency deposits receivable			
Including: HKD	294,913,705.56	0.92604	273,101,887.90

(2) Important overseas business entity

Name of entity	Principal place of business	Accounting currency	Basis for selection of accounting currency
Holly International Financial Holdings Limited (弘業國際金融控股有限公司)	Hong Kong	HKD	Local currency

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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V. Notes to Financial Statements *(Continued)*

61. Lease

(1) The Group as lessee

Item	Amount incurred in the current year	Amount incurred in the last year
Interest expense on lease liabilities	2,423,100.97	1,297,236.79
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	7,237,618.63	5,721,320.87
Lease expenses relating to low value asset accounted for current profit or loss under the simplified approach (other than short-term leases)		
Variable lease payments that are not included in the measurement of the lease liabilities		
Including: Portion arising from sale-and-leaseback transactions		
Income from subletting of right-to-use assets		
Total cash outflows relating to leases	16,043,796.07	16,066,598.85
Relevant profit or loss arising from sale-and-leaseback transactions		
Cash inflows from leaseback transactions		
Cash outflows from leaseback transactions		

(2) The Group as lessor

1) Operating leases where the Group is a lessor

Item	Leasing income	Including: Income related to variable lease payments not included in lease receipts
Lease housing	2,400,854.15	
Total	2,400,854.15	

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

VI. Research and development expenditure

Item	Amount incurred in the current year	Amount incurred in the last year
Direct investment	78,270.99	826,338.34
Staff cost	1,683,225.16	1,219,645.92
Total	1,761,496.15	2,045,984.26
Including: Expensed research and development expenditure	1,761,496.15	2,045,984.26
Capitalised research and development expenditure		

VII. Changes in the Scope of the Consolidated Statements

(I) Business combination not under the same control

In 2024, the Group had no subsidiary acquired through business combination not under the same control.

(II) Business combination under the same control

In 2024, the Group had no subsidiary acquired through business combination under the same control.

(III) Reverse takeover

In 2024, the Group had no subsidiary acquired through reverse takeover.

(IV) Disposal of subsidiary

In 2024, the Group had no disposal of subsidiary.

(V) Changes in the scope of consolidation for other reasons

1. New subsidiary

In 2024, there was no new subsidiary or entity to be consolidated.

2. Reduction of subsidiaries by deregistration or otherwise

In 2024, there was no reduction of subsidiaries by deregistration or other means.

3. Structured entities

During the year 2024, the Group consolidated one additional structured entity, namely the “Holly Flexible Allocation Ruijin Multi-Strategy Single Asset Management Plann (弘業靈活配置銳進多策略單一資產管理計劃)”, however, such consolidation did not have significant impact on the financial conditions, operating results and cash flow of the Group for the year 2024.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

VIII. Interests in Other Entities

(I) Interests in subsidiaries

1. Members of the Group

(1) Subsidiaries

Subsidiary name	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding %		Reason
					Direct	Indirect	
Holly Capital Management Co., Ltd. (弘業資本管理有限公司) ^{note}	RMB500 million	Nanjing	Shenzhen	Commodity trading and risk management	100%		Establishment
Holly International Financial Holdings Limited (弘業國際金融控股有限公司)	HKD240 million	Hong Kong	Hong Kong	Futures brokerage	100%		Business combination under common control
Holly International Asset Management Company Limited (弘業國際資產管理有限公司)	HKD20 million	Hong Kong	Hong Kong	Assets management		100%	Establishment
Holly International Fund Series SPC (弘業國際基金系列 SPC)	USD1	Hong Kong	Cayman	Fund investment		100%	Establishment
Holly International Fixed Income Fund (弘業國際固定收益基金)	USD100	Hong Kong	Cayman	Fund investment		100%	Establishment

Note: A domestic enterprise registered under the laws of the PRC.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

VIII. Interests in Other Entities (Continued)

(I) Interests in subsidiaries (Continued)

1. Members of the Group (Continued)

(2) Structured entities

Under the Accounting Standards for Business Enterprises (“ASBE”) No. 33: Consolidated Financial Statements, the Group regards itself as the manager of structured entities, or as the main responsible person for the structured entities, and the Group will include the structured entities where the Group participates with its own funds, which fall in the definition of “control” in the updated ASBE, into the scope of the consolidated statements.

On 31 December 2024, the net assets managed under the consolidated asset management plans and fund amounted to RMB91,554,804.94, and meanwhile, the book value of the Group’s interests in the consolidated asset management plans reached RMB83,642,042.85, which was recognised in “financial assets held for trading”, “Monetary funds”, “other receivables” and “other payables” in the financial report.

Structured entity name	Type	The Group's actual capital contribution at the end of period
Holly Volatility Gain Phase I Collective Asset Management Plan (弘業波動增益1期集合資產管理計劃)	Asset management plan	RMB2,000,000
Holly Hongsheng FOF2301 Single Asset Management Plan (弘業弘升FOF2301單一資產管理計劃)	Asset management plan	RMB22,000,000
Holly Flexible Allocation Ruijin Multi-Strategy Single Asset Management Plan (弘業靈活配置銳進多策略單一資產管理計劃)	Asset management plan	RMB4,980,000
Holly International Fixed Income Fund (弘業國際固定收益基金)	Fund	USD3,441,472.79
Soho Overseas Fixed Income Fund (蘇豪海外固收基金)	Fund	USD2,181,731.48
Holly International Global Opportunity Fund SP (弘業國際環球機遇基金 SP)	Fund	USD5,752,455.62

- The Group had no significant non-wholly owned subsidiary.
- There is no financial or other support provided by the Group to structured entities included in the scope of the consolidated financial statements.
- There was no change in the Group’s share of ownership interests in subsidiaries in which the Group still controlled the subsidiaries.
- As at 31 December 2024, no subsidiaries of the Company issued share capital or debt securities.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

VIII. Interests in Other Entities *(Continued)*

(II) Interests in joint ventures or associates

1. Important associates

Associate	Principal place of business	Place of registration	Business nature	Shareholding%		Accounting method for investments in associates
				Direct	Indirect	
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	Jiangsu	Jiangsu	Risk investment etc.	22.00		Equity method
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	Jiangsu	Jiangsu	Risk investment etc.	9.901		Equity method

Note: Within the Reporting Period, the Group and the Company held 9.901% equity of Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司) ("Hongrui Growth"). According to Hongrui Growth's Articles of Association, the Group and the Company would appoint a member of Board of Directors. The Group and the Company would impose significant influence on the invested company through participation in its production or operating decisions; Accordingly, Hongrui Growth is included in the financial statements of the Group and the Company as an associate.

2. Financial highlights of key associates

Item	Closing balance/Amount incurred in the current year		Opening balance/Amount incurred in the last year	
	Hongrui New Era	Hongrui Growth	Hongrui New Era	Hongrui Growth
Current assets	28,043,744.09	263,528.54	25,914,946.26	325,422.78
Non-current assets	1,854,866.79	22,000,000.00	1,854,866.79	22,000,000.00
Total assets	29,898,610.88	22,263,528.54	27,769,813.05	22,325,422.78
Current liabilities	22,406.24	678,533.61	6,487.97	677,939.56
Non-current liabilities				
Total liabilities	22,406.24	678,533.61	6,487.97	677,939.56
Net profit	2,106,391.59	-62,518.00	15,775.51	-32,906.50
Total comprehensive income	2,106,391.59	-62,518.00	15,775.51	-33,322.68

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

VIII. Interests in Other Entities *(Continued)*

(II) Interests in joint ventures or associates

3. Summary of insignificant associates

Nil

4. Joint ventures or associates were not restricted to transfer funds into the Company.
5. There was no excessive loss incurred by any joint venture or associate of the Group.
6. The Group had no unrecognised commitment related to investment in joint ventures.
7. The Group had no contingent liability related to investment in joint ventures or associates.

