HOLLY FUTURES

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

Stock Code: 03678.HK ; 001236.SZ

2026

Interim Report

Contents

Definitions

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings.

Articles of Association	the Articles of Association of Soho Holly Futures Co., Ltd. currently in force, as amended, supplemented or otherwise modified from time to time
A Shares	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)
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
A Shares Prospectus	the prospectus in relation to the A Share Offering published on 5 July 2022
AUM	the amount of assets under management
Board	the board of directors of the Company
Chairman	the chairman of the Company
Chief Risk Officer	the chief risk officer of the Company
Company, our Company or Holly Futures	Soho Holly Futures Co., Ltd. (蘇豪弘業期貨股份有限公司) (formerly known as Holly Futures Co., Ltd. (弘業期貨股份有限公司), carrying on business in Hong Kong as "Holly Futures"), a joint stock limited company established in Jiangsu, the PRC under the laws of the PRC on 29 November 2012, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the Main Board of the Shenzhen Stock Exchange, respectively
Company Law or PRC Company Law	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
Controlling Shareholder	SOHO Holdings unless the context requires otherwise
Corporate Governance Code	Corporate Governance Code contained in Appendix C1 to the Listing Rules of Hong Kong Stock Exchange
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
Director(s)	director(s) of the Company

Definitions

End of Reporting Period	30 June 2026
FOF	a fund specially invested in other investment funds. It does not directly invest in stocks or bonds. With its investment scope limited to other funds only, it holds security assets such as stocks and bonds indirectly by holding other security investment funds, which is a new type of fund that combines fund product innovation with sales channel innovation
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), Guangzhou Futures Exchange (廣州期貨交易所)
Futures and Derivatives Law	the Futures and Derivatives Law of the People's Republic of China, implemented on 1 August 2022
Group, us or we	the Company and its subsidiaries
H Share(s)	overseas listed foreign ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each listed on the Main Board of Hong Kong Stock Exchange
H Share Offering	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 Shares Prospectus	the prospectus in relation to the H Share Offering published on 16 December 2015
High Hope Corporation	Jiangsu Soho High Hope Group Corporation (江蘇蘇豪匯鴻集團股份有限公司) (formerly known as Jiangsu High Hope International Group Corporation (江蘇匯鴻國際集團股份有限公司)), a limited liability company established in the PRC on 13 October 1992 which was subsequently converted to a joint stock limited company in 1994
HK$ or Hong Kong dollars	the lawful currency of Hong Kong

Definitions

Holly Capital	Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a limited liability company established under the laws of the PRC on 25 June 2013 and a wholly-owned subsidiary of the Company
Holly 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 our Company, 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 our 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
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
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)
Listing Rules of Hong Kong Stock Exchange	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules of Hong Kong Stock Exchange

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 or China	the People's Republic of China which, for the purpose of this report, excludes Hong Kong China, Macau Special Administrative Region and Taiwan Region
R&D	research and development
Report	the interim report for 2026 of the Company
Reporting Period	the six months ended 30 June 2026
RMB or Renminbi	the lawful currency of the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Share(s)	A Share(s) and H Share(s) of the Company
Shareholder(s)	holder(s) of the Shares
Shenzhen Stock Exchange	the Shenzhen Stock 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
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 limited liability 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

Definitions

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
Straddling buy and sell positions	a behavior of two parties to the transaction acting as sellers and buyers respectively to issue a transaction entrustment order to securities or futures brokers and complete the transaction in accordance with the agreed types of transaction, price, quantity
Zhong Shan Company	SOHO Holdings Group Zhong Shan Company Limited (formerly known as Zhong Shan Company Limited), a company incorporated in Hong Kong in 1985, the shareholding of which is ultimately held by the People's Government of Jiangsu Province

Company Profile

I. Basic Information about the Company

1. Name of Company

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

Chinese abbreviation (in the PRC): 弘業期貨

English name: Soho Holly Futures Co., Ltd.

2. Legal Representative

Mr. Chu Kairong

3. Authorised Representatives of the Company

Mr. Chu Kairong and Mr. Huang Haiqing

4. Registered Capital

RMB1,007,777,778

5. Qualifications for Businesses in China

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

6. Head Office in China

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

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

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

Email address: zqb@ftol.com.cn

7. Principal Place of Business in Hong Kong

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

Company Profile

II. List of Board and Special Committees

8. Board

Executive Directors	Mr. Chu Kairong *(Chairman)* Mr. Zhao Weixiong
Non-executive Directors	Mr. Xue Binghai Ms. Jiang Haiying
Independent Non-executive Directors	Mr. Lo Wah Wai Mr. Zhang Hongfa Mr. Wang Yuwei *(Appointed on 3 March 2026)* Mr. Huang Dechun *(Resigned on 3 March 2026)*
Employee Director	Mr. Chen Ke

9. Special Committees of the Board

Audit Committee	Mr. Lo Wah Wai *(Chairman)* Mr. Xue Binghai Mr. Wang Yuwei *(Appointed on 3 March 2026)* Mr. Huang Dechun *(Resigned on 3 March 2026)*
Remuneration Committee	Mr. Wang Yuwei *(Chairman) (Appointed on 3 March 2026)* Mr. Chu Kairong Mr. Zhang Hongfa Mr. Lo Wah Wai *(Appointed on 3 March 2026)* Mr. Chen Ke *(Appointed on 3 March 2026)* Mr. Huang Dechun *(Chairman) (Resigned on 3 March 2026)*
Nomination Committee	Mr. Zhang Hongfa *(Chairman)* Mr. Chu Kairong Ms. Jiang Haiying Mr. Lo Wah Wai Mr. Wang Yuwei *(Appointed on 3 March 2026)* Mr. Huang Dechun *(Resigned on 3 March 2026)*
Risk Management Committee	Mr. Zhao Weixiong *(Chairman)* Mr. Xue Binghai Ms. Jiang Haiying Mr. Lo Wah Wai Mr. Zhang Hongfa
Strategic and ESG Committee	Mr. Chu Kairong *(Chairman)* Mr. Zhao Weixiong Mr. Xue Binghai Ms. Jiang Haiying Mr. Lo Wah Wai Mr. Zhang Hongfa Mr. Wang Yuwei *(Appointed on 3 March 2026)* Mr. Chen Ke *(Appointed on 3 March 2026)* Mr. Huang Dechun *(Resigned on 3 March 2026)*

Company Profile

III. Contact Information

10. Secretary to the Board

Secretary to the Board: Mr. Huang Haiqing

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

Tel: 025-52278884

Email: zqb@ftol.com.cn

11. Joint Company Secretaries

Mr. Huang Haiqing and Ms. Chan Ching Hi (appointed with effect from 28 April 2026 and the former joint Company secretary Ms. Chan Yin Wah resigned on 28 April 2026)

IV. Other Information

12. Statutory Audit Institutions of the Company

RSM China CPA LLP (容誠會計師事務所(特殊普通合夥)) (appointed with effect from 20 August 2026)

13. Legal Advisers of the Company

As to Hong Kong Law:	Grandall Zimmern Law Firm
As to PRC Law:	Grandall Law Firm Nanjing

Company Profile

14. Principal Bankers

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

V. Summary of the Company Stocks

Type of stocks	Stock exchanges	Stock code	Share registrars
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

Financial Summary

I. Major Accounting Data and Financial Indicators

Unless otherwise specified, the accounting data and financial indicators contained in this report are prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, 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.

RMB 0'000	Jan-Jun 2026	Jan-Jun 2025	Change in current period as compared to the prior period: Change in amount	Change in current period as compared to the prior period: Change
Operating income	**16,570.87**	13,559.24	3,011.63	22.21%
Total profit	**3,252.85**	-567.04	3,819.89	673.65%
Net profit-attributable to Shareholders of the Company	**2,440.93**	-360.56	2,801.50	776.97%
Net cash inflow from operating activities	**-4,431.58**	-86,988.78	82,557.20	94.91%
Earnings per Share (RMB/Share)				
Basic earnings per Share	**0.0242**	-0.0036		
Diluted earnings per Share	**0.0242**	-0.0036		
Profitability indicators				
Weighted average return on net assets (%)	**1.3004%**	-0.1923%		

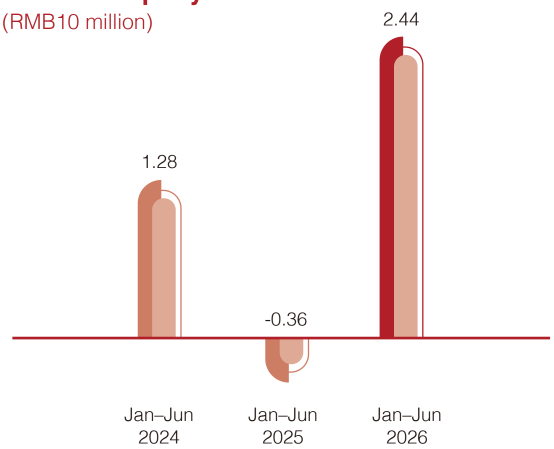
Financial Summary

Scale indicators (RMB 0'000)	As of 30 June 2026	As of 31 December 2025	Change in the end of the current period as compared to the end of the prior year	
			Change in amount	Change
Total assets	**1,307,688.20**	1,266,229.42	41,458.78	3.27%
Total liabilities	**1,120,166.81**	1,079,740.84	40,425.97	3.74%
Customers' equity payable	**1,066,404.74**	972,728.99	93,675.75	9.63%
Equity attributable to Shareholders of the Company	**187,521.39**	186,488.58	1,032.80	0.55%
Total share capital (0'000)	**100,777.78**	100,777.78		
Net assets value per share attributable to Shareholders of the Company (RMB per share)	**1.86**	1.85		
Gearing ratio (%)[Note 1]	**22.28%**	36.46%		

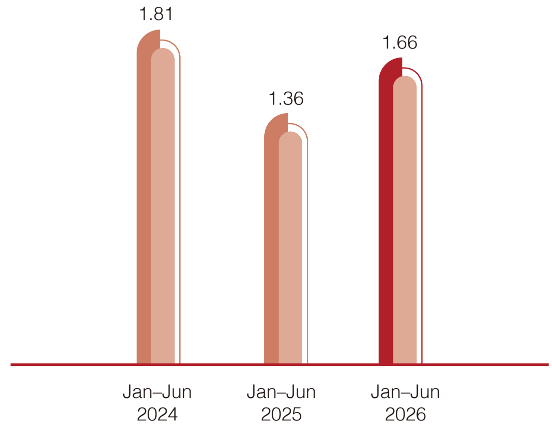
Note 1: Gearing ratio = (Total liabilities – Customers' equity payable)/(Total assets – Customers' equity payable)

Financial Summary

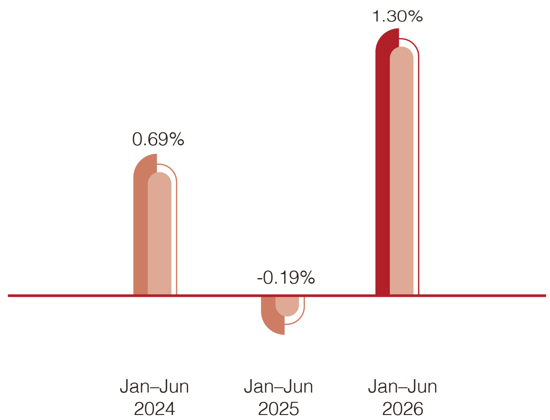
Net profit – attributable to shareholders of the Company
(RMB10 million)



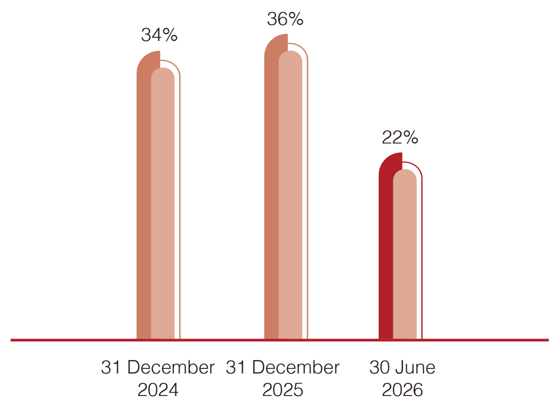
Operating income
(RMB100 million)



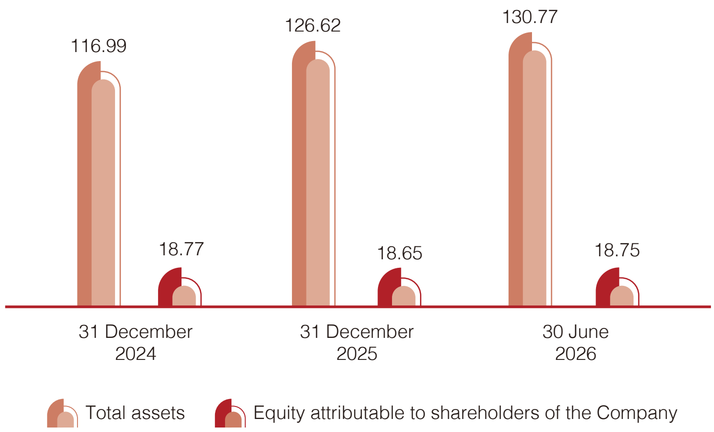
Weighted average return on net assets



Gearing Ratio
(Excluding customers' equity payable)



Scale indicators
(RMB100 million)



Financial Summary

II. Net Capital and Relevant Risk Control Indicators of the Company

The net capital of the Company as at 30 June 2026 amounted to RMB817 million, representing a decrease of RMB32 million as compared with RMB849 million as at the end of 2025. During the Reporting Period, various risk control indicators of the Company including the net capital met the regulatory requirements. The following table sets out the net capital and the major risk control indicators prepared by the Company in accordance with the PRC Accounting Standards and the regulatory requirements of the PRC.

	As of 30 June 2026	As of 31 December 2025	Warning level	Minimum/ Supervision level
Net capital (RMB million)	**817**	849	36	30
Net capital/total risk capital reserves (%)	**210%**	233%	120%	100%
Net capital/net assets (%)	**42%**	45%	24%	20%
Current assets/current liabilities (%)	**456%**	502%	120%	100%
Total liabilities/net assets (%)	**15%**	12%	120%	150%
Proprietary settlement reserve funds (RMB million)	**668**	660	–	12

Management Discussion and Analysis

I. Overall Operating Conditions

The Group engages in the futures industry. The operating results of futures companies are correlated with the market trends of the securities and futures market, and the operating income and profit levels of the futures industry are more cyclical due to the impact of the macro economy. The Company's futures business also relies 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 the international markets.

In the first half of 2026, the macroeconomic environment remained complex and volatile. Geopolitical conflicts continued to disrupt the global commodity and capital markets, while competition within the industry became increasingly intense. Under the strategic guidance of its holding group, the Company anchored its fundamental positioning of serving the real economy, fully implemented the general principle of pursuing steady growth with progress, and coordinated its efforts in business expansion, risk control, technology empowerment and industry services. As a result, the quality and efficiency of its operations achieved structural optimisation, and the Company maintained steady progress in its overall development. During the Reporting Period, the Company achieved a year-on-year increase of 22.21% in operating income, while total profit increased significantly by 673.65% year-on-year. Average daily customer equity reached RMB10,471 million, representing a year-on-year increase of 43.32%. Our capital structure and risk control indicators remained stable and under effective control, providing a solid foundation for its medium- to long-term business expansion.

II. Analysis of Principal Businesses

(I) Situation of the industry in which the Company operated during the Reporting Period

From an industry development perspective, during the "14th Five-Year Plan" period, the number of futures and options products exceeded 160, total amount of funds in the market surpassed RMB2 trillion, the total number of effective customers in the entire market exceeded 2.7 million, corporate client positions accounted for more than 65%, and the "Insurance + Futures" model benefited millions of farmers, reflecting the industry's leapfrog development. Entering 2026, the pace of development of the futures market further accelerated. As of the end of June 2026, a total of 167 futures and options products had been launched in China. Futures products comprehensively covered core sectors of the national economy, including agricultural products, metals, energy, chemicals and finance, while the majority of major futures varieties developed alongside corresponding options products. Trading scale also recorded significant growth. In the first half of 2026, China's futures market realised a cumulative trading volume of 5.105 billion lots and a cumulative trading turnover of RMB482.70 trillion, representing year-on-year increases of 25.23% and 42.08%, respectively. At present, the total number of effective clients in China's futures market has exceeded 3 million, while the willingness and capability of entity enterprises to utilise futures tools for risk management have continued to strengthen.

About Us
Operating Conditions
Corporate Governance
Interim Financial Information

Management Discussion and Analysis

At the top-design level, the "15th Five-Year Plan" explicitly proposes to "steadily advance futures, derivatives, and asset securitization". This marks the first time that China has set the tone for the development of the futures market from a strategic planning perspective, signifying that the futures and derivatives markets have been elevated to a key pillar supporting the development of a strong financial nation. The development of futures and derivatives has become an essential measure for establishing and improving a financial market system with a sound and well-balanced structure. The robust development of the industry, together with the top-design level under the "15th Five-Year Plan", has laid a solid foundation for the stable operations of futures companies.