(III) Structured entities not included in the scope of consolidated financial statements

On 31 December 2024, the net assets of structured entities established by the Group but not included into the consolidated financial statements amounted to RMB16,100,019,734.82.

The Group has interests in the structured entities sponsored by third party institutions through directly holding investments. The assets and liabilities items in the consolidated balance sheet of the Group relating to the interests of the Group in the structured entities sponsored by third party institutions through directly holding investments and their carrying amounts/maximum risk exposure are as follows:

Item	Closing balance	Opening balance
	Financial assets held for trading	Financial assets held for trading
Funds	61,559,879.34	97,819,772.63
Trust schemes	11,701,713.77	80,874,791.75
Asset management plans	87,109,128.31	84,240,236.50
Total	160,370,721.42	262,934,800.88

As at the end of the Reporting Period, the Group's maximum risk exposure arising from investments in the aforesaid funds, trust schemes, asset management plans and wealth management products was their fair value at the reporting date.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

IX. Government Grants

1. Government grants recognized at the end of the year on the basis of amounts receivable

Nil

2. Liabilities involving government grants

Nil

3. Government grants recognized in profit or loss

Item	Amount incurred in the current year	Amount incurred in the last year
Other gains	1,003,936.94	445,288.93
Non-operating income	2,000,000.00	3,000,000.00

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management

The objectives of the Group's risk management are to seek appropriate balance between the risks and returns, and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate and acceptable risk limits and design corresponding internal control procedures, and to monitor risks. The Group regularly reviews risk management policies and the relevant internal control systems to cope with the changes in market conditions or the Group's operating activities.

(I) Market Risk

1. Foreign currency risk

As the Group's business is mainly concentrated in Mainland China and settled in Renminbi, the Group is not subject to any material foreign currency risk save for the bank deposits denominated in Hong Kong dollars resulting from the issuance of shares. The currencies giving rise to foreign currency risk are primarily Hong Kong dollars and United States dollars. As the majority of the proceeds from issue of shares had been converted into Renminbi during the Reporting Period and not much business of the Group is denominated in United States dollars, the Group's exposure to foreign currency risk is low.

- (1) For presentation purposes, the amounts of the exposure are denominated in Renminbi, translated using the spot exchange rate at the balance sheet date. Differences resulting from the translation of foreign currency financial statements are excluded. The Group's exposure to foreign currency risk for assets and liabilities as at the end of the year is as follows:

Item	31 December 2024		31 December 2023	
	Balance in foreign currency	Balance in RMB equivalent	Balance in foreign currency	Balance in RMB equivalent
Monetary funds				
HKD	6,707,006.97	6,210,956.73	6,693,271.24	6,065,576.26
USD	44,683.12	321,200.17	44,659.22	316,307.86

- (2) Analysis on the exchange rates for Renminbi against foreign currencies applied by the Group

Item	Average rates		Reporting date mid-spot rate	
	2024	2023	31 December 2024	31 December 2023
HKD	0.91275	0.90018	0.92604	0.90622
USD	7.12168	7.0467	7.1884	7.0827

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From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

1. Foreign currency risk *(Continued)*

(3) Sensitivity analysis

Assuming all other risk variables remained constant (except for foreign exchange rate), a 10% strengthening of the Renminbi against the Hong Kong dollars and United States dollars at the end of the year would have decreased the Group's shareholders' equity and net profit by the amount shown below, Whose effect was in Renminbi and translated using the spot rate at the balance sheet date:

Item	31 December 2024	31 December 2023
Net profit and shareholders' equity		
Items denominated in HKD	-465,821.75	-454,918.22
Items denominated in USD	-24,090.01	-23,723.09

A 10% weakening of the Renminbi against Hong Kong dollars and United States dollars would have had the equal but opposite effect to the Group's shareholders' equity and net profit by the amounts shown above, on the basis that all other variables remained constant.

The table above shows the immediate impacts of the changes in exchange rates on the net profit and shareholders' equity of the Group had the HKD and USD amounts been converted into RMB as at the end of the Reporting Period.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group or the Company which exposed the Group to foreign currency risk at the balance sheet date. The analysis above excludes differences that would result from the translation of foreign currency financial statements. The analysis is performed on the same basis using identical methods for previous periods.

2. Interest rate risk

Interest-bearing financial instruments at fixed rates and at floating rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to maintain an appropriate mix of fixed and floating rate instruments. The Group does not use derivative financial instruments to hedge interest rate risk.

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

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

2. Interest rate risk *(Continued)*

(1) Interest-bearing financial instruments held by the Group at the end of year

Item	31 December 2024		31 December 2023	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial instruments at fixed interest rate				
Financial assets				
Monetary funds				
Including: Futures margin	1.89%–3.00%	3,228,520,800.00	2.37%–5.54%	3,061,534,211.14
Own funds	1.75%–3.65%	86,988,874.81	4.37%–4.58%	9,256,228.46
Other monetary funds	1.50%–1.75%	133,197,648.16		
Currency deposits receivable and pledged deposits receivable	1.66%	375,898,065.17	1.50–1.66%	628,053,489.55
Financial assets held under resale agreements	1.78%	96,252,523.09	3.13%	1,948,419.75
Financial assets held for trading				
Including: Bonds held for trading	3.19%–3.59%	48,086,621.93	2.9%–6.4%	154,626,006.13
Trust schemes	6.1%–6.7%	11,701,713.77	4.55%–7.00%	66,138,791.75
Other debt investments	4.17%	8,824,536.85		
Financial liabilities				
Short-term borrowings	2.6%–3.45%	29,000,000.00	3.45%	49,735,200.00
Financial assets sold under repurchase agreements	2.17%	4,298,255.52	5.49%–5.65%	56,640,229.46
Long-term borrowings			4.50%	60,984,050.00
Net amount		3,956,172,528.26		3,754,197,667.32
Floating rate financial instruments				
Financial assets				
Monetary funds				
Including: Futures margin	0.001%–1.50%	3,549,635,767.10	0.001%–3.50%	1,365,211,491.57
Own funds	0.001%–0.35%	173,549,539.99	0.001%–1.70%	365,788,912.90
Other Monetary funds	0.35%	14,773,586.54	0.35%	13,981,221.48
Net amount		3,737,958,893.63		1,744,981,625.95

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

2. Interest rate risk *(Continued)*

(2) Sensitivity analysis

① Fair value sensitivity analysis for fixed rate financial instruments

As of 31 December 2024, with all other variables held constant, an increase in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB27,063,658.47; and a decrease in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB27,032,246.03.

As of 31 December 2023, with all other variables held constant, an increase in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB19,257,090.83; and a decrease in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB19,056,177.16.