From a regulatory policy perspective, on 17 April 2026, the CSRC published the Draft Measures for the Supervision and Administration of Futures Companies and the accompanying implementation provisions for public consultation. The new rules establish a dual-tiered constraint mechanism based on registered capital and net capital. Specifically, the minimum registered capital requirement for engaging in domestic futures brokerage business is RMB100 million; RMB200 million for engaging in brokerage and transaction advisory business (basic category); RMB500 million for engaging in any one trading business, including futures market making trading, derivatives trading or asset management business; and RMB1 billion for engaging in two or more trading businesses. The accompanying implementation provisions further refine the requirements for maintaining continuous compliance with net capital requirements, establishing a robust "capital-business" linkage mechanism to accelerate the industry's transition from being "small but comprehensive" to either "specialised and sophisticated" or "sizable and robust". The ability to replenish capital and maintain continuous compliance with net capital requirements will become critical to the survival and development of futures companies. Industry consolidation through mergers and acquisitions, together with greater market concentration among leading players, is expected to become more evident, further reinforcing the "Matthew Effect" within the industry. In addition, the exchanges will comprehensively adjust their fee mechanisms, forcing futures companies to move away from homogeneous competition based on "price wars" and return to their fundamental role of serving the real economy. As a result, the primary focus of industry competition is expected to shift from "price" to "value".

(II) Principal business that the Company engaged in during the Reporting Period

As approved by the CSRC and other relevant regulatory authorities, the principal business that the Company engages in includes: commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management and fund sales. In addition, the Company is also engaged in financial asset investment business. Holly Capital, a wholly-owned subsidiary of the Company, is principally engaged in commodity trading and risk management business. Holly International Financial, a wholly-owned subsidiary of the Company, is principally engaged in offshore securities and futures trading services. The details of the business activities are as follows:

1. Futures brokerage business: The futures brokerage business of the Company includes providing brokerage service in respect of the commodity futures and financial futures available at futures exchanges and receiving certain percentage of handling fees from clients. The Company is a member of SHFE, DCE, ZCE, Energy Exchange and GFE and a full clearing member of CFFE. It is able to provide brokering services for all futures and options varieties trading at the six domestic futures exchanges.

Management Discussion and Analysis

2. Asset management business: It represents the business activities of accepting written instructions from a single client or several clients, making investments with assets entrusted by such clients in accordance with relevant regulations and contracts and receiving fees or rewards specified in contracts. The Company, as an asset manager, issues asset management plans which invest mainly in securities, futures and other financial products.

3. Fund sales business: The Company cooperates with major fund companies, signs agency agreements to become a channel partner of fund companies and sells funds to customers through official website and APP of Holly Futures and other platforms. The customers can purchase all the fund products distributed by Holly Futures by simply opening a centralized account with Holly Futures when subscribing.

4. Futures investment advisory business: The Company earns advisory fees and related income by providing advisory services such as risk management advisory services, special training, research and analysis reports, design of investment plans, and futures trading strategies to its customers.

5. Risk management business: The risk management business of the Company is mainly carried out by Holly Capital, a subsidiary of the Company. Holly Capital is a risk management company established by registration with the China Futures Association. Its business scope mainly includes basis trading, market making business, OTC derivatives business, cooperative hedging and warehouse receipt services.

6. Overseas financial services business: The Company carries out overseas business through Holly International Financial and its subsidiaries. Holly International Financial has been issued a Type 2 (dealing in futures contracts) license by the SFC on 29 June 2012. The permitted business scope includes: provision of index or commodity futures trading and brokerage services; buying/selling futures contracts on behalf of customers. Holly International Financial has been issued a Type 1 (dealing in securities) license by the SFC on 10 January 2017. The permitted business scope includes: provision of trading and brokerage services of shares and stock options; bond trading on behalf of customers; buying/selling mutual funds and unit trusts on behalf of customers. Holly International Asset Management, a subsidiary of Holly International Financial, has been issued a Type 4 (advising on securities) and a Type 9 (asset management) license by the SFC on 28 August 2018.

7. Financial assets investment business: Financial asset investment business is the business activity where the Company invests with its own funds to generate income. During the Reporting Period, the Company made financial investments with self-owned funds in products including shares, funds, bonds, asset management plans and trust plans to seek investment returns.

Management Discussion and Analysis

(III) Business operations

1. Diversified-business synergy driving high-quality growth across business sectors

The Company adhered to its integrated business layout featuring “brokerage business as the foundation, asset for value appreciation, risk management for industry empowerment, international business for market expansion, and innovative businesses for complementary growth”. The differentiated advantages of each business line continued to be unleashed, creating a profit structure underpinned by multiple growth drivers and synergistic development.

(1) The futures brokerage business: solidifying the foundation, building a solid operational “ballast stone”

As the Company’s core and fundamental business, the futures brokerage business continued to consolidate its customer base, channels and service system, with all key operating indicators recording positive performance. In the first half of 2026, net income generated from the brokerage business increased by 13.8% year-on-year. The trading turnover of the market increased by 37.4% year-on-year, with the Company’s market share of trading volume in the industry steadily improving. The retained commission rate of the handling fees increased by 4.7% year-on-year, reflecting a continuous improvement in earnings quality. Average daily customer equity and the number of newly acquired effective customers increased by 43.3% and 21.5% year-on-year, respectively, demonstrating simultaneous expansion in both customer scale and asset quality.

From an operational perspective, the Company established a refined client management system and continued to optimise handling fees and rebate pricing management, while coordinating four key growth pathways, namely deepening the operations of existing clients, expanding customer acquisition through online channels, intra-market options value appreciation, and commercialising transaction advisory services. On a quarterly basis, the Company introduced dedicated business development initiatives and regularly organised business summits, implementing specialised actions focusing on the cultivation of quality institutional clients and the enhancement of options business performance, thereby accurately identifying and addressing customers’ diversified derivatives needs. From a management perspective, the Planning and Supervision Department established a dynamic monitoring and supervision mechanism for key operating indicators. Through quantitative assessment and benchmarking, the Company fostered a business culture striving for operational excellence across all business lines. Meanwhile, middle- and back-office functional departments continued to optimise business processes and introduce supporting empowerment initiatives. The coordination mechanism between front-office and back-office functions was further enhanced, providing robust support for the steady expansion of front-end business operations.

Management Discussion and Analysis

(2) Financial asset investment business: enhancing investment returns by prudent asset allocation

The Company remained committed to a long-term value-oriented philosophy and promoted the steady and sustainable development of its financial investment business. In the first half of 2026, against the backdrop of divergent global economic recovery, continued geopolitical tensions and heightened capital market volatility arising from monetary policy adjustments by major economies, the Company anchored its core target of stable capital appreciation, adhered to a low-volatility broad asset allocation strategy, further strengthened its technology-enabled investment and research system and dynamically optimised its asset portfolio to mitigate market uncertainties, thereby achieving stable appreciation of its financial assets. During the Reporting Period, income generated from investment with its own funds amounted to RMB21.7289 million, representing a year-on-year increase of 169.32%, effectively offsetting cyclical fluctuations in its principal businesses and becoming an important contributor to the Company's profit growth.

(3) Risk management business: rebuilding the organisational structure, deeply empowering the real economy sectors

The Company completed the restructuring of the organisational framework for its OTC derivatives business and established a specialised service team tailored to the needs of enterprises across the upstream and downstream segments of industrial chains, significantly enhancing its industry service capabilities. In the first half of 2026, the OTC derivatives business recorded a profit of RMB12.31 million, achieved a notional principal amount of RMB6,588 million and cumulatively served more than 80 real-sector clients across key industrial chains, including non-ferrous metals, chemicals and new energy. The spot and futures trading business carried out physical hedging transactions centred on key products such as PVC and lithium carbonate, with physical delivery exceeding 20,000 tonnes, providing comprehensive inventory management and price hedging solutions for entity enterprises. The market-making business continued to enhance its trading strategies, expand the range of covered products, and strengthen the professional capabilities of its investment and research and trading teams, while continuously providing the market with continuous and fair two-way quotations and hedging instruments. During the first half of the year, the market-making business achieved a profit of RMB2.82 million, contributing to the enhancement of liquidity in the derivatives market.

(4) International business: continuously deepening cross-border expansion, achieving breakthroughs in business footprint

The Company further strengthened collaboration and linkage with the Group's internal cross-border trading platform to explore cooperation opportunities in cross-border hedging and cross-border investment and financing, while continuously improving the service chains of its international business. The Company also continued to advance digital service upgrades by enhancing "Qinghong (輕鴻)", its AI-powered intelligent customer service system, expanding its multilingual and multi-scenario business knowledge base and leveraging financial technology to improve the service experience of overseas customers. During the Reporting Period, Holly International Financial achieved a total profit of RMB0.743 million, while its securities underwriting business achieved a breakthrough from zero to one, marking a higher standard of the Company's integrated cross-border service capabilities.

Management Discussion and Analysis

(5) Other innovative businesses: enhancing the wealth management ecosystem, building a second growth curve

The asset management business steadily advanced the development of its product portfolio; continuously enriching asset allocation tools tailored for entity enterprises and institutional clients. The wealth management segment deepened cultivation of fund agency business and enhanced the provision of standardised wealth management services. The transaction advisory business established a commercial operating system comprising "quantitative strategies + market indicators + in-depth research and report + private domain live broadcast", facilitating the transformation of investment and research advisory services from complimentary offerings into standardised and market-oriented products, thereby building competitive barriers through differentiated client value-added service capabilities.

2. Continuously upgrading core capabilities system, further consolidating the foundation for long-term development

(1) Remaining committed to serving the real economy, establishing a full-chain industry risk management service system

The Company remained committed to the core mission of the futures industry in serving the real economy. Focusing on two key areas, namely industrial chain price risk management and safeguarding stable agricultural production and supply, the Company implemented five industry service projects under the exchanges' "Strengthening Sources and Supporting Enterprises" and "Stabilising Enterprises and Supporting Agriculture" initiatives. It also organised nine market development activities, including industry research, risk management seminars and hedging training, to precisely address the risk management issue of entity enterprises. The Company continued to optimise its supporting services system for commodity delivery. During the first half of the year, it completed 67 delivery transactions covering 17 major commodity products, with an aggregate delivery value of RMB320 million, facilitating the critical conversion stage between spot and futures markets for industrial clients. The Company also continued to promote the "Insurance + Futures" model in benefiting farmers. Relevant projects were implemented in major agricultural production regions such as Guangxi and Xinjiang, with a total project amount of RMB57 million, benefiting approximately 7,500 farming households. By leveraging derivatives as instruments to stabilise prices and safeguard farmers' income, the Company effectively contributed to rural revitalisation.

Management Discussion and Analysis

(2) Further advancing the financial technology strategy, building a secure, efficient and integrated digital foundation

The Company regarded digital transformation as its core medium-to-long term strategies. It launched its first AI-powered intelligent customer service product, enabling the intelligent routing of customer enquiries and business processing. The Company also successfully passed the live cyber-attack and defence exercise organised by the securities and futures industry, while continuously upgrading its cybersecurity and data security protection systems. The Company comprehensively advanced the implementation of overall IT innovation transformation by upgrading its official trading mobile application, online mini-programme and centralised back-office operating platform, thereby further strengthening the underlying support of domestically developed technologies. In accordance with the exchange's regulatory requirements, the Company completed the construction and business migration of two new hosted computer rooms of Shanghai Calder (上海凱道) and Zhengzhou Unicom (鄭州聯通), effectively reducing trading latency for clients. At the same time, the Company continued to consolidate its online channels by discontinuing the low-efficiency terminals such as Hongyuntong App and the stock options App, thereby enabling the centralised allocation of technology research and development and system maintenance resources, and continuously improving the return on digital investments.

(3) Bolstering core competitive edge in investment research, building an integrated research service platform

The Company established a comprehensive investment research system covering macroeconomics, non-ferrous metals, energy and chemicals, agricultural products and new energy. Closely tracking global macroeconomic cycles, geopolitical developments and key supply-demand imbalance across industries, the Company carried out in-depth thematic research and produced more than one thousand research reports and market highlights analysis covering a full range of products. Leveraging its online live-streaming platform, the Company developed a distinctive investment research IP, "You Sheng You Se (有聲有色)", and conducted more than one hundred online investment research live-streaming sessions during the year. It established a tiered investment research service system serving industrial clients, institutional investors and retail clients, providing comprehensive support for market analysis, hedging strategies and trading decisions throughout the investment cycle. Meanwhile, the Company continued to provide customised product analysis and industry risk assessment reports for the Group's commodity trading segment and its subsidiaries on a regular basis, further empowering the Group's integrated commodity business footprint.

Management Discussion and Analysis

III. Outlook and Future Plans

In the second half of 2026, multiple challenges, including global commodity price volatility, homogeneous competition within the industry, and increasingly stringent compliance and regulatory requirements, will continue to exist. The Company will adhere to a long-term operating philosophy, continuously consolidate the foundation of its brokerage business, further increase investment in financial technology and the investment research system, with a view to building differentiated core competitive advantages. It will strictly uphold the bottom line of compliance and risk control, continuously optimise business structure and profitability model, and promote comprehensive improvements in its operating quality, industrial service capabilities and sustainable development, thereby contributing to the Company's high-quality development over the medium and long term.

1. Deepening brokerage foundation, systematically improving operating quality and efficiency, broadening growth curve

Building on its refined operations, the Company will continue to implement five fundamental initiatives: fee rebate control, in-depth management of existing customers, customer acquisition through online channels, development of internet finance, and the product-offering of trading advisory services. At the same time, it will reshape the growth logic of its brokerage business through a two-pronged approach of "addressing weaknesses and inspiring incremental growth."

In terms of addressing weaknesses, firstly, the Company will establish a full-chain industrial service system for delivery. Taking delivery business as the core driver, it will establish dedicated service teams for key products, connect supporting services throughout the entire process before, during and after delivery, strengthen coordination and collaboration among various business lines, and systematically enhance the Company's comprehensive service capacity for customers in the real economy. Secondly, the Company will upgrade its one-stop accompanying service system for institutional customers, extend the boundaries of wealth management services and implement tiered supporting service solutions based on the full-lifecycle needs of institutional customers. Thirdly, the Company will initiate a dedicated campaign to develop on-market options business, continuously increase the revenue contribution of its options business through a combination of product promotion, customer cultivation and dedicated incentives. Fourthly, based on operational efficiency considerations, the Company will coordinate the optimisation of its branch network, dynamically adjust organisational structure after taking into account regional industrial resources and profitability levels, thereby achieving the precise allocation of resources.

2. Optimising proprietary investment system, strengthening collaborative empowerment, and enhancing investment returns

The Company will adhere to a prudent absolute-return investment framework, dynamically optimise its allocation structure across major asset classes, flexibly adjust its portfolio holdings, mitigate the impact of market cycles, and consolidate a stable foundation for investment returns. Concurrently, the Company will strengthen the development of its active investment research capabilities and establish a composite investment team capable of performing macroeconomic analysis, industrial tracking and quantitative trading. The Company will leverage its self-funded investment business to deepen cooperation with peer institutions, connect the collaborative channels among proprietary investment, brokerage, asset management and wealth management businesses, with a view to achieving two-way value conversion for multiple segments.

Management Discussion and Analysis

3. Strengthening risk management business, improving quality and scale of OTC derivatives, futures trading and market-making businesses

As a core business segment for serving the real economy and generating incremental profits, the risk management business will adopt a tiered and differentiated development strategy. In terms of OTC derivatives business, the Company will focus on the core objectives of "expanding scale, strengthening workforce, and increasing profitability". It will establish a specialised sales team dedicated to business development, focus on cultivating leading industrial customers, deeply integrate into the collaborative system within the Group's industrial chain, and promote the in-depth integration of derivative instruments. The Company will continue to improve its pricing and hedging model systems, enrich its trading strategy matrix, and steadily enhance the profitability of the business. In terms of the futures trading business, the Company will accelerate the introduction of a professional futures trading operations team, continuously expand its coverage of industrial products, connect upstream and downstream purchase and sales channels, expand the operating scale of the futures trading business, and explore the comprehensive returns generated by futures trading arbitrage and industrial hedging. In terms of the market-making business, the Company will focus on three directions: "expanding product coverage, increasing returns and efficiency, and cultivating capabilities". It will actively apply for additional options and futures market-making qualifications and continuously optimise its quantitative market-making strategies. Relying on its self-developed market-making technology platform, the Company will cultivate core high-frequency trading capabilities and expand the scale of intraday high-frequency arbitrage and volatility hedging strategies.