② Cash flow sensitivity analysis for floating rate financial instruments

As of 31 December 2024, with all other variables held constant, an increase in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB27,853,292.30; and a decrease in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB25,610,781.41.

As of 31 December 2023, with all other variables held constant, an increase in interest rate of 100 basis points would have increased the shareholders' equity and net profit of the Group by RMB13,087,362.19; and a decrease in interest rate of 100 basis points would have reduced the shareholders' equity and net profit of the Group by RMB6,630,833.03.

In respect of the cash flow interest rate risk arising from floating rate non-derivative instruments, which were held by the Group at the balance sheet date, the impact on the Group's net profit and shareholders' equity mentioned in the above sensitivity analysis was estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis using identical methods for previous years.

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From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

3. Other price risk

Other price risk refers to the risk that the fair value or future cash flows of equity financial instruments held by the Group will fluctuate due to changes in market price factors other than market interest rates and exchange rates. The Group mainly invests in stocks and funds listed on stock exchanges, and the maximum market price risk is determined by the fair value of the financial instruments held by the Group.

Sensitivity analysis

The following analysis shows the impacts of a 10% increase or decrease in the share price and commodity price on net profit and equity of the Group, with all other variables held constant.

Item	Net profit	
	31 December 2024	31 December 2023
Change in share price		
10% increase	540,557.28	1,012,233.76
10% decrease	-540,557.28	-1,012,233.76
Change in commodity price		
10% increase	480,806,316.70	728,494.35
10% decrease	-480,806,316.70	-728,494.35

Item	Shareholders' equity	
	31 December 2024	31 December 2023
Change in share price		
10% increase	540,557.28	1,012,233.76
10% decrease	-540,557.28	-1,012,233.76
Change in commodity price		
10% increase	480,806,316.70	728,494.35
10% decrease	-480,806,316.70	-728,494.35
Changes in the price of Real Estate		
Investment Trusts (REITs)		
10% increase	2,787,320.89	728,494.35
10% decrease	-2,787,320.89	-728,494.35

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

3. Other price risk *(Continued)*

Sensitivity analysis (Continued)

The sensitivity analysis indicates that, assuming there were changes in the stock market indexes, real estate investment trusts (REITs) and commodity futures markets as at the end of the relevant period which had been used to re-measure the aforesaid financial instruments held by the Group (which may cause the Group to be exposed to the risks from share and commodity price fluctuations as at the end of the relevant period), there may be temporary changes in the net profit and shareholders' equity of the Group. In addition, it is assumed that the fair values of the equity investments and hedging investments of the Group will change based on historical correlations among relevant stock market indexes, REITs and commodity futures prices, with all other variables held constant. The analysis for prior years was performed based on the same assumption and method.

(II) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to Monetary funds, currency deposits receivable, financial assets held under resale agreements, financial assets held for trading, derivative financial assets, other receivables and other assets. Exposure to these credit risks are monitored by management on an ongoing basis.

The maximum exposure of the Group to credit risk is represented by the carrying amount of each financial asset (including derivative financial instruments) in the balance sheet.

The Group's Monetary funds other than cash are mainly deposited with reputable financial institutions and therefore the Management considers that there are no material risks associated with the Monetary funds and the corresponding interest generated.

As to currency deposits receivable deposited with domestic exchanges and other financial institutions, the Group believes there is low level of credit risk because such financial institutions have good reputation and asset conditions.

As to currency deposits receivable deposited with overseas futures brokers, at the end of Reporting Period, the Group would prudently make provision for loss equivalent to the expected credit loss within the entire duration, by reference to historic credit loss experience, considering current situation and future economic forecasting.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management *(Continued)*

(II) Credit Risk *(Continued)*

As to accounts receivable and other receivables, the Group regularly would assess customers trading with credit. According to the assessment results, the Group would select to trade with recognised customers of good standing, and monitor the balance of accounts receivable and other receivables. As to accounts receivable and other receivables, at the end of Reporting Period, the Group would prudently calculate the expected credit loss and make provision for impairment by reference to historic credit loss experience, considering current situation and future economic forecasting, through the Exposure at Default (EAD) at the expected credit loss rate within future 12 months or within the entire duration. As to impaired accounts receivable, the Group would actively urge the debtors to pay by written notice or arbitration, and may make provision for loss equivalent to the expected credit loss within the entire duration after considering the recoverable amount.

As of 31 December 2024, the Group had no external guarantee. Therefore, regardless of the available collateral or other credit enhancements, the maximum credit risk exposure of the Group on the balance sheet date is the book value of the Group's financial assets less the corresponding provision for impairment. The Group's maximum credit risk exposure is listed as follows:

Item	31 December 2024	31 December 2023
Monetary funds	7,208,804,109.21	4,840,823,714.33
Currency deposits receivable	2,848,560,087.28	3,354,606,892.26
Pledged deposits receivable	288,138,600.00	79,613,312.00
Derivative financial assets	11,556,875.02	5,212,428.02
Financing capital	3,537,846.38	26,718,486.91
Financial assets held for trading	280,696,608.62	434,686,764.24
Financial assets held under resale agreements	96,252,523.09	1,948,419.75
Other receivables	12,644,472.25	32,744,189.68
Other debt investments	8,824,536.85	
Investment in other equity instruments	29,736,228.88	1,853,110.00
Total maximum risk exposure	10,788,751,887.58	8,778,207,317.19

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management *(Continued)*

(III) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds for a company to fulfill its obligation of settlement in cash or other financial assets. The Company and its subsidiaries are responsible for their own cash management, including short-term investment and borrowing to meet estimated cash requirements (Any borrowing above the preset upper limit of authority should be approved by the Company's Board of Directors). The Group's policy is to regularly monitor its liquidity requirements to ensure sufficient cash reserves to meet short-term and long-term liquidity requirements.

The remaining contract period of the Group's financial liabilities on the balance sheet date based on the undiscounted contractual cash flows (including interest calculated at the contract rate (if it is a floating rate, the current rate at the end of the year)), and the earliest date of required payment are as follows:

1. 31 December 2024

Item	Current	Within 1 year	1-5 years	Total	Balance Sheet Book value
Currency deposits payable	8,812,672,179.43			8,812,672,179.43	8,812,672,179.43
Pledged deposits payable	26,216,168.00			26,216,168.00	26,216,168.00
Futures investors protection funds payable		428,130.37		428,130.37	428,130.37
Short-term borrowings		29,018,850.00		29,018,850.00	29,018,850.00
Financial assets sold under repurchase agreements		4,298,255.52		4,298,255.52	4,298,255.52
Financial liabilities held for trading		7,912,762.09		7,912,762.09	7,912,762.09
Derivative financial liabilities		9,859,658.01		9,859,658.01	9,859,658.01
Bills payable		237,954,486.22		237,954,486.22	237,954,486.22
Other payables		489,672,703.56		489,672,703.56	489,672,703.56
Lease liabilities		10,870,482.60	5,406,593.69	16,277,076.29	15,674,410.80
Total	8,838,888,347.43	790,015,328.37	5,406,593.69	9,634,310,269.49	9,633,707,604.00

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From 1 January 2024 to 31 December 2024

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

X. Financial Instruments and Risk Management (Continued)

(III) Liquidity risk (Continued)