4. Steadily developing international business, establishing a sustainable cross-border operating system

The Company will implement unified, standardised service procedures for overseas customers and provide better-regulated cross-border customer services. It will accelerate the market-oriented recruitment of talent, introduce experienced overseas business leaders and professional teams, improve the supporting assessment and incentive mechanisms for business personnel, and fully stimulate their enthusiasm for expanding the cross-border business. In terms of business operations, the Company will prudently conduct overseas financial asset allocation, aiming to steadily enhance investment returns while meeting the requirements for risk segregation and quota controls. Adhering to a profitability-first approach, it will coordinate the planning of its medium- and long-term international business development, gradually improve the integrated service chain covering cross-border hedging, cross-border asset management and cross-border underwriting, and steadily broaden the sources of profitability for the overseas business.

Management Discussion and Analysis

5. Deepening the financial technology strategy, driving the transformation of all businesses through digital intelligence

The Company will make no compromise on the safe and stable operation of its systems; it will coordinate the implementation of information technology innovation across all areas, deepen the scenario-based integration and application of AI technologies, and plan to launch new AI-powered digital tools. In order to build core competitive advantages in technology, it will enrich application scenarios such as intelligent customer service, intelligent investment advisory and intelligent risk control. The Company will continue to iterate and upgrade its official trading application and online mini-programmes, and build an integrated digital-intelligent operating platform featuring Holly Futures' distinctive characteristics. It will fully embed digital tools into the entire process of customer development, trading services, industrial hedging, risk management and internal management, using information technology to empower the transformation and upgrading of the Company's entire business chain.

6. Strengthening core investment research moat, promoting the commercialisation of research results

The Company will increase the contribution of the Financial Academy to business empowerment, adhere to an application-oriented research approach, and establish an outcome-conversion chain of "industrial research – risk management solution development – service solution implementation – industry customer service" to facilitate the transformation of research outcomes into professional service capabilities. The Company will closely follow the launch schedule of new products and conduct in-depth industrial and product research in advance, thereby laying the professional groundwork for the development of customers for new products and the provision of industrial hedging services. It will continue to consolidate its research capabilities in advantageous industrial chains, including non-ferrous metals, energy and chemicals, and agricultural products. By integrating data and information resources across its entire industrial chain, the Company will provide real-economy enterprises with customised industrial reports and hedging strategy solutions, effectively meeting their needs for industry-based risk management and operating decision-making, thereby establishing a core competitive moat for industrial services through professional research.

IV. Working Capital, Financial Resources and Capital Structure

(I) Profitability analysis

During the Reporting Period, the Company has strengthened its main business of futures brokerage business and promoted cost reduction and efficiency enhancement of overall operation. For the six months ended 30 June 2026, the Company achieved operating income of RMB166 million. The net profit attributable to shareholders of the Company amounted to RMB24.4093 million, representing a year-on-year increase of 776.97%. The earnings per Share amounted to RMB0.0242 and the weighted average return on net assets was 1.30%, representing a year-on-year increase of 1.49 percentage points.

Management Discussion and Analysis

(II) Asset structure and asset quality

As of 30 June 2026, the total assets of the Group amounted to RMB13,077 million, representing an increase of 3.27% as compared with RMB12,662 million at the end of 2025; the total liabilities amounted to RMB11,202 million, representing an increase of 3.74% as compared with RMB10,797 million at the end of 2025. Net assets attributable to shareholders of the Company amounted to RMB1,875 million, representing an increase of 0.55% as compared with RMB1,865 million at the end of 2025.

The asset structure remained stable while the quality and liquidity of assets were well maintained. The Group's total assets recorded an increase as compared to the beginning of the Reporting Period, mainly due to the increase in customers' equity. As of 30 June 2026, the total assets of the Group comprises current assets of RMB12,685 million (accounting for 97.00%) and non-current assets of RMB392 million (accounting for 3.00%). Total assets mainly included cash assets of RMB12,189 million (accounting for 93.21%), assets for investment of RMB481 million (accounting for 3.68%), and other assets of RMB407 million (accounting for 3.11%).

As of 30 June 2026, the liabilities deducting customers' equity amounted to RMB538 million, representing a decrease of 49.76% as compared with RMB1,070 million at the end of 2025, mainly due to the decrease in bills payable of the subsidiary, Holly Capital. The gearing ratio of the Group was 22.28%, which is within a reasonable range. The operating leverage was 1.29 times, representing a decrease of 18.24% as compared with 1.57 times at the end of 2025.

As of 30 June 2026, the Group's total borrowings amounted to RMB3.0000 million (end of 2025: RMB1.0004 million), of which RMB3.0000 million was payable within one year, RMB0 million was repayable within one to two years and RMB0 million was repayable within two to five years. The interest rate for all the above borrowings is 2.11%. The currency of all borrowings is RMB. Details of the Group's borrowings are set out in Note V, 20 to the unaudited interim financial statements and the liquidity risk profile is set out in Note VIII, (III) to the unaudited interim financial statements.

Note: (gearing ratio = (total liabilities – customers' equity payable)/(total assets – customers' equity payable)).

Note: (operating leverage = (total assets – customers' equity payable)/equity attributable to the Shareholders).

(III) Liquidity level management

The Company places great emphasis on liquidity management based on the principle of "being comprehensive, prudent and predictable" 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 the first half of 2026 complied with the regulatory requirements of the CSRC.

Management Discussion and Analysis

(IV) 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. 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. The currency risk is set out in Note VIII, (I), 1 to the unaudited interim financial statements.

During the Reporting Period, no financial instruments were used for currency risk hedging purpose by the Group.

(V) Cash flows

The net increase in cash and cash equivalents of the Group amounted to RMB-984 million in the first half of 2026.

Net cash flow generated from operating activities of the Group amounted to RMB-44 million in the first half of 2026, representing a period-to-period increase of RMB826 million as compared with RMB-870 million for the same period in 2025; net cash flow generated from investing activities amounted to RMB-938 million in the first half of 2026, representing a period-to-period decrease of RMB871 million as compared with RMB-67 million for the same period in 2025; net cash flow generated from financing activities amounted to RMB-2 million in the first half of 2026, representing a period-to-period increase of RMB12 million as compared with RMB-14 million for the same period in 2025; net increase in cash and cash equivalents amounted to RMB-984 million in the first half of 2026, representing a period-to-period decrease of RMB34 million as compared with RMB-950 million for the same period in 2025.

(VI) Significant investment

There is no significant investment during the Reporting Period.

(VII) Contingent liabilities

For details, please refer to VIII of the Management Discussion and Analysis section of this report and Note XI of the unaudited interim financial statements.

(VIII) Charges on assets

For details, please refer to VIII of the Management Discussion and Analysis section of this report.

V. Material Financing of the Company

(I) Equity financing

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

Management Discussion and Analysis

(II) Debt financing

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

VI. Investments during the Reporting Period

(I) 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 in the nominal value of RMB1.00 per H Share (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 number of Shares offered to the public in Hong Kong was 24,970,000 H Shares, representing 10% of the total number of offer shares offered under the Global Offering. The number of offer shares under the International Placing was 224,730,000 H Shares, representing 90% of the total number of offer shares offered under Global Offering, with an issue price of HKD2.43 per Share, raising total proceeds of approximately HKD607 million. The net proceeds raised by the Company amounted to approximately HKD536 million, representing the net price of approximately HKD2.15 per H Share (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 Group 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 were 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 were 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. The Company 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 were 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 information technology equipment and software".

Management Discussion and Analysis

A Shares

According to the "Approval of the Initial Public Offering of Shares by Holly Futures Co., Ltd." (Zheng Jian Xu Ke [2022] No. 1135) approved by the CSRC, the Company was permitted to make a public offering of 100,777,778 RMB ordinary shares with 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 RMB ordinary shares to the public, and the actual net proceeds raised after deduction of issue expenses amounted to RMB161,354,358.20, translating to 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 account of the Company on 2 August 2022 and the availability of funds has been verified by ShineWing Certified Public Accountants, 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 30 June 2026, the proceeds have been fully utilized and the designated accounts for the proceeds have been cancelled.

(II) Use of proceeds for committed items

H Shares

As of 30 June 2026, the abovementioned proceeds raised from H Share Offering, for the purposes as set out in the H Shares Prospectus, were used as follows:

Description	Proceeds raised Usable amount as of End of Reporting Period (HKD'0,000)	Proceeds raised Accumulated amount used (HKD'0,000)	Balance (HKD'0,000)
Development of the future business in Hong Kong and throughout world[1, 2]	21,500	21,500	–
Development of the asset management business	13,404	13,404	–
Development of the commodity trading and risk management business[2]	9,784	9,784	–
Development and enhancement of the existing futures brokerage business[2]	52	52	–
Purchasing IT equipment and software[2]	4,586	4,055	531
General working capital	4,289	4,289	–
Total	53,615	53,084	531

Management Discussion and Analysis

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

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 were 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 30 June 2026, the Company's remaining proceeds were deposited into large commercial banks as bank deposits. The Company intends to utilise the remaining proceeds in the amount and usages of net proceeds as prescribed in the H Shares Prospectus and as amended in the 2022 first extraordinary general meeting of the Company in due course in 2026.

A Shares

As of 30 June 2026, the above proceeds from the A Shares Offering have been fully utilized for capital replenishment and the designated accounts for the proceeds have been cancelled.

(III) Progress of investments in subsidiaries and joint stock companies

None.

(IV) Future plans for significant investment and fixed assets

None.

VII. Share Scheme

No share scheme has been adopted by the Company and its subsidiaries.

VIII. Acquisition or Disposal of Material Assets, External Guarantee, Mortgage, Pledge and Material Contingent Liabilities of the Group

As of 30 June 2026, the Company had no material acquisition or disposal of subsidiaries, associates and joint ventures.

During the Reporting Period, there was neither acquisition, sale or replacement of the Group's material assets or business merger, nor any major off-balance-sheet items or contingent liabilities matters such as major external guarantee, mortgage, pledge that may affect the Group's financial position and operating results. The Group did not grant loans to any entities.

Management Discussion and Analysis

IX. Employees, Remuneration Policies and Training

As of the end of the Reporting Period, the Group had a total of 548 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, employees taking special posts and professionals are entitled to allowances. Performance bonuses are distributed according to the results of performance evaluation in favour of the front-line employees with outstanding performance. For the six months ended 30 June 2026, the total remuneration of employees, including remuneration of Directors, amounted to approximately RMB84.8461 million. Details of which are set out in Note V, 26 of the unaudited interim 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.

In order to constantly improve the professional ability and quality of the Company's executives, the Company formulated corresponding training programs for all business lines and made various training plans for employees at all levels. The Company provided operation and management personnel with training programs centring on enhancing their understanding of the development of the futures industry, management theories and skills, strategic thinking ability, operation management ability, etc.; and offered training programs focusing on improving business knowledge, product development and marketing skills and service abilities to employees of various business lines and departments. Moreover, it encourages employees to self-study, take professional qualification examinations, etc. in order to educate themselves and update their professional knowledge. Especially, it rewarded employees who had obtained qualifications for futures investment analysis, fund practitioner and futures practitioner in Hong Kong.

X. Risk Management

The risks which the Company faces in its business activities mainly include policy risks, risk management and internal control risks, professional conduct risks, market risks, credit risks, information technology risks and ESG (Environmental, Social and Governance) risks.

In the first half of 2026, the Company adopted effective measures to deal with the risks proactively, thereby safeguarding the safety and high efficiency of the business activities.

Management Discussion and Analysis

(I) Policy risks

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 risks

The Company relies on consistent application of risk 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 behaviors, and standard industry practices. These 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.

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 the fact 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.

Management Discussion and Analysis

(III) Professional conduct risks

Professional conduct risks refer 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 professional conduct risks mainly concern the employees of the Company.

The professional conduct risks posed by employees includes managing customers' assets, opening accounts and trading on behalf of customers without their consent or authorization. The risks largely stem from the low integrity level of individual staff members who cannot resist the temptation of the market, resulting in those staff members managing customers' finance in violation of rules and regulations, or opening accounts on their own accord to trade. Currently, the Company is screening and shielding the trading terminals of the personnel's computers through technical measures to prevent staff members from accepting customers' entrustment 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 risks posed by staff members, the Company has begun the strengthening of the internal system and established the mechanism of accountability. Through joint screening by related departments, the risks of staff members opening accounts to trade will be eliminated at source and at the same time, through strengthening the training and education of staff members, their professional conduct awareness will become stronger, which will avoid the occurrence of such risks.

(VI) Market Risks

Market risks refer to the risks of 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.

In the first half of 2026, global external uncertainties continued to escalate, while the domestic economy underwent a replacement of traditional growth drivers with new ones. The equity market exhibited pronounced divergence, and investment across various asset classes became increasingly challenging. The Company aims to achieve absolute returns and low-volatility value enhancement, with a deep-rooted commitment to the "Fixed Income + Allocation" framework. During the Reporting Period, the equity-enhancing positions generated certain returns, effectively lifting the overall investment income of our financial assets. Looking ahead to the second half of the year, market volatility risks are likely to persist, amid evolving overseas monetary policy shifts, geopolitical disturbances, and lingering uncertainties in domestic economic recovery. As a result, maintaining stable portfolio net asset values is likely to remain under sustained pressure. The Company will dynamically refine its position holding structure, rigorously manage all risk exposures, and safeguard the steady returns of its assets.

Management Discussion and Analysis

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 risks, 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 favoured commodities and contracts, discovered, reported and dealt with straddling buy and sell positions in time and strengthened the education of customers 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 risks, please refer to Note VIII, (I), 1 to the financial statement of this report.

(V) Credit Risks

Credit risks refer 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 default by the counterparty.

When a futures broker accepts an order from clients to trade futures for them in accordance with their trading instructions, they would incur losses if their customers are unable or refuse to fulfill their contractual obligations. There are two kinds of credit risks 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 risks, the Company will strictly control the account opening process. The Company has established a strict investor suitability management system to take investor suitability seriously and fully assess 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 to ensure that the customers understand the risks involved in futures trading adequately and continually improve clients' risk resilience.

Management Discussion and Analysis

(VI) Information Technology Risks

Information technology risks mainly refer 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 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 depended 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.

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

In June 2023, the International Sustainability Standards Board (ISSB) officially issued two international sustainability disclosure standards: IFRS S1 and IFRS S2. In April 2024, the Hong Kong Stock Exchange revised the Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》) to fully align with the ISSB standards. In January 2026, the Shenzhen Stock Exchange revised and released the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange: Preparation of Sustainability Report (2026 Revision) (《深圳證券交易所上市公司自律監管指南第3號–可持續發展報告編製(2026年修訂)》), which, on the basis of setting forth climate-related disclosure requirements, further elaborates on the requirements under the Guidelines, thereby promoting a more systematic and standardized ESG information disclosure by enterprises. These regulatory rules, both domestic and international, are well-coordinated and progressively aligned, and increasingly convergent in standards, collectively guiding enterprises to strengthen sustainability disclosures. Accordingly, China's capital market has established a two-tier sustainability disclosure rule system comprising "mandatory baseline requirements and reference-oriented implementation guidelines".

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

Management Discussion and Analysis

(1) Compliance risks

As the domestic and international sustainable information disclosure regulatory framework continues to improve and regulatory requirements become increasingly stringent, compliant operation has become a core prerequisite for the stable operation and high-quality development of futures companies. Holly Futures places great emphasis on compliance risk management, embedding it throughout the entire process of corporate governance and business operations, and has established a systematic compliance risk prevention and control system.

In this context, the Company conducts comprehensive identification and analysis of compliance risks in its full operational processes through methods such as process analysis, case collection, and departmental communication, and assesses the overall impact on the Company's development strategy, core business layout, and financial status. The Company has established a mechanism for dynamically tracking regulatory policy changes, strictly implementing measures such as information disclosure and internal auditing and continuously enhancing its risk monitoring mechanisms. The Company regularly conducts identification and re-assessment of compliance risks, timely updating risk list in response to changes in internal and external environments such as business development, policy changes, and regulatory updates, ensuring that compliance risks are always kept under control across the Company's development process.

At the same time, with compliant operations as its objective, the Company has established routine legal compliance training and audit mechanisms, continuously reinforced compliance awareness across all staff, and integrated compliance requirements into every aspect of day-to-day management. Through these efforts, the Company lays a solid compliance foundation to underpin its prudent operations and high-quality sustainable development.

(2) Climate change risks

Against the backdrop of the in depth advancement of the national "dual carbon" strategy, actively tackling climate change and pursuing low carbon development had become an inevitable requirement for the Company to achieve sustainable growth. Holly Futures took the initiative to follow the general trend of low carbon development, aligned itself with national arrangements for green development, fully integrated climate change management and low carbon operation development into its corporate strategy, built a robust defence line against climate related risks, and made solid progress in the Company's green and low carbon transformation.

The Company established a climate-change governance structure headed by the Strategic and ESG Committee, and implemented full-process governance covering climate-change risk management and low-carbon development. It conducted comprehensive assessments, clarified risk-control priorities and formulated differentiated response measures, set up an identification and early-warning mechanism for extreme-climate risks to lay a solid foundation for risk prevention and control. The Company carried out systematic accounting of greenhouse-gas emissions, rolled out a diverse range of energy-saving and carbon-reduction initiatives, improved energy-use efficiency and underpinned green-based operations. In addition, it ran regular emergency drills, dynamically optimised management strategies and raised staff awareness of climate-risk prevention. The all-round improvement of the management system provided robust internal support for the roll-out of green-finance businesses.

Management Discussion and Analysis

While strengthening internal climate risk management, Holly Futures actively explored viable pathways for green finance development and embedded the philosophy of climate oriented sustainable development deep into its business layout. Following the listing of polysilicon futures, the number of new energy products traded by the Company on the Guangzhou Futures Exchange has increased to three, providing professional risk management instruments for the growth of the green low carbon economy. At the same time, the Company signed cooperation agreements on "green finance futures services for real economy enterprises" with multiple provincial affiliated enterprises, industrial chain leaders and trading firms, and launched "futures + insurance" programmes for natural rubber and pulp, which effectively helped farmers boost income and drove the low carbon transformation of the industry. Through a series of measures, the Company continuously enhanced its climate risk management and green finance service capabilities, and fulfilled the mission of the futures sector to underpin the green transformation of the real economy with concrete actions.

(3) Product and service quality risks

As a financial services institution, product and service quality constituted the cornerstone of the Company's core competitiveness and client trust, and bore a direct bearing on the protection of investors' rights and interests and the preservation of market reputation. Holly Futures always attached great importance to the risk management of product and service quality, built a full process risk prevention and service optimisation mechanism centred on clients, and safeguarded clients' legitimate rights and interests in earnest.

Under this mechanism, the Company continuously deepens the construction of an intelligent customer service system, collecting internal and external information through professional teams via multiple channels, precisely identifying core risks such as discrepancies in investment advisory service information and delays in customer communication feedback, conducting risk level assessments and clarifying risk control priorities to implement targeted response measures such as comprehensive customer risk assessment, effectively preventing risks related to products and services. Furthermore, the Company regularly conducts various forms and channels of investor education and protection activities, continuously popularizing financial knowledge and enhancing investors' risk prevention awareness, thereby strengthening both professional investment education and high-quality services to build robust defenses line against product and service quality risks while effectively improving customer satisfaction and trust.

(4) Data security risks

With the continued deepening of the digital financial services landscape and increasingly stringent regulatory requirements on data security, Holly Futures attaches great importance to data security risk management and has incorporated it into the Company's overall governance framework. The Company continuously strengthens its management and control level across all processes and effectively fortifies the security defence line for customer information and business data.

Management Discussion and Analysis

The Company strictly adheres to laws and regulations such as the Cybersecurity Law of the People's Republic of China, and has established a tiered information security management architecture, with the Information Technology Committee providing overarching coordination, the Information Technology Centre executing implementation, and various business positions collaborating in support. The Company has also obtained certification under the classified cybersecurity protection system, thereby continuously consolidating the foundation for data security governance.

Based on the above governance framework and compliance foundation, the Company further strengthens data security risk management and control across all processes, identifies three core risks – technology, data security, and reputation – from multiple dimensions, conducts comprehensive assessments, and improves emergency plans while regularly conducting emergency drills. Meanwhile, the Company strengthens the data security awareness and compliance literacy of all employees by conducting specialized data security training and advancing internal and external audits for data security. This helps comprehensively identify management vulnerabilities and verify the effectiveness of systems and processes, effectively enhancing the overall data security management and control capabilities and compliant operation level.

XI. 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.

(I) Risk Management Principles

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

1. Preventing professional conduct, market and credit 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. 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;

Management Discussion and Analysis

(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, the Discipline Inspection Department and the 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 the decision-making department, the execution department and the inspection and evaluation department and implemented check and balance among these departments.

(II) Risk Management System

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

Management Discussion and Analysis

There are four management levels in risk management of the Company, namely, the Board, the risk management committee, the Chief Risk Officer and the specialists 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.

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 current risk management committee of the Company has five members, all with bachelor, master or higher degrees, two of them are professorate senior accountants or senior accountants and one of them is a senior economist. The risk management committee of the Company is led by Mr. Zhao Weixiong, the general manager and 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 complying with the business policy of the Company; evaluating and advising on the risks and compliance by the management of the Company in and as regards to 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 the Chief Risk Officer and has over ten years of experience in the financial industry.

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

Corporate Governance

I. Description of Corporate Governance

As a public company listed on both the domestic and overseas markets, the Company has been operating business in a standard manner and in strict compliance with the requirements set forth 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 kept 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 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 Board 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 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.

(I) Compliance with the Corporate Governance Code

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

According to part 2 of code provision C.1.7 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.

(II) Compliance with the Model Code

The Company has adopted the Model Code concerning the securities transactions by Directors. The Company has also made specific inquiries to all the Directors for the compliance with Model Code. All Directors confirmed that they completely complied with the Model Code during the Reporting Period.

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 was not aware of any non-compliance of the Model Code by its relevant employees.

The Board will examine the Company's corporate governance and its implementation from time to time so as to meet the requirements of the Listing Rules of Hong Kong Stock Exchange and to protect the interest of the Shareholders.

Corporate Governance

(III) Independent Non-executive Directors

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or relevant financial management expertise in accordance with the requirements of the Listing Rules of Hong Kong Stock Exchange. The Company has appointed a total of three independent non-executive Directors, namely Mr. Lo Wah Wai, Mr. Zhang Hongfa and Mr. Wang Yuwei. On 13 July 2026, Mr. Zhang Hongfa has tendered his resignation to the Board as an independent non-executive Director of the Company. As Mr. Zhang Hongfa's resignation would result in the number of independent Directors falling below one-third of the members of the Board, Mr. Zhang Hongfa's resignation will take effect upon the election of a new independent Director by the general meeting of the Company. During this period, Mr. Zhang Hongfa will continue to perform his duties as an independent Director and a member of the special committees of the Board. The Board of the Company will nominate a new candidate for independent Director as soon as practicable and submit such nomination to the general meeting of the Company for consideration.

(IV) Audit Committee

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

The main duties of the Audit Committee include:

(i) providing suggestions to the Board of Directors concerning the appointment, re-appointment and change of external auditors, approving the remuneration and terms of engagement of external auditors and handling issues relating to the resignation or dismissal of such external auditors;

(ii) evaluating the work of external auditors, conducting annual review of the performance of the external auditors and supervising the independence of external auditors, and the procedures, quality and results of their work;

(iii) supervising the internal audit system and its implementation;

(iv) supervising and evaluating whether the work of the external auditors is independent and objective, and whether the procedures of audit is effective; the Committee shall have discussions with the external auditors on the nature and scope of audit and the relating reporting obligation prior to the commencement of the audit, and providing non-audit service, formulating and implementing policies in respect of the external audit;

(v) coordinating the communication between the internal and external auditors and ensuring the internal audit function is provided with adequate resources for operation and has appropriate standing in the Company; and reviewing and monitoring its effectiveness;

Corporate Governance

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

1. any changes in the accounting policies and practices;

2. areas which involve significant judgements;

3. significant adjustments according to the results of audit;

4. assumptions on the ongoing operations of the Company and any qualified opinions;

5. compliance with accounting standards;

6. compliance with the Hong Kong Listing Rules and other requirements in relation to financial reporting.

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

(vii) reviewing and supervising the financial control, internal control and risk management system of the Company;

(viii) discussing the risk management and internal control system with the management about the adequacy of resources, qualifications and experience of staff, training programmes and budget of the accounting and financial reporting function of the Company so as to ensure the management has performed its duty to establish an effective system;

(ix) reviewing major findings of investigation on internal control matters and the findings of investigation in respect of the responses of management on its own initiative or as delegated by the Board of Directors;

(x) inspecting and ensuring the timely response of any proposal from the Board of Directors (or equivalent documents) issued to the senior management by the external auditors, and reviewing any significant queries raised by the external auditor to the senior management regarding the minutes, financial accounts or supervision systems and responses of the senior management, as well as reporting to the Board of Directors in respect of the aforementioned issues;

(xi) acting as the key representative for coordinating internal and external audits and overseeing the relationship between the Company and the external auditors;

Corporate Governance

(xii) reviewing the financial and accounting policies and practices of the Company;

(xiii) reporting to the Board on the aforementioned matters and other matters set out in the Code Provision D.3.3 of Part II of Appendix C1 to the Hong Kong Listing Rules (and any amendments thereto from time to time);

(xiv) evaluating the mechanism of report by staff, internal control of and other misconducts in the Company and the independent and fair investigations carried out by the Company on the reported issues, and taking appropriate actions;

(xv) exercising the relevant powers of the Supervisory Committee as stipulated by the Company Law and the powers of the Audit Committee as stipulated by the Articles of Association;

(xvi) other duties as assigned by laws and regulations, the Company's Articles of Association and the Board of Directors.

As of 30 June 2026, the Audit Committee comprises three members, including two independent non-executive Directors, namely Mr. Lo Wah Wai (chairman) and Mr. Wang Yuwei, as well as a non-executive Director, namely Mr. Xue Binghai.

On 26 August 2026, the Audit Committee reviewed and confirmed the interim results of the Group for the six months ended 30 June 2026, the 2026 Interim Report and the unaudited interim financial statements for the six months ended 30 June 2026 prepared in accordance with the PRC GAAP.

(V) Directors' Responsibility for the Financial Statements

The Directors have confirmed their responsibility for preparing financial statements of the Company. The financial information set out in this interim report is unaudited.

Other Information

I. Share Capital

As of the end of the Reporting Period, the total share capital of the Company amounted to RMB1,007,777,778, divided into 1,007,777,778 ordinary shares (758,077,778 A Shares and 249,700,000 H Shares respectively), with a par value of RMB1.00 each.

II. Amendments to the Articles of Association

During the Reporting Period, there are no amendments to the Articles of Association.

III. Sufficiency of Public Float

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

IV. Interim Results

The interim results of the Group for the six months ended 30 June 2026 were published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (http://www.ftol.com.cn) on 26 August 2026.

V. Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (Six months ended 30 June 2025: nil).

Other Information

VI. Purchase, Sale and Redemption of Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares). As of 30 June 2026, the Company did not hold any treasury shares.

VII. Matters in Relation to 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 SOHO Holdings, the Controlling Shareholder of the Company. See Note X to the financial statements of this report for information about other related party transactions. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules of Hong Kong Stock Exchange 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 wholly controlled 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 30 June 2026, SOHO Holdings directly and indirectly holds approximately 48.99% of equity interest in the Company, and hence is the Controlling Shareholder of the Company.

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 trade; (iii) property leasing; and (iv) production, R&D and sales of mulberry silk, textile and garments.

Other Information

(II) Continuing connected transactions

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

Following the Company's annual general meeting held on 28 June 2024, where the Trading Framework Agreement and the continuing connected transactions contemplated thereunder with respect to the purchase and sale of the relevant products between the Company and its subsidiaries and SOHO Holdings and its subsidiaries, the Financial Investment Framework Agreement and the continuing connected transactions contemplated thereunder with respect to the subscription of wealth management products from SOHO Holdings and its subsidiaries, and the Financial Services Framework Agreement and the continuing connected transactions contemplated thereunder with respect to the provision of financial services to SOHO Holdings and its subsidiaries have been considered and approved, the Company and SOHO Holdings entered into the Trading Framework Agreement, the Financial Investment Framework Agreement and the Financial Services Framework Agreement on 22 July 2024 respectively. Pursuant to the Trading Framework Agreement, the Group will engage in the trading of commodities with the SOHO Holdings Group and the annual cap of the amount payable by the Group to the SOHO Holdings Group in relation to the purchase of the relevant products from the SOHO Holdings Group as contemplated under the Trading Framework Agreement for 2026 will be RMB900 million, the annual cap of the amount payable by the SOHO Holdings Group to the Group in relation to the sale of the relevant products to the SOHO Holdings Group as contemplated under the Trading Framework Agreement will be RMB150 million. Pursuant to the Financial Investment Framework Agreement, the Group will subscribe for financial products, including funds, trusts and asset management products, from the SOHO Holding Group in the ordinary and usual course of business on normal commercial terms, subject to an annual cap of RMB50 million for 2026. Pursuant to the Financial Services Framework Agreement, the Company provides various financial services to SOHO Holdings and its subsidiaries, including futures brokerage services, asset management services, etc., subject to an annual cap of RMB2.6 million for 2026.

VIII. Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and any of its Associated Corporations

As at 30 June 2026, based on the information available to the Company and to the knowledge of the Directors, the Directors and chief executive of the Company do not have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (as defined under Part XV of the SFO) (i) which are required to be notified to the Company or the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions that are deemed to be interested in pursuant to relevant provisions under the SFO), or (ii) which are required to be entered into the register of the Company pursuant to Section 352 of the SFO, or (iii) which are required to be notified to the Company or the Hong Kong Stock Exchange under the Model Code.

Other Information

IX. Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As at 30 June 2026, to the knowledge of the Directors and chief executive of the Company, the interests or short positions of substantial Shareholders (except the Directors and chief executive of the Company) in Shares 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 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 (蘇豪控股)[3]	A Shares/ H Shares	Beneficial owner and interest in controlled corporation	493,665,289 (long position) (481,975,009 A Shares and 11,690,280 H Shares)	48.99%	A Shares 63.58% H Shares 4.68%
Zhong Shan Company (鍾山公司)	H Shares	Beneficial owner	11,690,280 (long position)	1.16%	4.68%
SOHO Holly (蘇豪弘業)	A Shares	Beneficial owner	144,400,000 (long position)	14.33%	19.05%
High Hope Corporation (匯鴻集團)	A Shares	Beneficial owner	57,964,734 (long position)	5.75%	7.65%

Notes:

(1) The calculation is based on the total number of 1,007,777,778 Shares in issue of the Company as at 30 June 2026.

(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 30 June 2026.

(3) On 30 June 2026, SOHO Holdings (i) directly held 275,456,777 A Shares; (ii) was the beneficial owner of 25.96% equity interest in SOHO Holly (directly holding 144,400,000 A Shares of the Company); (iii) was the beneficial owner of 67.41% equity interest in High Hope Corporation (directly holding 57,964,734 A Shares of the Company); (iv) was the beneficial owner of the entire equity interests of SOHO Culture Group (deemed to be interested in the 4,153,498 A Shares directly held by Holly Logistics); and (v) was the beneficial owner of 100% equity interest in Zhong Shan Company (directly holding 11,690,280 H Shares of the Company). As disclosed in the 2025 annual report of SOHO Holly, according to relevant PRC laws, SOHO Holdings is deemed to be the controlling shareholder of SOHO Holly. Accordingly, SOHO Holdings is deemed to be interested in the 144,400,000 A Shares of the Company directly held by SOHO Holly, 57,964,734 A Shares of the Company directly held by High Hope Corporation, 4,153,498 A Shares of the Company indirectly held by SOHO Culture Group and 11,690,280 H Shares of the Company directly held by Zhong Shan Company, and hence was directly and indirectly interested in 493,665,289 Shares.

(4) As far as the Company is aware, the above number of Shares represents the respective Shareholders' interests and short positions as at the end of the Reporting Period, but the relevant number of Shares and information may be different from the summary of DI Forms submitted to the Hong Kong Stock Exchange by relevant Shareholders. This is mainly because the Company made the calculation based on public information disclosed such as summary of DI Forms and the register of members of the Company.

Other Information

Save as disclosed above, the Directors and chief executive of the Company are not aware that, as at 30 June 2026, any other person (other than the Directors or chief executive 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 30 June 2026, SOHO Holdings, the Controlling Shareholder of the Company, held approximately 48.99% 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 controlled by Jiangsu SASAC. 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 garments.

X. Material Litigations and Arbitrations

(I) Punishment and public censure against the Company during the Reporting Period

None.

(II) Material litigations and arbitrations

(i) Material litigations and arbitrations occurring during the Reporting Period

None.

(ii) Material litigations and arbitrations concluded during the Reporting Period

None.

(iii) Outstanding material litigations and arbitrations during the Reporting Period

None.

(iv) Material litigations and arbitrations occurring after the Reporting Period

None.

Other Information

XI. Change of Directors and Senior Management during the Reporting Period

Pursuant to Rule 13.51B of the Listing Rules of Hong Kong Stock Exchange, as at the end of the Reporting Period, save for the below, there is no change in the biographical information of the Directors and senior management of the Company as disclosed in the 2025 annual report of the Company.

1. The Company

On 3 March 2026, Mr. Wang Yuwei was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Strategic and ESG Committee of the Company, and Mr. Huang Dechun ceased to be an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Strategic and ESG Committee of the Company. Mr. Lo Wah Wai and Mr. Chen Ke were appointed as members of the Remuneration Committee. Mr. Chen Ke was appointed as a member of the Strategic and ESG Committee.