2. 31 December 2023

Item	Current	Within 1 year	1–5 years	Total	Balance Sheet Book value
Currency deposits payable	6,779,281,113.85			6,779,281,113.85	6,779,281,113.85
Pledged deposits payable	61,590,912.00			61,590,912.00	61,590,912.00
Futures investors protection funds payable		310,592.85		310,592.85	310,592.85
Short-term borrowings		49,782,862.90		49,782,862.90	49,782,862.90
Financial assets sold under repurchase agreements		56,687,229.99		56,687,229.99	56,687,229.99
Financial liabilities held for trading		61,534,340.24		61,534,340.24	61,534,340.24
Derivative financial liabilities		14,064,892.26		14,064,892.26	14,064,892.26
Employee benefits payable		2,303,860.56		2,303,860.56	2,303,860.56
Contract liabilities		446,185.04		446,185.04	446,185.04
Other payables		183,508,959.48		183,508,959.48	183,508,959.48
Lease liabilities		16,356,919.36	8,846,671.76	25,203,591.12	23,653,164.97
Long-term borrowings		30,213,751.38	33,876,868.13	64,090,619.51	61,142,766.81
Total	6,840,872,025.85	415,209,594.06	42,723,539.89	7,298,805,159.80	7,294,306,880.95

(IV) Operational risk

Operational risk refers to the risk of loss due to unreasonable internal process settings, employee operating errors or failure to strictly implement processes, IT system problems, and external events of a company. In response to operational risks, the Group established a compliant, applicable and clear daily operation system, designed strict business processes and authority division, improved the business system, adopted double reviews for important positions, reduced the probability of human negligence, and established a sound performance examination mechanism. At the same time, by establishing emergency plans, carrying out system testing, and strengthening the construction of emergency backup channels, the Group avoided the risks caused by errors in trading and risk control system. In addition, the Group strengthened internal training, continues to improve the professional capabilities of employees, and reduced the probability and possibility of pricing errors in product design and other aspects.

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From 1 January 2024 to 31 December 2024

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

XI. Fair Value Disclosure Management

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement

1. Year-end fair value of assets and liabilities measured at fair value

Item	Summary of Fair value at the end of the year			Total
	Fair value measurement within Level 1	Fair value measurement within Level 2	Fair value measurement within level 3	
I. Ongoing fair value measurement				
(I) Financial assets held for trading	55,294,052.33	210,427,649.58	14,974,906.71	280,696,608.62
1. Financial assets at fair value through profit or loss	55,294,052.33	210,427,649.58	14,974,906.71	280,696,608.62
(1) Debt instrument investment	48,086,621.93		11,701,713.77	59,788,335.70
(2) Equity instrument investment	7,207,430.40	210,427,649.58	3,273,192.94	220,908,272.92
(II) Derivative financial assets	19,460.00		11,537,415.02	11,556,875.02
(III) Investment properties		48,467,078.00		48,467,078.00
1. Buildings for rent		48,467,078.00		48,467,078.00
(IV) Other debt investments	8,824,536.85			8,824,536.85
(V) Investment in other equity instruments	27,873,208.88		1,863,020.00	29,736,228.88
Total assets measured at fair value on an ongoing basis	92,011,258.06	258,894,727.58	28,375,341.73	379,281,327.37
(IV) Financial liabilities held for trading			7,912,762.09	7,912,762.09
(V) Derivative financial liabilities	3,736,160.00		6,123,498.01	9,859,658.01
Total financial liabilities measured at fair value on an ongoing basis	3,736,160.00		14,036,260.10	17,772,420.10
II. Non-ongoing fair value measurement				
Total financial assets measured at fair value not on an ongoing basis				
Total financial liabilities measured at fair value not on an ongoing basis				

During the Reporting Period, there were no transfers between level 1 and level 2 or transfers into or out of level 3 for the Group. The Group's policy is to identify the actual level transfers between levels at the end of the reporting date.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

1. Year-end fair value of assets and liabilities measured at fair value *(Continued)*

(1) Level 1 fair value measurement

The fair value of a financial instrument traded in an active market is determined by its quoted price in the active market. The quoted price in the active market means a quoted price readily available from exchanges, securities companies, brokers, industry associations, pricing agencies and regulators which can represent the price of an actual fair market transaction.

(2) Level 2 fair value measurement

The fair value of a financial instrument not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the financial instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the financial instrument is included in level 3.

The valuation techniques for the financial instruments of the Group as at the end of the Reporting Period are as follows:

For listed equity securities, fair value is determined based on the closing price of the equity securities as at the end of the Reporting Period, within bid-ask spread. If there is no quoted market price as at the end of the Reporting Period and there have been significant changes in the economic environment after the most recent trading date, valuation techniques are used to determine the fair value.

For exchange-listed investment funds, fair value is determined based on the closing price within bid-ask spread as at the end of the Reporting Period or the most recent trading date. For unlisted open-end funds, fair value is determined by quoted price which is based on the net asset value as at the end of the Reporting Period.

For futures traded through over-the-counter market, fair value is determined using valuation techniques based on observable commodity futures market data with similar characteristics.

For open-market debt investments, fair value is determined using the price quoted in the valuation system of the relevant bonds registration and settlement institution, which adopts observable inputs reflecting market conditions in reaching quotes.

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

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

1. Year-end fair value of assets and liabilities measured at fair value *(Continued)*

(2) Level 2 fair value measurement *(Continued)*

For asset management plans for which there is no open market, fair value is determined through quoted net asset values based on the end date of the reporting period.

For investment property items where the fair value is available from the real estate market with examples of transactions comparable to the subject of the valuation and where earnings can be ascertained, the market approach or the income approach is used for valuation.

During the Reporting Period, there were no changes in the valuation techniques adopted in the aforesaid recurring level 2 fair value measurement of the Group.

(3) Level 3 fair value measurement

For level 3 financial instruments, the Group determines their values through the discounted cash flow model and other similar valuation techniques. Whether it is classified as level 3 valuation techniques is generally based on the importance of non-observable market data to the whole fair value measurement. The following table shows the relevant valuation techniques and parameters of the main level 3 financial instruments:

Financial instruments	Valuation technique	Significant unobservable inputs	Relationship between unobservable inputs and fair value
Asset management plans, trust schemes, wealth management products and assets-backed securities	Discounted cash flows	Risk-adjusted discount rate	The higher the risk-adjusted discount rate, the lower the fair value
Over-the-counter options	Bloomberg OVML function, Black-Scholes PDE, Clark Nielsen finite difference method for solving partial differential equations	Implied volatility	The higher the implied volatility, the higher the fair value
Financial liabilities held for trading Including: Payables designated as measured at fair value	Valuation of underlying financial instruments Contract allocation method	Contract allocation rate	The higher the contract allocation rate, the higher (for gain)/the lower (for loss) the fair value

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

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

1. Year-end fair value of assets and liabilities measured at fair value *(Continued)*

(3) Level 3 fair value measurement *(Continued)*

At the end of the Reporting Period, there were no changes in the valuation techniques for the fair values of the assets and liabilities of level 3 fair value measurement.