2. Holly Capital

On 13 March 2026, Mr. Li Jianfeng ceased to serve as a deputy general manager of Holly Capital.

3. Holly International Financial

None

4. Holly International Asset Management

None

XII. Subsequent Events

1. Change of auditor

ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)) retired as the auditor of the Company at the conclusion of the annual general meeting of the Company on 26 June 2026. The resolution for the appointment of the auditor was considered and approved at the 2026 second extraordinary general meeting of the Company held on 20 August 2026 and RSM China CPA LLP (容誠會計師事務所(特殊普通合夥)) was appointed as the auditor of the Company for the year 2026, with its term of office lasting until the conclusion of the next annual general meeting. For details, please refer to the circular of the Company dated 3 August 2026 and the announcements dated 6 August 2026 and 19 August 2026.

Review Report

RSM Yue Zi No. [2026]200Z0007
Soho Holly Futures Co., Ltd.

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

We have reviewed the accompanying interim financial statements of Soho Holly Futures Co., Ltd. ("Holly Futures"), which comprises the consolidated and the parent company's balance sheet as at 30 June 2026, the consolidated and parent company's income statement, the consolidated and the parent company's cash flow statements and the consolidated and the parent company's statement of changes in owners' equity and relevant notes to the financial report from January to June 2026. The management of Holly Futures is responsible for preparation of the interim financial report. Our responsibility is to issue a report on the interim financial statements based on our review. In conducting our review engagement, we have complied with the relevant provisions of the Independence Standards for Chinese Certified Public Accountants that are applicable to the review of financial statements of public interest entities.

We conducted our review in accordance with "China Standard on Review No. 2101 – Engagements to Review Financial Statements". This Standard requires that we plan and perform the review to obtain limited assurance as to whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of personnel of the Company and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not presented fairly in accordance with "Accounting Standard for Business Enterprises", or incapable of fairly reflecting in all material respects of consolidated and parent company's financial position of Holly Futures as at 30 June 2026, and the consolidated and parent company's financial performance and cash flows from January to June 2026.

RSM China CPA LLP	Certified Public Accountants registered in the People's Republic of China: Xue Jing (the engaging partner)
	Certified Public Accountants registered in the People's Republic of China: Cao Yang
Beijing, China	26 August 2026

Consolidated Balance Sheet

30 June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	30 June 2026	31 December 2025
Assets:			
Monetary funds	V, 1	7,771,242,258.48	7,990,458,034.88
Including: Futures margin deposits		7,302,864,081.38	7,480,683,642.32
Currency deposits receivable	V, 2	4,396,103,415.49	3,187,227,426.50
Pledged deposits receivable	V, 3	15,553,920.00	77,608,800.00
Advance to customers	V, 4	6,037,423.73	2,640,072.17
Derivative financial assets	V, 5	18,153,977.71	9,154,289.53
Settlement deposits receivable	V, 7	20,000,000.00	20,000,000.00
Other receivables	V, 8	11,608,830.04	15,585,757.45
Financial assets purchased under resale agreements	V, 9	112,392,000.00	93,966,000.00
Financial assets held for trading	V, 10	333,769,859.43	331,597,311.37
Other equity instruments investment	V, 11	8,096,044.80	27,809,985.27
Long-term equity investments	V, 12	8,789,758.16	8,766,789.61
Investment properties	V, 13	48,068,400.00	48,068,400.00
Fixed assets	V, 14	279,283,546.80	287,729,667.48
Right-of-use assets	V, 15	14,544,847.82	11,116,509.34
Intangible assets	V, 16	1,054,232.30	885,478.46
Deferred income tax assets	V, 17	18,423,099.84	17,393,665.78
Other assets	V, 18	13,760,371.44	532,286,019.73
Total assets		13,076,881,986.04	12,662,294,207.57

Consolidated Balance Sheet

30 June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	30 June 2026	31 December 2025
Liabilities:			
Short-term borrowings	V, 20	3,000,000.00	1,000,383.33
Currency deposits payable	V, 21	10,648,493,505.67	9,725,943,497.66
Pledged deposits payable	V, 22	15,553,920.00	1,346,400.00
Financial liabilities held for trading	V, 23	6,996,660.37	7,030,984.02
Derivative financial liabilities	V, 5	13,670,172.63	9,999,149.77
Futures risk reserve	V, 24	188,170,994.52	184,158,983.39
Futures investors protection funds payable	V, 25	218,103.47	344,904.00
Employee benefits payable	V, 26	991,469.89	3,361,824.50
Taxes payable	V, 27	10,762,590.57	2,064,980.88
Notes payable	V, 28	104,208,576.00	542,583,467.06
Other payables	V, 29	185,406,103.88	294,367,868.19
Lease liabilities	V, 30	14,617,041.04	11,196,190.50
Deferred income tax liabilities	V, 17	9,051,762.47	2,449,248.50
Other liabilities	V, 31	527,213.45	11,560,500.00
Total liabilities		11,201,668,113.96	10,797,408,381.80
Owners' equity:			
Share capital	V, 32	1,007,777,778.00	1,007,777,778.00
Capital reserve	V, 33	598,402,999.72	598,402,999.72
Other comprehensive income	V, 34	-2,581,732.04	4,329,217.47
Surplus reserve	V, 35	76,051,060.14	76,364,979.96
General risk reserve	V, 36	102,244,557.33	102,244,557.33
Retained earnings	V, 37	93,319,208.93	75,766,293.29
Total equity attributable to owners of the parent company		1,875,213,872.08	1,864,885,825.77
Minority interests		–	–
Total owners' equity		1,875,213,872.08	1,864,885,825.77
Total liabilities and owners' equity		13,076,881,986.04	12,662,294,207.57

Legal representative: Chu Kairong

Person in charge of accounting: Jia Fuhua

Person in charge of the accounting firm: Jia Fuhua

Balance Sheet of the Parent Company

30 June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	30 June 2026	31 December 2025
Assets:			
Monetary funds		7,219,059,112.12	7,326,760,736.76
Including: Futures margin deposits		7,153,492,689.61	7,289,911,448.15
Currency deposits receivable		4,224,055,207.83	3,046,081,243.32
Pledged deposits receivable		15,553,920.00	77,608,800.00
Settlement deposits receivable		20,000,000.00	20,000,000.00
Other receivables		5,938,710.65	5,480,805.57
Financial assets purchased under resale agreements		112,392,000.00	93,966,000.00
Financial assets held for trading		287,963,970.70	267,454,691.88
Other equity instruments investment		7,661,769.80	27,358,375.27
Long-term equity investments	XIV, 1	709,238,337.97	709,215,369.42
Investment properties		48,068,400.00	48,068,400.00
Fixed assets		233,963,928.38	241,668,433.17
Right-of-use assets		11,885,654.68	8,763,557.32
Intangible assets		533,102.30	343,546.46
Other assets		11,888,678.43	14,121,547.98
Total assets		12,908,202,792.86	11,886,891,507.15

Balance Sheet of the Parent Company

30 June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	30 June 2026	31 December 2025
Liabilities:			
Currency deposits payable		10,688,516,075.83	9,674,804,340.26
Pledged deposits payable		15,553,920.00	77,608,800.00
Futures risk reserve		188,170,994.52	184,158,983.39
Futures investors protection funds payable		218,103.47	344,904.00
Employee benefits payable		932,492.49	2,962,961.86
Taxes payable		1,647,811.53	2,064,537.06
Other payables		67,586,606.60	26,845,244.83
Lease liabilities		12,050,208.51	8,973,564.38
Deferred income tax liabilities		9,051,762.47	1,698,387.76
Other liabilities		527,213.45	–
Total liabilities		10,984,255,188.87	9,979,461,723.54
Owners' equity:			
Share capital		1,007,777,778.00	1,007,777,778.00
Capital reserve		592,000,959.53	592,000,959.53
Other comprehensive income		-285,081.75	-1,648,830.74
Surplus reserve		76,051,060.14	76,364,979.96
General risk reserve		102,244,557.33	102,244,557.33
Retained earnings		146,158,330.74	130,690,339.53
Total equity attributable to owners		1,923,947,603.99	1,907,429,783.61
Total liabilities and owners' equity		12,908,202,792.86	11,886,891,507.15

Legal representative: Chu Kairong

Person in charge of accounting: Jia Fuhua

Person in charge of the accounting firm: Jia Fuhua

Consolidated Income Statement

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
I. Total income from operations		**165,708,660.40**	135,592,350.25
Net handling fee and commission income	V, 38	**84,287,798.94**	75,217,396.91
Including: Net fee income from brokerage operations		**83,849,723.88**	73,683,292.88
Net fee income from asset management operations		**438,075.06**	1,527,298.89
Net interest income	V, 39	**45,825,866.96**	31,302,127.93
Including: Interest income		**46,487,126.57**	31,316,084.51
Interest expense		**661,259.61**	13,956.58
Investment gain (loss denoted by "-")	V, 40	**49,251,520.09**	764,909.35
Including: Investment gain of associates and joint ventures		**22,968.55**	40,553.49
Other income	V, 41	**116,908.41**	112,673.61
Gains on change in fair value (loss denoted by "-")	V, 42	**-21,734,319.31**	25,259,666.92
Exchange gains (loss denoted by "-")	V, 43	**153,913.75**	809,128.78
Income from other business activities	V, 44	**7,820,081.24**	2,524,278.57
Asset disposal gain (loss denoted by "-")	V, 45	**-13,109.68**	-397,831.82
II. Total operating expense		**132,673,173.51**	141,469,787.57
Futures risk reserve expenses	V, 46	**4,012,011.13**	3,279,975.14
Taxes and surcharges	V, 47	**6,063,217.21**	2,083,566.14
General and administrative expenses	V, 48	**120,246,831.72**	135,730,919.63
Credit impairment loss	V, 49	**206,113.45**	-531,360.93
Other asset impairment loss		**–**	-493,550.41
Other general expenses	V, 50	**2,145,000.00**	1,400,238.00
III. Profit from operations (loss denoted by "-")		**33,035,486.89**	-5,877,437.32
Add: Non-operating income	V, 51	**5,611.96**	253,443.16
Less: Non-operating expenses	V, 52	**512,594.16**	46,421.80
IV. Total profit (loss denoted by "-")		**32,528,504.69**	-5,670,415.96
Less: Income tax expense	V, 53	**8,119,199.37**	-2,064,767.69
V. Net profit (loss denoted by "-")		**24,409,305.32**	-3,605,648.27
(I) Classification by continuity of operations		**24,409,305.32**	-3,605,648.27
1. Net profit of operation on a going concern basis (Net loss denoted by "-")		**24,409,305.32**	-3,605,648.27
2. Net profit of operation on a discontinued operation (Net loss denoted by "-")		**–**	–
(II) Classification by ownership		**24,409,305.32**	-3,605,648.27
1. Net income attributable to owners of the parent company (Net loss denoted by "-")		**24,409,305.32**	-3,605,648.27
2. Profit and loss of minority shareholders (Net loss denoted by "-")		**–**	–

Consolidated Income Statement

January-June 2026
Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
VI. Other comprehensive income, net of tax		**-10,050,147.90**	434,425.19
Net other comprehensive income after tax attributable to owners of the parent company		**-10,050,147.90**	434,425.19
(I) Other comprehensive income that cannot be reclassified into profits/losses		**-1,775,449.40**	3,133,408.69
1. Changes in fair value of other equity instruments investment		**-1,775,449.40**	3,133,408.69
(II) Other comprehensive income that will be reclassified into profit or loss		**-8,274,698.50**	-2,698,983.50
1. Change in fair value of other debt investments		**–**	-15,627.06
2. Exchange rate differences of financial statements denominated in foreign currency		**-8,274,698.50**	-2,683,356.44
Net other comprehensive income after tax attributable to minority shareholders		**–**	–
VII. Total comprehensive income		**14,359,157.42**	-3,171,223.08
Total comprehensive income attributable to owners of the parent company		**14,359,157.42**	-3,171,223.08
Total comprehensive income attributable to minority shareholders		**–**	–
VIII. Earnings per share			
(1) Basic earnings per share		**0.0242**	-0.0036
(2) Diluted earnings per share		**0.0242**	-0.0036

Legal representative: Chu Kairong
Person in charge of accounting: Jia Fuhua
Person in charge of the accounting firm: Jia Fuhua

Income Statement of the Parent Company

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
I. Total income from operations		**143,724,371.01**	97,836,282.29
Net handling fee and commission income	XIV, 2	**80,062,131.49**	68,396,201.35
Including: Net fee income from brokerage operations		**78,798,171.77**	65,604,971.00
Net fee income from asset management operations		**499,862.14**	1,695,731.56
Net interest income	XIV, 3	**40,758,366.20**	22,663,548.04
Including: Interest income		**40,758,366.20**	22,677,504.62
Interest expense		**–**	13,956.58
Investment gain (loss denoted by "-")	XIV, 4	**10,978,626.02**	978,635.96
Including: Investment gain of associates and joint ventures		**22,968.55**	40,553.49
Other income		**113,521.33**	96,809.58
Gains on change in fair value (loss denoted by "-")	XIV, 5	**8,728,230.68**	3,665,030.58
Exchange gains (loss denoted by "-")		**-138,881.46**	-94,435.06
Income from other business activities		**3,229,867.17**	2,524,278.57
Asset disposal gain (loss denoted by "-")		**-7,490.42**	-393,786.73
II. Total operating expense		**112,706,240.23**	116,868,156.23
Futures risk reserve expenses		**4,012,011.13**	3,279,975.14
Taxes and surcharges		**2,564,809.89**	1,073,200.11
General and administrative expenses		**103,913,411.67**	111,114,818.67
Credit impairment loss		**71,007.54**	-75.69
Other general expenses		**2,145,000.00**	1,400,238.00
III. Profit from operations (loss denoted by "-")		**31,018,130.78**	-19,031,873.94
Add: Non-operating income		**5,611.96**	194,696.02
Less: Non-operating expenses		**512,594.16**	46,351.00
IV. Total profit (loss denoted by "-")		**30,511,148.58**	-18,883,528.92
Less: Income tax expense		**8,186,767.69**	-4,559,588.24
V. Net profit (loss denoted by "-")		**22,324,380.89**	-14,323,940.68
(I) Classification by continuity of operations		**22,324,380.89**	-14,323,940.68
1. Net profit of operation on a going concern basis (Net loss denoted by "-")		**22,324,380.89**	-14,323,940.68
2. Net profit of operation on discontinued operation (Net loss denoted by "-")		**–**	–

Income Statement of the Parent Company

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
VI. Other comprehensive income, net of tax		**-1,775,449.40**	3,117,781.63
(I) Other comprehensive income that cannot be reclassified into profits/losses		**-1,775,449.40**	3,133,408.69
1. Changes in fair value of other equity instruments investment		**-1,775,449.40**	3,133,408.69
(II) Other comprehensive income that will be reclassified into profit or loss		**–**	-15,627.06
1. Change in fair value of other debt investments		**–**	-15,627.06
VII. Total comprehensive income		**20,548,931.49**	-11,206,159.05
VIII. Earnings per share			
(1) Basic earnings per share		**0.0222**	-0.0142
(2) Diluted earnings per share		**0.0222**	-0.0142

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

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
I. Cash flows from operating activities:			
Cash received from interest, handling fees and commissions		140,299,817.43	115,490,945.29
Net increase in currency deposits payable and pledged deposits payable		914,764,394.84	–
Net decrease from financial assets relating to risk management business		–	325,770,655.40
Net decrease in restricted monetary funds		233,634,538.27	10,120,597.38
Cash received from other operating activities	V, 54	453,563,052.29	54,941,723.63
Subtotal of cash inflows from operating activities		1,742,261,802.83	506,323,921.70
Cash paid for interest, handling fees and commissions		3,838,116.14	472,329.49
Net increase in currency deposits receivable and pledged deposits receivable		1,186,856,096.73	180,148,415.90
Net decrease in currency deposits payable and pledged deposit payable		–	836,258,310.39
Net increase from financial assets relating to risk management business		38,768,407.79	–
Cash paid to and for employees		87,005,084.97	89,617,207.63
Cash paid for general and administrative expenses		18,933,620.10	31,689,792.95
Payments of various taxes		26,044,064.47	11,704,933.07
Cash paid for other operating activities	V, 54	425,132,205.10	226,320,706.45
Subtotal of cash outflows from operating activities		1,786,577,595.30	1,376,211,695.88
Net cash flow from operating activities		-44,315,792.47	-869,887,774.18