The reconciliation between the opening balance and closing balance of the assets and liabilities of recurring level 3 fair value measurement is as follows:

Item	Opening balance	Total gains or losses for the year Included in profit or loss	Purchase	Settlement and sale	Closing balance	For assets held and liabilities assumed at the end of the Period, unrealised gains or losses for the Period included in profit or loss
Financial assets						
Financial assets held for trading						
Including: Investments in						
debt instruments	66,138,791.75	-2,322,182.73	249,745.53	52,364,640.78	11,701,713.77	-342,715.84
Equity instrument						
investment	3,629,507.10	8,036,425.82	22,692.72	8,415,432.70	3,273,192.94	223,609.78
Investment in other equity						
instruments	1,853,110.00	9,910.00			1,863,020.00	
Derivative financial assets	5,205,890.52	6,331,524.50			11,537,415.02	11,556,875.02
Subtotal of financial assets	76,827,299.37	12,055,677.59	272,438.25	60,780,073.48	28,375,341.73	11,437,768.96
Financial liabilities						
Financial liabilities held for trading						
Including: Financial liabilities						
designated as at						
FVTPL	61,534,340.24	-538,183.08		53,083,395.07	7,912,762.09	-87,572.36
Derivative financial liabilities	10,381,524.76	-4,258,026.75			6,123,498.01	6,123,498.01
Subtotal of financial liabilities	71,915,865.00	-4,796,209.83		53,083,395.07	14,036,260.10	6,035,925.65
Net amount	4,911,434.37	16,851,887.42	272,438.25	7,696,678.41	14,339,081.63	5,401,843.31

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

XI. Fair Value Disclosure Management *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

2. Fair value of financial assets and financial liabilities not measured at fair value

The financial assets and financial liabilities not measured at fair value of the Group or the Company mainly include: Monetary funds, currency deposits receivable, pledged deposits receivable, financing capital, settlement deposits receivable, financial assets held under resale agreements, other receivables, currency deposits payable, pledged deposits payable, futures investors protection funds payable, trade payables and other payables. As at the end of the Reporting Period, there was no significant difference between the carrying amount and the fair value of the above financial assets and financial liabilities.

XII. Related Parties and Connected Transactions

(I) Relations with related parties

1. Controlling shareholder and ultimate controller

(1) Controlling shareholder and ultimate controller

Name of Parent Company	Place of registration	Business nature	Registered capital	Parent's shareholding percentage of the Company	Parent's shareholding voting power percentage of the Company	Ultimate controller of the Company
Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)	Jiangsu Province	Financial investment; industrial investment, operation and management of state-owned assets within the scope of authorization; international trade; housing leasing; production, research and development and sales of cocoon silk, textile and clothing	2,000,000,000.00	27.33%	27.33%	Jiangsu Provincial People's Government

(2) Changes in controlling shareholder's registered capital

Nil

2. Subsidiaries of the Company

Details of the Company's subsidiaries are set out in Notes "VII" and "VIII.(I)".

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

XII. Related Parties and Connected Transactions *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

3. Associates of the Company

For details of the Company's joint ventures and associates, see Note "VIII. (II)".

4. Other important related parties of the Company

Other related parties	Relation
Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)	Shareholder of the Group/Company
Soho Holly Corporation (蘇豪弘業股份有限公司)	Shareholder of the Group/Company
Jiangsu Holly Su Industrial Co., Ltd. (江蘇弘蘇實業有限公司)	Shareholder of the Group/Company
Jiangsu High Hope International Group Co., Ltd. (江蘇匯鴻國際集團股份有限公司)	Shareholder of the Group/Company
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	Controlled by the same ultimate holding company
Jiangsu Soho Digital Technology Co., Ltd. (江蘇蘇豪數字科技有限公司)	Controlled by the same ultimate holding company
Jiangsu Aitao Space Culture Technology Development Co., Ltd.* (江蘇愛濤空間文化科技發展有限公司)	Controlled by the same ultimate holding company
SOHO Culture Group Company Limited (蘇豪文化集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Artall Culture Group Co., Ltd. (江蘇蘇豪愛濤文化有限公司)	Controlled by the same ultimate holding company
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Controlled by the same ultimate holding company
Jiangsu Holly Environmental Technology Industrial Co., Ltd. (江蘇弘業環保科技產業有限公司)	Controlled by the same ultimate holding company
Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Assets Operation Group Co., Ltd. (江蘇蘇豪資產運營集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Health Industry Co., Ltd. (江蘇蘇豪健康產業有限公司)	Controlled by the same ultimate holding company
Jiangsu Holly International Engineering Co., Ltd. (江蘇弘業國際技術工程有限公司)	Controlled by the same ultimate holding company

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XII. Related Parties and Connected Transactions *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

4. Other important related parties of the Company *(Continued)*

Other related parties	Relation
Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司)	Controlled by the same ultimate holding company
Aitao Cultural (UK) Co., Ltd. (愛濤文化(英國)中心有限公司)	Controlled by the same ultimate holding company
Artall Culture Trade (Netherlands) Company Limited (愛濤文化貿易(荷蘭)有限公司)	Controlled by the same ultimate holding company
Jiangsu Holly International Logistics Corporation (江蘇弘業國際物流有限公司)	Controlled by the same ultimate holding company
Liaoning Litian New Material Co., Ltd. (遼寧麗天新材料有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)	Controlled by the same ultimate holding company
Jiangsu High Hope Wisdom Co., Ltd. (江蘇匯鴻匯升投資管理有限公司)	Controlled by the same ultimate holding company
Jiangsu High Hope Arser Co., Ltd. (江蘇匯鴻亞森國際貿易有限公司)	Controlled by the same ultimate holding company
Yangzhou HONG Yuan Shoes Co., Ltd. (揚州鴻元鞋業有限公司)	Controlled by the same ultimate holding company
Jiangsu OVERSEAS Rubber Co., Ltd. (江蘇海企橡膠有限公司)	Controlled by the same ultimate holding company
Jiangsu Nonferrous Metals I/E Corp. Ltd. (江蘇有色金屬進出口有限公司)	Controlled by the same ultimate holding company
High Hope Int'l Group Jiangsu Champion Holdings Limited (江蘇匯鴻國際集團中錦控股有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Private Equity Fund Management Co., Ltd. (江蘇蘇豪私募基金管理有限公司)	Controlled by the same ultimate holding company
Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	Controlled by the same ultimate holding company
Jiangsu Tianhong Hengde Motor Vehicle Appraisal Co., Ltd. (江蘇天泓恒德機動車評估有限公司)	Controlled by the same ultimate holding company
Zhan Jieying	Senior management

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XII. Related Parties and Connected Transactions (Continued)

(II) Transactions with related parties

1. Purchase of goods/Acceptance of services

Related parties	Related party transaction	Amount incurred in the current year	Number of transactions approved	Whether the transaction limit is exceeded	Amount incurred in the last year
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Labour cost	412,563.00	412,563.00	No	337,567.50
Jiangsu Soho Digital Technology Co., Ltd. (江蘇蘇豪數字科技有限公司)	Publicity cost			No	34,325.67
Jiangsu Holly Environmental Technology Industrial Co., Ltd. (江蘇弘業環保科技產業有限公司)	Procurement cost	8,809.73	8,809.73	No	513.27
Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	Advertising and publicity expenses	144,502.67	144,502.67	No	
Jiangsu Holly International Engineering Co., Ltd. (江蘇弘業國際技術工程有限公司)	Safety production fee			No	10,619.47
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Cafeteria service charge	1,813,175.04	1,813,175.04	No	1,323,400.55
Jiangsu OVERSEAS Rubber Co., Ltd. (江蘇海企橡膠有限公司)	Payment for goods			No	11,381,628.31
Jiangsu Tianhong Hengde Motor Vehicle Appraisal Co., Ltd. (江蘇天泓恒德機動車評估有限公司)	Motor Vehicle Appraisal	792.08	792.08		
Total		2,379,842.52	2,379,842.52	–	13,088,054.77

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

XII. Related Parties and Connected Transactions *(Continued)*

(II) Transactions with related parties *(Continued)*

2. Sales of goods/Provision of services

Related parties	Related party transaction	Amount incurred in the current year	Amount incurred in the last year
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Asset management business income/Others	34,539.99	35,550.02
Jiangsu SOHO Artall Culture Group Co., Ltd. (江蘇蘇豪愛濤文化有限公司)	Asset management business income		9,080.48
Soho Holly Corporation	Asset management business income		4,377.08
Jiangsu SOHO Assets Operation Group Co., Ltd. (江蘇蘇豪資產運營集團有限公司)	Asset management business income	19,578.48	1,682.91
Zhan Jieying	Asset management business income	1,264.23	3,370.72
Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	Fee income	1,235.45	4,034.22
Liaoning Litian New Material Co., Ltd. (遼寧麗天新材料有限公司)	Fee income	139.72	1,285.28
Soho Holly Corporation	Fee income	43.66	59.29
Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	Fee income	246.79	
High Hope Int'l Group Jiangsu Champion Holdings Limited (江蘇匯鴻國際集團中錦控股有限公司)	Fee income	8.18	
Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)	Others		42,452.83
Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司)	Asset management business income		387,375.41
Aitao Cultural (UK) Co., Ltd. (愛濤文化(英國)中心有限公司)	Asset management business income		4,935.89
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Asset management business income	12,225.06	52,891.21
Total		69,281.56	547,095.34

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From 1 January 2024 to 31 December 2024

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

XII. Related Parties and Connected Transactions (Continued)

(II) Transactions with related parties (Continued)

3. Related lease

(1) Lease

Name of lessor	Types of leased assets	Expenses relating to Short-term lease and leases of low-value assets applied the practical expedient (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rental paid		Interest expense of lease liabilities		Addition of right-to-use assets	
		Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year	Amount incurred in the current year	Amount incurred in the last year
Soho Holly Corporation (蘇豪弘業股份有限公司)	Plants and buildings	708,405.50	809,606.29								
Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)	Plants and buildings					1,719,830.20	3,275,867.07	286,718.12	359,603.41		10,297,691.47
Total		708,405.50	809,606.29			1,719,830.20	3,275,867.07	286,718.12	359,603.41		10,297,691.47

4. Other Transactions with related parties

Related parties	Item	Related party transaction	Amount incurred in the current year	Amount incurred in the last year
Soho Holly Corporation (蘇豪弘業股份有限公司)	N/A	Net Investment/Disposal of Asset Management Plans		-5,268,551.22
Jiangsu SOHO Artall Culture Group Co., Ltd. (江蘇蘇豪愛濤文化有限公司)	N/A	Net Investment/Disposal of Asset Management Plans		-5,184,752.03
Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司)	N/A	Net Investment/Disposal of Asset Management Plans	-32,224,633.95	
Artall Culture Trade (Netherlands) Company Limited (愛濤文化貿易(荷蘭)有限公司)	N/A	Net Investment/Disposal of Asset Management Plans		-5,376,819.81
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	N/A	Net Investment/Disposal of Asset Management Plans	-5,773,522.76	5,780,640.00
Zhan Jieying	N/A	Net Investment/Disposal of Asset Management Plans	-504,559.81	500,000.00

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XII. Related Parties and Connected Transactions *(Continued)*

(III) Balance of transactions with related parties

1. Amount due from related parties

Item	Related party transaction	Related parties	Closing book balance	Opening book balance
Other receivables	Housing leasing deposits	Soho Holly Corporation (蘇豪弘業股份有限公司)	71,000.00	71,000.00
Other receivables	Housing leasing deposits	Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)	257,231.82	257,231.82

2. Amounts due to related parties

Item	Related parties	Closing balance	Opening balance
Currency deposits payable	Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	1,001.00	1,001.00
Currency deposits payable	Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	2,242,857.44	1,653,483.56
Currency deposits payable	SOHO Culture Group Company Limited (蘇豪文化集團有限公司)	1,500.00	1,500.00
Currency deposits payable	Soho Holly Corporation (蘇豪弘業股份有限公司)	53,455.98	3,205,695.06
Currency deposits payable	Jiangsu High Hope Wisdom Co., Ltd. (江蘇匯鴻匯升投資管理有限公司)	1,001.00	1,001.00
Currency deposits payable	Liaoning Litian New Material Co., Ltd. (遼寧麗天新材料有限公司)	3,813,149.50	4,285,322.60
Currency deposits payable	Jiangsu High Hope Arser Co., Ltd. (江蘇匯鴻亞森國際貿易有限公司)		1,001.00
Currency deposits payable	Yangzhou HONG Yuan Shoes Co., Ltd. (揚州鴻元鞋業有限公司)		1,001.00
Currency deposits payable	Jiangsu Nonferrous Metals I/E Corp. Ltd. (江蘇有色金屬進出口有限公司)	1,001.00	

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XII. Related Parties and Connected Transactions (Continued)

(III) Balance of transactions with related parties (Continued)

2. Amounts due to related parties (Continued)

Item	Related parties	Closing balance	Opening balance
Currency deposits payable	Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	2,000.00	
Currency deposits payable	High Hope Int'l Group Jiangsu Champion Holdings Limited (江蘇匯鴻國際集團中錦控股有限公司)	1,001.00	
Other payables	Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	971,529.72	1,323,400.55
Other payables	Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)	1,146,553.46	

3. Others

Related parties	Item	Related party transaction	Closing balance	Opening balance
Jiangsu SOHO Private Equity Fund Management Co., Ltd. (江蘇蘇豪私募基金管理有限公司)	Financial assets held for trading	Private Equity	1,003,177.20	2,709,359.73
Soho Holly Corporation	Other assets	Prepayment of Rent	106,260.83	

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XII. Related Parties and Connected Transactions *(Continued)*

(IV) Remuneration of directors, supervisors and staff

1. Compensation of senior management

Item	Amount incurred in the current year	Amount incurred in the last year
1. Compensation of senior management	3,925,912.99	3,871,974.51

2. Directors' emoluments

Details of Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Item	Director's fees	Salaries, allowances and other benefits	Discretionary bonuses	Pension scheme contributions	Total
Amount incurred in the current year					
Chairman					
– Chu Kairong		429,784.00	353,547.11		783,331.11
Executive Directors					
– Zhao Weixiong (September to December)		151,928.00			151,928.00
Non-executive Directors					
– Xue Binghai					
– Jiang Lin					
Supervisor					
– Yu Hong (January August)					
– Huang Dongyan (September to December)		122,464.00	314,847.00		437,311.00
– Chen Liang					
– Zhang Lei		104,700.00	123,075.42		227,775.42
Independent non-executive Directors					
– Zhang Hongfa	119,042.88				119,042.88
– Huang Dechun	119,042.88				119,042.88
– Lo Wah Wai	132,132.14				132,132.14
Total	370,217.90	808,876.00	791,469.53		1,970,563.43