Consolidated Statement of Cash Flows

January-June 2026
Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
II. Cash flow from investing activities:			
Cash received from disposal of investments		**11,243,818,565.22**	10,198,263,833.88
Cash received from investment income		**9,276,973.87**	3,091,675.83
Net cash received from disposal of fixed assets, intangible assets and other long-term investments		**–**	427,271.74
Other cash received relating to investing activities	V, 54	**770,000,000.00**	–
Subtotal of cash inflows from investing activities		**12,023,095,539.09**	10,201,782,781.45
Cash paid for investment		**11,254,312,837.01**	10,266,212,511.35
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**282,664.28**	2,290,827.32
Other cash paid relating to investing activities	V, 54	**1,706,160,949.30**	–
Subtotal of cash outflows from investing activities		**12,960,756,450.59**	10,268,503,338.67
Net cash flow from investing activities		**-937,660,911.50**	-66,720,557.22
III. Cash flow from financing activities:			
Cash received from borrowings		**88,975,400.00**	110,721,640.00
Subtotal of cash inflows from financing activities		**88,975,400.00**	110,721,640.00
Cash paid for repayment of debts		**86,975,400.00**	114,721,640.00
Cash paid for distribution of dividend and profit or repayment of interest		**54,831.96**	–
Cash paid for repayment of principal and interest of lease liabilities		**3,765,043.11**	5,228,492.93
Net cash paid for sales of repurchase business		**–**	4,312,212.10
Subtotal of cash outflows from financing activities		**90,795,275.07**	124,262,345.03
Net cash flow from financing activities		**-1,819,875.07**	-13,540,705.03
IV. Effect of change in foreign exchange rate on cash		**163,353.85**	526,919.03
V. Net increase in cash and cash equivalents	V, 55	**-983,633,225.19**	-949,622,117.40
Add: Opening balance of cash and cash equivalents	V, 55	**3,412,479,712.74**	7,036,460,835.63
VI. Closing balance of cash and cash equivalents	V, 55	**2,428,846,487.55**	6,086,838,718.23

Legal representative: Chu Kairong **Person in charge of accounting:** Jia Fuhua **Person in charge of the accounting firm:** Jia Fuhua

Statement of Cash Flows of the Parent Company

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
I. Cash flow from operating activities:			
Cash received from interest, handling fees and commissions		**116,223,552.38**	99,894,270.13
Net increase in currency deposits payable and pledged deposits payable		**951,656,855.57**	–
Net decrease in restricted monetary funds		**285,754.41**	16,724,128.75
Cash received from other operating activities		**156,650,471.20**	6,048,457.41
Subtotal of cash inflows from operating activities		**1,224,816,633.56**	122,666,856.29
Cash paid for interest, handling fees and commissions		**84,214.77**	46,462.39
Net increase in currency deposits receivable and pledged deposits receivable		**1,115,919,084.51**	287,263,197.13
Net decrease in currency deposits payable and pledged deposit payable		**–**	808,207,806.18
Cash paid to and for employees		**78,008,157.64**	79,442,744.61
Cash paid for general and administrative expenses		**16,067,790.37**	18,547,554.39
Payments of various taxes		**9,803,977.43**	10,149,508.38
Cash paid for other operating activities		**132,961,705.74**	56,046,206.51
Subtotal of cash outflows from operating activities		**1,352,844,930.46**	1,259,703,479.59
Net cash flow from operating activities		**-128,028,296.90**	-1,137,036,623.30

Statement of Cash Flows of the Parent Company

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	Note	January-June 2026	January-June 2025
II. Cash flow from investing activities:			
Cash received from disposal of investments		**11,243,818,565.22**	10,178,434,821.23
Cash received from investment income		**9,134,370.22**	1,628,236.66
Net cash received from disposal of fixed assets, intangible assets and other long-term investments		**–**	25,482.30
Other cash received relating to investing activities		**770,000,000.00**	–
Subtotal of cash inflows from investing activities		**12,022,952,935.44**	10,180,088,540.19
Cash paid for investment		**11,254,312,837.01**	10,272,816,493.10
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**120,487.65**	1,345,341.08
Other cash paid relating to investing activities		**1,529,867,977.63**	–
Subtotal of cash outflows from investing activities		**12,784,301,302.29**	10,274,161,834.18
Net cash flow from investing activities		**-761,348,366.85**	-94,073,293.99
III. Cash flow from financing activities:			
Cash paid for distribution of dividend and profit or repayment of interest		**–**	13,956.58
Cash paid for repayment of principal and interest of lease liabilities		**2,809,795.31**	5,225,267.93
Net cash paid for sales of repurchase business		**–**	4,298,255.52
Subtotal of cash outflows from financing activities		**2,809,795.31**	9,537,480.03
Net cash flow from financing activities		**-2,809,795.31**	-9,537,480.03
IV. Effect of change in foreign exchange rate on cash		**-148,597.23**	-94,435.06
V. Net increase in cash and cash equivalents		**-892,335,056.29**	-1,240,741,832.38
Add: Opening balance of cash and cash equivalents		**2,981,850,444.71**	6,607,269,714.03
VI. Closing balance of cash and cash equivalents		**2,089,515,388.42**	5,366,527,881.65

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

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

	January-June 2026							
	Equity attributable to owners of the parent company							
Item	Capital	Capital reserve	Other comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Minority shareholders' equity	Total owners' equity
I. Closing balance of last year	1,007,777,778.00	598,402,999.72	4,329,217.47	76,364,979.96	102,244,557.33	75,766,293.29	-	1,864,885,825.77
II. Opening balance of the current year	1,007,777,778.00	598,402,999.72	4,329,217.47	76,364,979.96	102,244,557.33	75,766,293.29	-	1,864,885,825.77
III. Increase/decrease of the current year (loss denoted by "-")	-	-	-6,910,949.51	-313,919.82	-	17,552,915.64	-	10,328,046.31
(I) Total comprehensive income	-	-	-10,050,147.90	-	-	24,409,305.32	-	14,359,157.42
(II) Owners' capital injected and reduced	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-4,031,111.11	-	-4,031,111.11
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	-
2. Withdrawal of general risk provisions	-	-	-	-	-	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-4,031,111.11	-	-4,031,111.11
(IV) Internal carryover of owners' equity	-	-	3,139,198.39	-313,919.82	-	-2,825,278.57	-	-
1. Other comprehensive income transferred to retained earnings	-	-	3,139,198.39	-313,919.82	-	-2,825,278.57	-	-
IV. Closing balance of the current year	1,007,777,778.00	598,402,999.72	-2,581,732.04	76,051,060.14	102,244,557.33	93,319,208.93	-	1,875,213,872.08

Consolidated Statement of Changes in Owners' Equity

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

	January-June 2025							
	Equity attributable to owners of the parent company							
Item	Capital	Capital reserve	Other comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Minority shareholders' equity	Total owners' equity
I. Closing balance of last year	1,007,777,778.00	598,402,999.72	10,136,961.54	73,898,392.18	99,777,969.55	86,784,552.34	-	1,876,778,653.33
II. Opening balance of the current year	1,007,777,778.00	598,402,999.72	10,136,961.54	73,898,392.18	99,777,969.55	86,784,552.34	-	1,876,778,653.33
III. Increase/decrease of the current year (loss denoted by "-")	-	-	434,425.19	-	-	-13,683,426.05	-	-13,249,000.86
(I) Total comprehensive income	-	-	434,425.19	-	-	-3,605,648.27	-	-3,171,223.08
(II) Owners' capital injected and reduced	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-10,077,777.78	-	-10,077,777.78
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	-
2. Withdrawal of general risk provisions	-	-	-	-	-	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-10,077,777.78	-	-10,077,777.78
(IV) Internal carryover of owners' equity	-	-	-	-	-	-	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-
IV. Closing balance of the current year	1,007,777,778.00	598,402,999.72	10,571,386.73	73,898,392.18	99,777,969.55	73,101,126.29	-	1,863,529,652.47

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

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	January-June 2026 Capital	Capital reserve	Other comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Total owners' equity
I. Closing balance of last year	1,007,777,778.00	592,000,959.53	-1,648,830.74	76,364,979.96	102,244,557.33	130,690,339.53	1,907,429,783.61
II. Opening balance of the current year	1,007,777,778.00	592,000,959.53	-1,648,830.74	76,364,979.96	102,244,557.33	130,690,339.53	1,907,429,783.61
III. Increase/decrease of the current year (loss denoted by "-")	-	-	1,363,748.99	-313,919.82	-	15,467,991.21	16,517,820.38
(I) Total comprehensive income	-	-	-1,775,449.40	-	-	22,324,380.89	20,548,931.49
(II) Owners' capital injected and reduced	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-4,031,111.11	-4,031,111.11
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-
2. Withdrawal of general risk provisions	-	-	-	-	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-4,031,111.11	-4,031,111.11
(IV) Internal carryover of owners' equity	-	-	3,139,198.39	-313,919.82	-	-2,825,278.57	-
1. Other comprehensive income transferred to retained earnings	-	-	3,139,198.39	-313,919.82	-	-2,825,278.57	-
IV. Closing balance of the current year	1,007,777,778.00	592,000,959.53	-285,081.75	76,051,060.14	102,244,557.33	146,158,330.74	1,923,947,603.99

Statement of Changes in Owners' Equity of the Parent Company

January-June 2026

Prepared by: Soho Holly Futures Co., Ltd. Unit: RMB

Item	January-June 2025						
	Capital	Capital reserve	Other comprehensive income	Surplus reserves	General risk reserve	Retained earnings	Total owners' equity
I. Closing balance of last year	1,007,777,778.00	592,000,959.53	-197,078.46	73,898,392.18	99,777,969.55	121,035,415.10	1,894,293,435.90
II. Opening balance of the current year	1,007,777,778.00	592,000,959.53	-197,078.46	73,898,392.18	99,777,969.55	121,035,415.10	1,894,293,435.90
III. Increase/decrease of the current year (loss denoted by "-")	–	–	3,117,781.63	–	–	-24,401,718.46	-21,283,936.83
(I) Total comprehensive income	–	–	3,117,781.63	–	–	-14,323,940.68	-11,206,159.05
(II) Owners' capital injected and reduced	–	–	–	–	–	–	–
(III) Profit distribution	–	–	–	–	–	-10,077,777.78	-10,077,777.78
1. Withdrawal of surplus reserve	–	–	–	–	–	–	–
2. Withdrawal of general risk provisions	–	–	–	–	–	–	–
3. Distribution to owners (or shareholders)	–	–	–	–	–	-10,077,777.78	-10,077,777.78
(IV) Internal carryover of owners' equity	–	–	–	–	–	–	–
1. Other comprehensive income transferred to retained earnings	–	–	–	–	–	–	–
IV. Closing balance of the current year	1,007,777,778.00	592,000,959.53	2,920,703.17	73,898,392.18	99,777,969.55	96,633,696.64	1,873,009,499.07

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 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

I. General Information of the Company

Soho Holly Futures Co., Ltd. (the "Company", together with its subsidiaries, the "Group") is a joint stock company with limited liability with registered address at Building 3, No. 399 Jiang Dong Zhong Road, Jianye District, Nanjing City. The Company has a registered capital of RMB100,7.777778 million and a legal representative of Chu Kairong. The Company's unified social credit code is 91320000100022362N, and its securities and 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 30 December 2015, the overseas issued shares of the Company became listed on the Main Board of the Hong Kong Stock Exchange. On 5 August 2022, the Company issued RMB ordinary A shares, which have been listed on the Shenzhen Stock Exchange.

On 12 May 2025, the Company completed the industrial and commercial change procedures and changed its name "Holly Futures Co., Ltd." to "Soho Holly Futures Co., Ltd.".

The Company is headquartered in Nanjing. As of 30 June 2026, it had a total of 3 sub-branches and 31 branches in the PRC.

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

The financial statements were approved by the Board of Directors of the Company on 26 August 2026.

II. Basis for Preparation of 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 30 June 2026 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 2026 to 30 June 2026
(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), Investment properties (Note III. 18), depreciation of fixed assets, amortization of intangible assets (Note III.19, 20), revenue recognition and measurement (Note III. 26), fair value measurement (Note III. 31) 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 30 June 2026, results of operation and cash flow for the period from January to June 2026 of the Company and the Group truly and completely.

2. Accounting period

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

3. Operating 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 these 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 2026 to 30 June 2026

(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:

Item	Materiality standards
Significant receivables after a single bad debt provision	Amounts exceeding RMB10 million
Significant investment activities	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	Amounts exceeding RMB10 million or 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 2026 to 30 June 2026

(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. Judgmental criteria for control and preparation method of 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 consolidate financial statements is eliminated on consolidation. The share of the owner's equity of a subsidiary 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 non-controlling interests shall be listed as "non-controlling interests", "profit and loss of minority shareholders" and "other comprehensive income attributable to minority shareholders" and "total comprehensive Income attributable to minority shareholders" in the consolidated financial statements.

The item of "General risk provision", which is neither capital nor capital reserve, and is also distinct from retained earnings and undistributed profits. After the mutual offsetting of long-term equity investments and the owner's equity of the subsidiaries, it is restored based on the shares attributable to the parent company.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

(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 entities. Joint operations refers 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. Determination standards of 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 are initially recorded using the functional currency rates prevailing at the dates of the transactions. 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 2026 to 30 June 2026
(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 "undistributed profits", 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 spot exchange rate or the exchange rate approximate to the spot 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 transaction 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 self-owned 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 2026 to 30 June 2026

(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.

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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(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

A financial instrument is the contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(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 waived.

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. The trade day is the date on which the Group undertakes to buy or sell a financial asset.

(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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

(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)*

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

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

(1) Financial assets measured at amortized cost

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

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

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

(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 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: other equity instruments investment.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(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)*

(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 and 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.

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives which fall under financial liabilities) 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

(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

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; and ③ reasonable and reliable information about past events, current conditions and projected future economic conditions that can be obtained at the balance sheet date without unnecessary additional costs.

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

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

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

15. Financial instruments *(Continued)*

(4) Impairment of financial instruments *(Continued)*

(1) Impairment of financial assets

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

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

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

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

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

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

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

15. Financial instruments *(Continued)*

(4) *Impairment of financial instruments* (Continued)

(2) Impairment of accounts receivable

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

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

The basis to determine the portfolio	
The portfolio of risk	Grouped by ageing of accounts receivable of various natures as a credit risk
Accrual method for provision for bad debts by portfolio	
The portfolio of risk	Taking into account various natures of amounts and with reference to historical credit loss experience, current situation and forecasts of economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of accounts receivable, to calculate the expected credit loss.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(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
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 economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of other receivables, to calculate the expected credit loss.

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

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

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

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(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)

(4) Credit-impaired financial assets

The Group assesses, at the balance sheet date, whether financial assets measured at amortized cost and debt investments at FVOCI are credit-impaired. A financial asset becomes credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

The issuer or debtor is experiencing significant financial difficulty; the debtor is in breach of contract, such as default or delinquency in interest or principal payments; the creditor, for economic or contractual considerations relating to the debtor's financial difficulty, grants the debtor concessions that it would not make under any other circumstances; it is likely that the debtor will enter bankruptcy or undertake other financial reorganization; the financial difficulty of the issuer or debtor has led to the disappearance of an active market for that financial asset; or the financial asset was purchased or originated at a significant discount that reflects incurred credit losses.

(5) Presentation of expected credit loss provisions

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 shall be recognised as an impairment loss or gain in profit or loss. For financial assets measured at amortized cost, the provision for loss is deducted from the carrying amount of the financial asset in the balance sheet; for debt investments at FVOCI, the Group recognizes the provision for loss in other comprehensive income and does not deduct it from the carrying amount of the financial asset.

(6) Write-off

If the Group no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the book balance of the financial asset is written off directly. Such a write-off constitutes derecognition of the related financial asset. This situation typically arises when the Group determines that the debtor has no assets or sources of income that could generate sufficient cash flows to repay the amount to be written off.

Subsequent recoveries of financial assets previously written off are included in profit or loss recovered in the current period as reversals of impairment losses.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

15. Financial instruments *(Continued)*

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

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

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

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

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

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

(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)*

(6) Derivative financial instruments

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

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

(7) Offsetting of financial assets and financial liabilities

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

16. Inventory

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

At the balance sheet date, inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes. The net realisable value of the inventory held to satisfy sales or service contracts is measured based on the contract price, to the extent of the quantities specified in sales contracts, and the excess portion of inventories is measured based on general selling prices. 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(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

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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

(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 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.

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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(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 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.

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 it 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

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.

In determining the fair value of investment properties, the Company refers to the current market prices of similar or comparable properties in active markets; if the current market prices of similar or comparable properties cannot be obtained, it refers to the recent transaction prices of similar or comparable properties in active markets and considers factors such as transaction conditions, transaction dates and location to make a reasonable estimate of the fair value of investment properties; or determines their fair value based on the present value of expected future rental income and related cash flows.

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:

Category	Depreciation methods	Depreciable lives	Residual value rate	Annual depreciation rate
Plants and buildings	Straight-line method	10–33 years	5%	2.88%–9.5%
Motor vehicles	Straight-line method	10 years	5%	9.5%
Office equipment	Straight-line method	4–5 years	0%-5%	19%–25%
Electronic equipment	Straight-line method	3–5 years	0%-5%	19%–33.33%

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.