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XII. Related Parties and Connected Transactions *(Continued)*

(IV) Remuneration of directors, supervisors and staff *(Continued)*

2. Directors' emoluments *(Continued)*

Item	Director's fees	Salaries, allowances and other benefits	Discretionary bonuses	Pension scheme contributions	Total
Amount incurred in the last year					
Chairman					
– Zhou Jianqiu		314,244.00	126,201.00		440,445.00
Executive Directors					
– Chu Kairong		449,192.00	101,373.00		550,565.00
Non-executive Directors					
– Xue Binghai					
– Jiang Lin					
Supervisors					
– Yu Hong			35,303.00		35,303.00
– Chen Liang					
– Yao Aili (January to March)		33,765.00	40,470.00		74,235.00
– Zhang Lei (April to December)		81,715.00	99,209.58		180,924.58
Independent non-executive Directors					
– Wang Yuetang (January-July)	69,441.68				69,441.68
– Zhang Hongfa (August-December)	49,601.20				49,601.20
– Huang Dechun	119,042.88				119,042.88
– Lo Wah Wai	130,074.99				130,074.99
Total	368,160.75	878,916.00	402,556.58		1,649,633.33

In 2024, Xue Binghai and Jiang Lin, both being non-executive directors, Yu Hong and Chen Liang, both being supervisors did not receive any fees or emoluments in respect of their services to the Group during the Reporting Period as they were paid by the Group's ultimate holding company SOHO Holdings.

During the Reporting Period, remuneration paid to all non-independent Directors and Supervisors (excluding Chu Kairong) was attributable to services rendered in their capacity as managers of the Company or its subsidiaries, rather than for their roles as Directors or Supervisors.

Remuneration paid to Chu Kairong, the chairman of the Board, during the Reporting Period reflected services provided in his capacity as a Director.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XII. Related Parties and Connected Transactions *(Continued)*

(IV) Remuneration of directors, supervisors and staff *(Continued)*

3. Five Individuals with highest emoluments

Of the five individuals with the highest emoluments in the year, one (last year: none) are directors whose emoluments are disclosed in Note “XII. (IV)1”. Emoluments in respect of the other four (last year: five) individuals are as follows:

Item	Amount incurred in the current year	Amount incurred in the last year
Salaries, allowances and benefits	1,090,660.09	904,878.00
Discretionary bonuses	2,251,895.66	3,365,397.43
Pension scheme contributions	205,271.19	230,803.20
Total	3,547,826.94	4,501,078.63

The range of emoluments is as follows:

Item	Number of individuals in the current year	Number of individuals in the last year
Below HKD1,000,000	3	2
HKD1,000,001 to HKD1,500,000	1	3
HKD1,500,001 to HKD2,000,000		
HKD2,000,001 to HKD2,500,000		

4. During the Track Record Period, no Directors have waived or agreed to waive any emoluments. During the Track Record Period, no emoluments are paid to any Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XIII. Commitments and Contingent Events

(I) Material commitments

1. External investment contracts contracted but not performed or not completely performed

Capital commitments	Closing balance	Opening balance
Contracts contracted but not performed	42,000,000.00	42,000,000.00
Contracts authorized but not contracted	78,000,000.00	78,000,000.00
Total	120,000,000.00	120,000,000.00

(II) Contingent events

1. Significant pending litigation or arbitration

As of 31 December 2024, the Group had not been involved in any major legal, arbitration or administrative litigation that may have a material adverse effect on the financial status and operating results of the Group.

2. Other contingent events

As of 31 December 2024, the Group had no other significant contingencies to be disclosed.

XIV. Subsequent Events

1. Profit distribution after the balance sheet date

Item	Content
Profits or dividends to be distributed	10,077,777.78 (note)
Profits or dividends declared to distribute after review and approval	—

Note: Pursuant to the resolution of the 2nd meeting of the 5th session of the Board of the Company held on 28 March 2025, the above profit distribution proposal is subject to the approval at the general meetings of the Company.

Save for the above, as of the date of this Report, the Group had no material subsequent events.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XV. Other Important Matters

(I) Segment reports

The Group has two reporting Segments, 1) Futures Brokerage and Asset Management Business Division, and 2) Commodity Trading and Risk Management Business Division. Each reporting division is a separate business division that offers different products and services. As each division requires different technologies and market strategies, it needs to be managed separately.

The Futures Brokerage and Asset Management Business Division participates in the transactions of commodity futures and financial futures on behalf of customers. Meanwhile, it participates in the development and sales of asset management products and services based on the asset size and customer demands. In addition, this division also operate investment activities in asset management plans, bank wealth management products, listed and unlisted securities, trust schemes, funds, and derivative financial instruments.

The Commodity Trading and Risk Management Business Division participates in the provision of bulk commodity purchase and resale, futures arbitrage, basis trading and hedging services.

Division operating results refer to the income generated by each business division (including foreign transaction income and inter-divisional transaction income), deducting the expenses incurred by each division, the depreciation, amortization and impairment of assets attributable to each division, the net amount of bank deposits and bank borrowings directly attributable to a division after the net interest expenses incurred. The transfer pricing of revenue between the two divisions is calculated on terms similar to other external transactions. The Group did not allocate non-operating income and expenditure and income tax expenses to each division.

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XV. Other Important Matters (Continued)

(I) Segment reports (Continued)

1. Segment reports of profit (loss), assets and liabilities by business type

Item	Futures			Offset between divisions	Total
	Brokerage and Asset Management Business	The commodity trading and risk management business			
External operating income	338,035,508.22	2,537,750,114.76			2,875,785,622.98
Inter-divisional operating income	-11,915,156.26	26,183,531.36	-14,268,375.10		
Operating expenses	-296,898,664.89	-2,544,244,137.85			-2,841,142,802.74
Non-operating income and expenditure	2,514,803.65	1,131,328.39			3,646,132.04
Total profit	31,736,490.72	20,820,836.66	-14,268,375.10		38,288,952.28
Income tax expense	-1,806,532.06	-5,223,316.50	-1,432,906.22		-8,462,754.78
Net profit	29,929,958.66	15,597,520.16	-15,701,281.32		29,826,197.50
Total assets	10,879,412,271.88	1,261,178,246.27	-441,220,897.27		11,699,369,620.88
Total liabilities	9,500,685,564.34	719,417,170.76	-397,511,767.55		9,822,590,967.55
Other important items:					
Including: Net interest income	101,538,260.81	9,818,558.96			111,356,819.77
Depreciation and amortization	32,646,624.59	1,633,533.47			34,280,158.06
Increase in non-current assets other than long-term equity investment	1,518,226.59	5,694,979.12			7,213,205.71

2. Segment reports of profit (loss), assets and liabilities by geographic region

The Group's external transaction income by region is listed below. External transaction income is classified by the location of the clients who accepted services or bought products from the Group.

Item	Total external transaction income
Mainland China	2,853,389,239.31
Hong Kong, China	22,396,383.67
Total	2,875,785,622.98

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XV. Other Important Matters *(Continued)*

(II) Other Important Matters

The Company will implement the Rules for the Management of Commodity Risk Management Business by Futures Risk Management Companies (hereinafter referred to as the “Management Rules”) effective from January 1, 2025. Previously, the Company recognized basis trade revenue using the gross method in accordance with accounting standards. In compliance with the regulatory requirements, the Company will now recognize revenue for related transactions using the net method as stipulated by the Management Rules. This adjustment will accordingly result in a significant reduction in other business revenue and other business costs.

As of 31 December 2024, save for the above, the Group had no other important matters to be disclosed.

XVI. Notes to Parent’s Financial Statements

1. Long-term equity investment

(1) Breakdown of long-term equity investment

Item	Closing balance	Opening balance
Investment in subsidiaries	700,448,579.81	700,448,579.81
Investment in joint ventures or associates	8,709,774.28	8,252,558.04
Total long-term equity investments	709,158,354.09	708,701,137.85
Less: Provision for impairment of long-term equity investments		
Net long-term equity investment	709,158,354.09	708,701,137.85

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XVI. Notes to Parent's Financial Statements (Continued)

1. Long-term equity investment (Continued)

(2) Investment in subsidiaries

Investee	Opening balance (Book value)	Provision for impairment as at the beginning of the year	Current changes				Closing balance (Book value)	Provision for impairment as at the end of the year
			Additional Investment	Investment reduction	Provision for impairment	Others		
Holly Capital Management Co., Ltd. (弘業資本管理有限公司)	500,000,000.00						500,000,000.00	
Holly International Financial Holdings Limited (弘業國際金融控股有限公司)	200,448,579.81						200,448,579.81	
Total	700,448,579.81						700,448,579.81	

(3) Investment in joint ventures or associates

Investee	Current changes												
	Provision for impairment		Investment									Other	
	Opening	as at the				gain/loss	recognised				Declared cash	Provision for	
	balance	beginning of	Additional	Investment	under equity	income	Other equity	dividend or	Provision for	Closing	impairment at		
	(Book value)	the year	Investment	reduction	method	adjustment	change	profit	impairment	Others	(Book value)	the year	
Associate													
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	6,109,358.88				463,406.15						6,572,765.03		
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	2,143,199.16				-6,189.91						2,137,009.25		
Total	8,252,558.04				457,216.24						8,709,774.28		

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XVI. Notes to Parent's Financial Statements (Continued)

2. Net handling fee and commission income

(1) Net handling fee and commission income breakdown

Item	Amount incurred in the current year	Amount incurred in the last year
Net brokerage fee income	150,484,221.72	167,888,252.81
Income from asset management business	6,086,679.88	6,592,588.10
Investment advisory income	3,155,110.40	1,698,049.48
Total	159,726,012.00	176,178,890.39

(2) Branches and fee income by administrative region

Administrative regions	Amount incurred in the current year		Amount incurred in the last year	
	Number of branches	Fee income	Number of branches	Fee income
Jiangsu Province	18	124,434,845.06	21	142,855,531.22
Fujian Province	2	3,129,317.32	2	4,541,227.25
Shanghai	2	4,905,359.91	2	3,029,648.22
Zhejiang Province	2	3,813,414.53	2	4,667,945.66
Henan Province	1	2,920,852.19	1	1,926,138.18
Guangdong Province	2	1,882,461.67	3	1,536,304.23
Beijing	2	1,270,430.78	2	1,284,200.61
Shandong Province	2	3,550,910.47	2	3,074,298.59
Shaanxi Province	1	2,822,217.66	1	2,070,682.46
Anhui Province	2	2,374,345.38	2	2,225,613.03
Liaoning Province	2	2,625,186.91	2	1,901,853.35
Guangxi Province	1	1,272,211.77	1	1,042,989.45
Hunan Province	1	1,565,985.16	1	1,243,894.79
Chongqing	1	1,853,625.78	1	3,485,416.41
Sichuan Province			1	157,080.96
Shanxi Province	1	1,130,979.91	1	679,029.86
Hainan Province	1	173,867.50	1	457,036.12
Total	41	159,726,012.00	46	176,178,890.39

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XVI. Notes to Parent's Financial Statements (Continued)

3. Net interest income

Item	Amount incurred in the current year	Amount incurred in the last year
Interest income		
Including: Interest income from customer fund deposits	78,086,304.43	78,936,566.41
Interest income from own funds deposit	13,285,536.20	11,836,710.13
Interest income from repurchase agreements	1,338,997.72	1,286,583.75
Total interest income	92,710,838.35	92,059,860.29
Interest expense		
Including: Interest expense on sale and repurchase	535,694.39	1,247,828.44
Total interest expenses	535,694.39	1,247,828.44
Net interest income	92,175,143.96	90,812,031.85

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XVI. Notes to Parent's Financial Statements *(Continued)*

4. Investment gains

(1) Breakdown of investment gains

Item	Amount incurred in the current year	Amount incurred in the last year
Long term equity investment gains calculated with cost method	20,000,000.00	
Long term equity investment gains calculated with equity method	457,216.24	212.54
Including: Gains on investment in associates	457,216.24	212.54
Gains on investment in joint ventures		
Investment gains from disposal of long term equity investment		
Financial instrument investment gains	10,468,926.89	-13,401,571.73
Including: Grains on financial instrument during holding period	2,893,054.64	7,842,848.35
– Financial instrument held for trading	2,290,440.96	7,842,848.35
– Other debt investments	33,809.22	
– Investment in other equity instruments	568,804.46	
– Gains from disposal	7,575,872.25	-21,244,420.08
– Financial instrument held for trading	7,411,618.19	-21,244,420.08
– Other debt investments	164,254.06	
Total	30,926,143.13	-13,401,359.19

Notes to the Financial Statements

From 1 January 2024 to 31 December 2024

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

XVI. Notes to Parent's Financial Statements (Continued)

4. Investment gains (Continued)

(2) Gains from investment in associates

Item	Amount incurred in the current year	Amount incurred in the last year
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	463,406.15	3,470.61
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	-6,189.91	-3,258.07
Total	457,216.24	212.54

(3) There is no significant restriction on repatriation of investment gains.

5. Gains from changes in fair value

Item	Amount incurred in the current year	Amount incurred in the last year
Financial assets held for trading	12,362,215.58	18,652,084.20
Including: Financial assets at fair value through profit or loss	12,362,215.58	18,652,084.20
Investment properties	-106,044.00	152,394.00
Total	12,256,171.58	18,804,478.20

Additional information on the Financial Statements

(Unless otherwise specified, amounts are expressed in RMB)

1. Extraordinary profit and loss statement

Item	Amount for the year
Profit or loss on disposal of non-current assets	-40,341.09
Tax rebate or tax concessions with unauthorised approval or without official approval documents or on an occasional basis	
Government grants recognized in profit or loss for the period	3,003,936.94
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement	-106,044.00
Other non-operating income and expenses other than the foregoing items	1,753,393.00
Other profit and loss items falling within the meaning of extraordinary profit and loss	
Subtotal	4,610,944.85
Less: Effect of income tax	1,323,772.58
Effect of minority interests (after tax)	
Total	3,287,172.27

2. Returns on net assets and earnings per share

Profit of the Reporting Period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to equity holders of the parent company	1.6017	0.0296	0.0296
Net profit attributable to equity holders of the parent company after deducting non-recurring gains and losses	1.4252	0.0263	0.0263

Holly Futures Co., Ltd.
28 March 2025