About Us
Operating Conditions
Corporate Governance
Interim Financial Information

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

20. Intangible assets

The Group's intangible assets, including software and customer relationship, are measured at actual cost at the time of acquisition, of which, 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 shall be 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 shall be determined at fair value. The intangible asset, which is owned by the acquiree in a combination under different control but is not confirmed in the financial statement, shall be confirmed as intangible asset at its fair value upon the initial recognition on the acquiree's assets.

(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 amortisation 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.

Intangible assets with indefinite useful life shall not be amortised. The useful life of intangible assets with indefinite useful life shall be reviewed at the end of each year. If there is any evidence showing that the useful life of the intangible asset is limited, its useful life shall be estimated and the assets should be amortised systematically and reasonably in its useful life.

(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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

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 and operating lease assets at each balance sheet date, and performs impairment tests when there is an indication of impairment. Goodwill and intangible assets with indefinite useful life are tested for impairment at the end of each year, regardless of whether there is an indication of impairment.

(1) *Impairment of long-term 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

22. Employee benefits

The employee benefits of the Group includes short-term benefits, 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

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. Futures investors protection funds

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), futures companies shall contribute to the futures investor protection funds from the transaction fees they collect, at a certain proportion of the agency trading amount. The contribution rate has been adjusted downward from five to ten in 10 million to five to ten in 100 million. Futures companies with higher risk, for example due to deterioration in financial condition or inadequate risk control, shall contribute at higher rates to the protection funds. The specific contribution rate a futures company is determined by the China Securities Regulatory Commission based on its risk profile, and it shall contribute to the futures investors protection funds at the new rate from the next month upon receiving the annual classification/rating results.

25. Estimated liabilities

A estimated liability is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A estimated liability 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, estimated liabilities 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 estimates are treated 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

26. Revenue

(1) General principles

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in owners' equity, other than increase relating to contributions from owners.

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. "Having obtained the control over the relevant goods or services" refers to being able to control the use of the product or the provision of the service and obtain substantially all the economic benefits therefrom.

When a contract contains two or more performance obligations, the Group shall, at the contract inception date, allocate the transaction price to each distinct performance obligation on the basis of the relative standalone selling prices of the promised goods or services, and measure revenue based on the amount of the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. When determining the transaction price of a contract, if there is variable consideration, the Group shall determine the best estimate of the variable consideration based on the expected value or the most likely amount, and shall include an estimate of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty is resolved. If a contract contains a significant financing component, the Group shall determine the transaction price as the amount that reflects the amount immediately payable in cash at the time the customer obtains control of the goods or services; the difference between that transaction price and the contractual consideration is amortized over the contract term using the effective interest method. The Group shall not adjust for a financing component when the period between transfer of control and customer payment is less than one year.

A performance obligation is satisfied over a period of time if one of the following conditions is met; otherwise, it is satisfied at a point in time:

(1) the customer immediately receives and consumes the economic benefits brought about by the Group's performance at the same time when the Group performs its obligations;

(2) the customer can control the goods under construction in the course of the company's performance;

(3) goods produced in the course of the Group's performance are irreplaceable, and during the entire contract period, the Group has the right to collect the payments for the cumulatively completed parts of performance.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

26. Revenue *(Continued)*

(1) General principles (Continued)

For performance obligations satisfied over a certain period of time, the Group recognizes revenue over the period of performance by measuring progress towards complete satisfaction of the obligation, except where progress cannot be reasonably determined. The Group determines the fulfilment progress for services provided using the input method (or the output method). When the fulfilment progress cannot be reasonably determined but the costs incurred by the Group are expected to be recovered, revenue is recognized to the extent of the costs incurred until the fulfilment progress can be reasonably determined.

For performance obligations satisfied at a point in time, the Group recognizes revenue when the customer obtains control of the relevant goods or services. In assessing whether the customer has obtained control of such goods or services, the Group considers the following indications:

(1) the Group enjoys the right to collect cash on the goods or services, that is, the customer has the obligation to pay for the goods or services at the present time;

(2) the Group has transferred legal title to the goods or services to the customer, that is, the customer has obtained legal ownership of the goods or service;

(3) the Group has transferred the goods in kind to the customer, that is, the customer has taken physical possession of the goods;

(4) the Group has transferred the main risks and rewards of ownership of the goods or services to the customer, that is, the customer has acquired the main risks and rewards of ownership of the goods or services;

(5) the customer has accepted the goods or services.

Principal and agent

The Group judges whether it is acting in the capacity of a principal or an agent by assessing whether it has control of the goods or services before they are transferred to the customer. If the Group can control the goods or services before they are transferred to the customer, it is a principal and recognizes revenue at the total amount of consideration received or receivable; otherwise, the Group is an agent and recognizes revenue at the net amount of commission or fee it expects to be entitled to receive, which should be determined as the total amount of consideration received or receivable less amounts payable to other relevant parties, or determined based on an agreed commission amount or rate.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

26. Revenue *(Continued)*

(1) *General principles* *(Continued)*

Consideration payable to customers

If the contract includes consideration payable to a customer, the Group shall offset that consideration payable against the transaction price unless the consideration is in exchange for other distinct goods or services from the customer, and it shall be offset against revenue for the current period when the related revenue is recognized and when the consideration is paid (or promised to be paid) to the customer, whichever is later.

Unused customer contract rights

When the Group collects payment in advance for sold goods or services, the amount is initially recognized as a liability and transferred to revenue when the related performance obligation is satisfied. If the Group concludes that advance payments are non-refundable and that the customer may forfeit all or part of the contract rights, and the Group expects to be entitled to amounts related to the contract rights forfeited by the customer, the amounts shall be proportionally recognized as revenue in accordance with the model of exercising contract rights by the customer; otherwise, the Group will transfer the relevant balance of the above liability to revenue only when the probability is extremely low for the customer to require satisfaction of the remaining satisfy obligations.

(2) *Specific method*

(1) Handling fee and net commission income

Handling 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 handling 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 or expected to receive.

The management fee income for asset management business is recognised when the Group has the right to receive income in accordance with the asset management agreement.

(2) Interest income

Interest income is calculated and determined according to the time of the funds utilised and the effective interest rate. Where the difference between the effective interest rate and the contractual interest rate is insignificant, interest income is calculated based on the contractual interest rate.

(3) Investment income

Gains or losses on disposal of financial instruments and dividends received are recognised as investment income on the date of transaction.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

26. Revenue *(Continued)*

(2) *Specific method* *(Continued)*

(4) Gains or losses on fair value changes

Gains and losses arising from changes in the fair values of financial instruments are recognised on the balance sheet date at the difference between the fair value and the carrying amount.

(5) Income from other business activities

Income from other business activities is mainly from sales of goods and rendering of advisory services.

The Group recognises income from sales of goods when the Group has transferred the right to spot goods to the customer after receiving goods payment according to the contract and the customer has obtained control over the goods. The Group recognises income from sales of goods on gross basis as it is the principal that controls the goods before they are sold and is liable for storage, damage and loss of goods, assumes the price fluctuation risks of goods and promises to provide the specified goods under the terms of the contract. For portions that do not meet the gross basis accounting requirements, the Group recognises income on a net basis.

In accordance with the Rules for the Management of Commodity Risk Management Business by Futures Risk Management Companies, the Company recognises income from capital-based business on a net basis, and recognises income from the following trading businesses on a net basis: (I) businesses where purchase and sales contracts are executed on the same trading day with a determined buy-sell spread; (II) businesses where delivery of goods with both upstream and downstream parties is completed on the same trading day; (III) businesses where both purchase and sales are conducted through the same exchange's over-the-counter platform or the same spot trading platform; (IV) businesses where both upstream and downstream parties are financial institutions or futures risk management companies; (V) businesses where the downstream party has a related relationship with the Company; (VI) other businesses that, under the Accounting Standards for Business Enterprises or as determined by the audit department or accounting firm, shall be recognised on a net basis. The above situations apply to the purchase and sale of the same batch of goods, and if goods cannot be distinguished by batch, they shall apply to goods of the same variety and quality standard. If conducting trade in tandem, the Company shall adjust inventory costs and not recognise income.

According to the Q&A on Accounting Treatment Related to Standard Warrant Transactions, if the Group obtains a standard warrant in accordance with contracts and then sells it within a short period of time, it should not recognize sales revenue, but should record the difference between the consideration received and the book value of the standard warrant sold as investment income; if the Group holds unsold standard warrant at the end of the period, it should present them as other current assets.

The Group recognises income from advisory services according to the performance progress of advisory services.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

27. Government grants

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 the grant is a compensation for related costs, expenses or losses already incurred, it is recognised immediately in profit or loss or used to offset the related costs of the current period. If a government grant is related to the ordinary activities, it is included in other income or offsets relevant cost and expenses based on the economic substance of the business. Government grants not related to the ordinary activities are included in non-operating income or expenses.

28. 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, the Company appropriates 10% of its net profit for the current period to the general risk reserve, which is used for risk compensation and shall not be utilised for dividend distribution or capital increase. When the Company utilises the general risk reserve to cover the risk losses incurred, the general risk reserve will be transferred to retained profits accordingly.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates

(Continued)

29. Deferred tax assets and deferred tax liabilities

The Group's deferred tax assets and deferred 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 tax assets are recognized for deductible losses and tax credits that can be offset against taxable income in subsequent years in accordance with the provisions of the tax law as if they were temporary differences. For temporary differences arising from the initial recognition of goodwill, no corresponding deferred 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 tax assets and deferred tax liabilities are not recognized. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period 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 income taxes 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 tax liabilities or deferred tax assets are expected to be settled or recovered.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

30. Lease

A 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 one or more of rights to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

(1) Whether an asset is typically identified by being explicitly specified in a contract. An identified asset may be specified by the contract or implicitly specified when the asset is available to the customer to use, and the asset is physically distinguishable. A capacity or other portion of an asset that is not physically distinct is not an identified asset, unless it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from use of the asset. If the supplier has the substantive right to substitute the asset throughout the period of use, the asset is not an identified asset;

(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 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

30. 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. If it is reasonably certain that the lease will transfer ownership of the underlying asset to the lessee by the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. 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 actual fixed payment amount;

(2) there is a change in the amounts expected to be payable under a residual value guarantee;

(3) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;

(4) there is a change in the assessment of an option to purchase the underlying asset, 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 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

30. 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.

31. Fair value measurement

The Group measures financial assets held for trading, investment properties, derivative financial instruments at fair value. 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

31. Fair value measurement *(Continued)*

For non-financial assets measured at fair value, the Group considers the ability of market participants to generate economic benefits by using such assets for their best use, or whether such assets can be sold to other market participants who can generate economic benefits by putting such assets to their best use.

The Group measures fair value using valuation techniques consistent with one or more of the valuation approaches. When multiple valuation techniques are used, the Group considers the reasonableness of the various valuation results and selects the amount that best represents fair value under current market conditions as the fair value. In applying valuation techniques, the Group gives priority to relevant observable inputs and uses unobservable inputs only when relevant observable inputs are not available or obtaining them is not practicable. Observable inputs are inputs that are obtained from market data and reflect the assumptions that market participants would use when pricing the relevant asset or liability. Unobservable inputs are inputs that are not obtained from market data and are developed based on the best information available about the assumptions that market participants would use in pricing the relevant asset or liability.

The Group categorizes the inputs used in fair value measurement into three levels and gives priority to Level 1 inputs, then Level 2 inputs, and lastly Level 3 inputs. Level 1 inputs are the unadjusted quoted price in active markets for identical assets or liabilities that can be obtained on the measurement date. Level 2 inputs are the directly or indirectly observable inputs of relevant assets or liabilities other than those within Level 1 inputs. Level 3 inputs are the unobservable inputs of relevant assets or liabilities. 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.

32. 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 regulatory environment. 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates

(Continued)

33. Other significant accounting policies and accounting estimates

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 by management of the Group 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.

(1) 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 Group'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 Group 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 long-term assets other than financial assets

The Group makes judgement to determine whether long-term 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. In estimating the present value of future cash flows, the management is required to estimate the expected future cash flow of the asset or asset group, and select an appropriate discount rate to determine the present value of future cash flow.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

33. 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 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 income 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 income 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; and 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 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

III. Significant Accounting Policies and Accounting Estimates *(Continued)*

34. Significant changes in accounting policies

(1) Interpretation No. 19 of Accounting Standards for Business Enterprises

On 19 December 2025, the Ministry of Finance issued Interpretation No. 19 of Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32) (hereinafter referred to as "Interpretation No. 19"), which clarifies treatments for issues regarding "accounting treatment of indemnification assets in business combinations under non-common control", "accounting treatment of disposing of capital reserve related to the acquisition of subsidiaries through business combinations under common control", "derecognition of financial liabilities settled through electronic payment systems", "assessment of contractual cash flow characteristics of financial assets and related disclosures", and "disclosures of equity instruments at FVOCI". The interpretation took effect from 1 January 2026.

The Group implemented the relevant provisions of Interpretation No. 19 since 1 January 2026, which did not have a material impact on the Group's financial statements for the Reporting Period.

(2) Interpretation No. 20 of Accounting Standards for Business Enterprises

On 4 June 2026, the Ministry of Finance issued Interpretation No. 20 of Accounting Standards for Business Enterprises (Cai Kuai [2026] No. 7) (hereinafter referred to as "Interpretation No. 20"), which clarifies treatments for issues regarding "assessment of contractual cash flow characteristics of financial assets" and "accounting treatment and related disclosures when a currency lacks exchangeability". The interpretation took effect from 1 January 2026.

The Group adopted the relevant provisions of Interpretation No. 20 from 1 January 2026, which did not have a material impact on the Group's financial statements for the Reporting Period.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

IV. Taxation

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%
Enterprise income tax	Taxable income	25%, 16.5%

The Company's subsidiaries subject to different enterprise income tax rates

Name of the taxable entity	Income tax rate
Holly International Financial Holdings Limited (弘業國際金融控股有限公司)	16.5%
Holly International Asset Management Company Limited (弘業國際資產管理有限公司)	16.5%

About Us
Operating Conditions
Corporate Governance
Interim Financial Information

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements

1. Monetary funds

Item	30 June 2026	31 December 2025
Bank deposit	7,703,191,148.41	7,719,256,886.00
Incl.: Futures margin	7,302,864,081.38	7,480,683,642.32
Own funds	400,327,067.03	238,573,243.68
Other monetary funds	13,493,829.68	241,654,294.81
Accrued interest on monetary funds	54,557,280.39	29,546,854.07
Total	7,771,242,258.48	7,990,458,034.88
Incl.: Total amount deposited overseas	242,469,424.51	303,975,893.22

(1) Futures margin deposit breakdown

Item	30 June 2026	31 December 2025
Ping An Bank	2,462,003,331.46	2,564,275,094.52
CITIC Bank	1,756,222,372.45	1,788,680,719.16
Industrial Bank Co., Ltd	1,345,246,617.71	1,000,151,893.99
Minsheng Bank	968,092,216.48	951,269,594.17
China Merchants Bank	420,708,495.56	470,149,009.40
SPD Bank	210,370,802.66	200,110,780.26
Bank of China	63,617,697.43	101,789,705.08
Postal Savings Bank of China	60,072,130.39	201,190,068.90
Agricultural Bank of China	8,176,185.59	82,828.59
China Construction Bank	3,279,843.27	46,469.78
ICBC	2,879,741.69	449,387.83
Bank of Communications	1,853,015.49	200,669,847.79
China Guangfa Bank	176,559.32	776,624.92
China Everbright Bank	164,690.40	1,041,040.86
HSBC	381.48	577.07
Total	7,302,864,081.38	7,480,683,642.32

(2) Use of restricted funds at the end of the period

See Note V.19.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

2. Currency deposits receivable

(1) By exchange/clearer

Item	30 June 2026	31 December 2025
Shanghai Futures Exchange	1,655,130,672.56	1,436,583,768.05
China Financial Futures Exchange	1,128,087,643.12	623,818,708.12
Dalian Commodity Exchange	702,921,187.68	438,725,672.57
Zhengzhou Commodity Exchange	420,738,669.56	311,997,100.77
Guangzhou Futures Exchange	181,450,676.50	179,131,773.40
Shanghai International Energy Exchange	119,239,805.56	33,905,710.11
China Securities Depository and Clearing Corporation Limited	16,486,552.85	21,918,510.30
Stone X Financial Pte Ltd	88,032,615.80	83,409,384.51
PHILLIP FUTURES PTE LTD	38,259,543.74	22,934,728.89
Hong Kong Exchanges and Clearing Limited	23,267,015.46	20,935,414.86
G.H. Financials (Hong Kong) Limited	14,580,526.07	9,817,270.20
Phillip Commodities (HK) Limited	4,576,247.63	3,524,154.01
PHILLIP SECURITIES PTE LTD	3,725,694.96	794,022.89
Marex Financial	408,921.81	421,979.97
Phillip Securities Ltd	17,924.87	18,497.27
CITIC Securities Brokerage (HK) Limited	7.63	7.88
Subtotal	4,396,923,705.80	3,187,936,703.80
Less: Provision for impairment	820,290.31	709,277.30
Total	4,396,103,415.49	3,187,227,426.50

(2) By category

Item	30 June 2026	31 December 2025
Settlement reserve	410,265,289.33	225,669,884.60
Trading margin	3,813,789,918.50	2,820,411,358.72
Offshore futures brokers	172,868,497.97	141,855,460.48
Subtotal	4,396,923,705.80	3,187,936,703.80
Less: Provision for impairment	820,290.31	709,277.30
Total	4,396,103,415.49	3,187,227,426.50

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

3. Pledges deposits receivable

(1) Exchanges breakdown

Name of the exchange	30 June 2026	31 December 2025
Shanghai Futures Exchange	10,801,920.00	–
Guangzhou Futures Exchange	4,752,000.00	76,262,400.00
Dalian Commodity Exchange	–	1,346,400.00
Total	15,553,920.00	77,608,800.00

(2) Pledges breakdown

Category	Market value at 30 June 2026	Discount rate	Amount at 30 June 2026
Shanghai Futures Exchange			
Incl.: Shanghai Silver	13,502,400.00	80%	10,801,920.00
Guangzhou Futures Exchange			
Incl.: Lithium carbonate	5,940,000.00	80%	4,752,000.00
Total	19,442,400.00		15,553,920.00

Category	Market value at 31 December 2025	Discount rate	Amount at 31 December 2025
Guangzhou Futures Exchange			
Incl.: Lithium carbonate	95,328,000.00	80%	76,262,400.00
Dalian Commodity Exchange			
Incl.: PVC	1,683,000.00	80%	1,346,400.00
Total	97,011,000.00		77,608,800.00

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

4. Advance to customers

(1) Category of advance to customers

Item	30 June 2026	31 December 2025
Overseas		
Incl.: Individual	839,873.94	2,653,338.86
Institutional	5,227,888.60	–
Subtotal	6,067,762.54	2,653,338.86
Less: Provision for impairment	30,338.81	13,266.69
Total	6,037,423.73	2,640,072.17

(2) Collateral information

Fair value of collaterals provided by customers to the Company for margin financing and securities lending business:

Item	30 June 2026	31 December 2025
Stock	20,093,445.66	26,571,228.59
Total	20,093,445.66	26,571,228.59

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

4. Advance to customers *(Continued)*

(3) Provision for impairment

Provision for impairment	Stage 1 Expected credit loss for future 12 months	Stage 2 Expected credit loss for the lifetime (No credit Impairment)	Stage 3 Expected credit loss for the lifetime (Credit impaired)	Total
Balance as at 1 January 2026	13,266.69	–	–	13,266.69
Provision in the current period	30,338.81	–	–	30,338.81
Reversal in the current period	-13,266.69	–	–	-13,266.69
Balance as at 30 June 2026	30,338.81	–	–	30,338.81

5. Derivative financial instruments

Item	30 June 2026		
		Fair value	
	Nominal amount	Assets	Liabilities
Commodity derivative financial instruments			
Incl.: Futures contracts	4,674,006,620.00	36,483,417.34	38,186,070.00
Option contracts	1,667,170,675.22	15,583,323.71	12,431,332.63
Forward contracts	247,166,714.00	2,570,654.00	1,238,840.00
Less: Settlement amount		36,483,417.34	38,186,070.00
Total		18,153,977.71	13,670,172.63

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

5. Derivative financial instruments *(Continued)*

	31 December 2025		
		Fair value	
Item	Nominal amount	Assets	Liabilities
Commodity derivative financial instruments			
Incl.: Futures contracts	7,275,490,865.00	8,969,695.00	64,983,550.00
Option contracts	470,908,751.73	6,709,480.50	9,849,589.77
Forward contracts	25,797,375.00	225,340.00	149,560.00
Others		2,219,469.03	–
Less: Settlement amount		8,969,695.00	64,983,550.00
Total		9,154,289.53	9,999,149.77

6. Bills receivable

(1) Classification of bills receivable

Item	**30 June 2026**	31 December 2025
Bank acceptance notes	–	–
Commercial acceptance notes	–	–
Total	–	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

6. Bills receivable *(Continued)*

(2) Bills receivable endorsed or discounted at the end of the period but not yet due as at the balance sheet date

Item	Amounts derecognised at the end of the period	Amounts not derecognised at the end of the period
Bank acceptance notes	**80,793,074.21**	–
Total	**80,793,074.21**	–

7. Settlement currency deposits receivable

Name of the exchange	30 June 2026	31 December 2025
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 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

8. Other receivables

(1) Other receivables by category

Category	30 June 2026	31 December 2025
Securities settlement accounts receivable	**6,879,802.11**	6,725,103.42
Deposit	**2,556,311.37**	2,588,896.40
OTC option margin receivable	**915,256.02**	4,730,731.42
Management fees and redemptions receivable from asset management products	**624,619.69**	1,087,878.76
Risk loss receivable	**333,415.51**	202,541.25
Others	**842,685.47**	762,602.30
Subtotal	**12,152,090.17**	16,097,753.55
Less: Bad debt provision	**543,260.13**	511,996.10
Total	**11,608,830.04**	15,585,757.45

(2) Other receivables by aging

Aging	30 June 2026	31 December 2025
Within 1 year (Inclusive)	**9,113,958.98**	12,613,899.81
1 to 2 years	**919,935.40**	1,311,468.62
2 to 3 years	**842,995.43**	921,197.98
Over 3 years	**1,275,200.36**	1,251,187.14
Subtotal	**12,152,090.17**	16,097,753.55
Less: Bad debt provision	**543,260.13**	511,996.10
Total	**11,608,830.04**	15,585,757.45

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

8. Other receivables *(Continued)*

(3) Provision for bad debts on other receivables

Category	30 June 2026				
	Book balance		Bad debt provision		
	Amount	Percentage (%)	Amount	Provision ratio (%)	Book value
After a single bad debt provision	–	–	–	–	–
After a combination of bad debt provisions	12,152,090.17	100.00	543,260.13	4.47	11,608,830.04
Combination: Liquidation combination	7,504,421.80	61.75	–	–	7,504,421.80
Margin and deposit	3,471,567.39	28.57	100,230.33	2.89	3,371,337.06
Other combination	1,176,100.98	9.68	443,029.80	37.67	733,071.18
Total	12,152,090.17	100.00	543,260.13	4.47	11,608,830.04

Category	31 December 2025				
	Book balance		Bad debt provision		
	Amount	Percentage (%)	Amount	Provision ratio (%)	Book value
After a single bad debt provision	–	–	–	–	–
After a combination of bad debt provisions	16,097,753.55	100.00	511,996.10	3.18	15,585,757.45
Combination: Liquidation combination	7,812,982.18	48.54	–	–	7,812,982.18
Margin and deposit	7,411,627.82	46.04	74,116.28	1.00	7,337,511.54
Other combination	873,143.55	5.42	437,879.82	50.15	435,263.73
Total	16,097,753.55	100.00	511,996.10	3.18	15,585,757.45

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

8. Other receivables *(Continued)*

(3) Provision for bad debts on other receivables (Continued)

(1) Other receivables after a aging combination of bad debt provisions

Aging	30 June 2026 Booking balance	30 June 2026 Bad debt provision	30 June 2026 Provision ratio (%)	31 December 2025 Booking balance	31 December 2025 Bad debt provision	31 December 2025 Provision ratio (%)
Within 1 year (Inclusive)	9,113,958.98	33,931.04	0.37	12,613,899.81	87,241.80	0.69
1 to 2 years	919,935.40	32,976.64	3.58	1,311,468.62	32,400.05	2.47
2 to 3 years	842,995.43	35,075.53	4.16	921,197.98	24,096.73	2.62
Over 3 years	1,275,200.36	441,276.92	34.60	1,251,187.14	368,257.52	29.43
Total	12,152,090.17	543,260.13	4.47	16,097,753.55	511,996.10	3.18

(2) Other receivables after a bad debts provision under general model of expected credit losses

Bad debt provision	Stage 1 Expected credit loss for future 12 months	Stage 2 Expected credit loss for lifetime (No credit impairment)	Stage 3 Expected credit loss for lifetime (Credit impaired)	Total
Balance as at 1 January 2026	120,102.66	391,893.44	–	511,996.10
Transfer to Stage 3 in the current period	–	-165,000.00	165,000.00	–
Provision in the current period	53,640.70	26,193.72	–	79,834.42
Reversal in the current period	-46,417.29	-2,153.10	–	-48,570.39
Balance as at 30 June 2026	127,326.07	250,934.06	165,000.00	543,260.13

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

8. Other receivables *(Continued)*

(4) Provision, recovery or reversal for bad debts on other receivables

Category	Opening balance	Change for the period: Provision	Change for the period: Recovery or reversal	Closing balance
Other receivables	511,996.10	79,834.42	-48,570.39	543,260.13
Total	511,996.10	79,834.42	-48,570.39	543,260.13

(5) Top five other receivables categorized by debtors

Name	Category	Closing book balance	Aging	Proportion to closing balance of other receivables as at the end of the period (%)	Closing balance of bad debt provision
Shanghai Futures Exchange	Settlement accounts receivable	570,121.56	Within 1 year	4.69	–
Trisight Ltd and Dynasty Hotel Ltd	Deposit	441,338.05	Over 3 years	3.63	4,413.38
Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd.	Deposit	401,486.85	1–2 years	3.30	4,014.87
Nanjing Hengte Technology Co., Ltd.	OTC option margin receivable	327,110.21	1–2 years	2.69	3,271.10
Shanghai Stock Exchange	Settlement accounts receivable	314,194.93	Within 1 year	2.59	–
Total		2,054,251.60		16.90	11,699.35

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

9. Financial assets purchased under resale agreements

Item	30 June 2026	31 December 2025
Treasury bond reverse repurchase	112,392,000.00	93,966,000.00
Total	112,392,000.00	93,966,000.00

10. Financial Assets Held for Trading

Item	30 June 2026	31 December 2025
Financial assets measured at fair value through profit or loss		
Of which: Funds	147,350,154.94	151,238,279.17
Asset management plans	144,313,554.10	136,409,229.80
Bonds	40,777,590.82	42,950,920.14
Trust plans	880,596.22	998,882.26
Stocks	447,963.35	–
Total	333,769,859.43	331,597,311.37

No financial assets held for trading are subject to commitments or restrictions at the end of the current period.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

11. Investments in Other Equity Instruments

(1) Investments in other equity instruments

Item	Opening balance	Changes during the period				Closing balance	Dividend income recognised in current period	Reasons for designation as measured at fair value through other comprehensive income
		Additions of investments	Disposals of investments	Gains recognised in other comprehensive income in current period	Losses recognised in other comprehensive income in current period			
Futures membership investment	1,851,610.00	–	–	–	-17,335.00	**1,834,275.00**	–	Implementation Rules for the Accounting Treatment of Futures Companies
Non trading securities	25,958,375.27	–	-21,573,071.44	1,876,465.97	–	**6,261,769.80**	535,079.18	Financial asset management model
Total	27,809,985.27	–	-21,573,071.44	1,876,465.97	-17,335.00	**8,096,044.80**	535,079.18	

(2) Other equity instruments derecognised during the current period

Item	Fair value upon derecognition in current period	Dividend income in current period	Amount of cumulative gains or losses on derecognition reclassified from other comprehensive income to retained earnings in current period	Reason for disposal of such investments
Non trading securities	18,475,790.59	453,683.90	-3,139,198.39	Optimisation of asset allocation

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

12. Long term equity investment

Investees	Opening balance	Provision for impairment as at the beginning of the period	Change for this period: Investment gain/loss recognized with equity method	Closing balance	Provision for impairment as at the end of the period
Associates					
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	6,642,283.59	–	23,036.31	**6,665,319.90**	–
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	2,124,506.02	–	-67.76	**2,124,438.26**	–
Total	8,766,789.61	–	22,968.55	**8,789,758.16**	–

13. Investment properties

(1) *Investment properties measured by fair value model*

Item	Plants and buildings	Total
I. Opening balance	48,068,400.00	48,068,400.00
II. Change for the period	–	–
Changes in fair value	–	–
III. Closing balance	**48,068,400.00**	**48,068,400.00**

(2) As at the end of this period, there was no investment property in existence without property right certificate.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

14. Fixed assets

(1) Details of fixed assets

	Item	Plants and buildings	Vehicles	Office furniture	Electronic equipment	Total
I.	Book cost					
	1. Opening balance	315,287,711.96	4,698,706.08	5,442,765.83	39,700,857.23	365,130,041.10
	2. Current increase	–	–	–	328,463.19	328,463.19
	(1) Purchase	–	–	–	328,463.19	328,463.19
	3. Current decrease	–	–	105,486.75	128,170.60	233,657.35
	(1) Disposal or scrap	–	–	16,991.15	128,170.60	145,161.75
	(2) Other	–	–	88,495.60	–	88,495.60
	4. Exchange difference	–	–	-3,366.94	62,788.24	59,421.30
	5. Closing balance	315,287,711.96	4,698,706.08	5,333,912.14	39,963,938.06	365,284,268.24
II.	Cumulative depreciation					
	1. Opening balance	37,362,693.90	3,813,784.13	2,697,716.54	33,526,179.05	77,400,373.62
	2. Current increase	6,270,612.42	49,947.12	553,926.31	1,795,232.00	8,669,717.85
	(1) Provision	6,270,612.42	49,947.12	553,926.31	1,795,232.00	8,669,717.85
	3. Current decrease	–	–	10,290.01	121,762.06	132,052.07
	(1) Disposal or scrap	–	–	10,290.01	121,762.06	132,052.07
	4. Exchange difference	–	–	-2,526.69	65,208.73	62,682.04
	5. Closing balance	43,633,306.32	3,863,731.25	3,238,826.15	35,264,857.72	86,000,721.44
III.	Provision for impairment	–	–	–	–	–
IV.	Book value					
	1. Closing book value	271,654,405.64	834,974.83	2,095,085.99	4,699,080.34	279,283,546.80
	2. Opening book value	277,925,018.06	884,921.95	2,745,049.29	6,174,678.18	287,729,667.48

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

14. Fixed assets *(Continued)*

(2) *Details of fixed assets without registered title certificates*

Item	Book value	Reasons for not obtained certificates
Underground parking space in Hexi Financial City	36,735,707.02	Housing Authority has not yet surveyed and mapped

15. Right-of-use assets

Item	Lease housing	Total
I. Book cost		
1. Opening balance	92,042,250.48	92,042,250.48
2. Current increase	8,555,525.20	8,555,525.20
3. Current decrease	12,760,690.81	12,760,690.81
4. Exchange difference	-476,875.53	-476,875.53
5. Closing balance	87,360,209.34	87,360,209.34
II. Cumulative depreciation		
1. Opening balance	80,925,741.14	80,925,741.14
2. Current increase	4,757,307.57	4,757,307.57
3. Current decrease	12,473,030.67	12,473,030.67
4. Exchange difference	-394,656.52	-394,656.52
5. Closing balance	72,815,361.52	72,815,361.52
III. Provision for impairment	–	–
IV. Book value		
1. Closing book value	14,544,847.82	14,544,847.82
2. Opening book value	11,116,509.34	11,116,509.34

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

16. Intangible assets

Item	Software	Customer relations	Total
I. Book cost			
1. Opening balance	8,475,645.00	6,100,000.00	14,575,645.00
2. Current increase	367,256.64	–	367,256.64
(1) Purchase	367,256.64	–	367,256.64
3. Current decrease	–	–	–
4. Exchange difference	-25,136.05	–	-25,136.05
5. Closing balance	8,817,765.59	6,100,000.00	14,917,765.59
II. Cumulative amortisation			
1. Opening balance	7,590,166.54	6,100,000.00	13,690,166.54
2. Current increase	177,700.80	–	177,700.80
(1) Provision	177,700.80	–	177,700.80
3. Current decrease	–	–	–
4. Exchange difference	-4,334.05	–	-4,334.05
5. Closing balance	7,763,533.29	6,100,000.00	13,863,533.29
III. Provision for impairment	–	–	–
IV. Book value			
1. Closing book value	1,054,232.30	–	1,054,232.30
2. Opening book value	885,478.46	–	885,478.46

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

17. Deferred income tax assets/Deferred income tax liabilities

(1) Deferred income tax assets without offset

Item	30 June 2026		31 December 2025	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Bad debt provision	534,260.84	133,565.21	502,637.58	125,659.40
Changes in fair value of other equity instruments investment	321,975.00	80,493.75	2,198,440.97	549,610.23
Changes in the fair value of derivative financial instruments	–	–	56,858,715.24	14,214,678.81
Employee compensation payable	–	–	2,098,136.73	524,534.18
Lease liabilities	13,023,820.01	3,255,954.99	8,973,564.38	2,243,391.09
Unrealized profit of internal transactions	46,498,547.15	11,624,636.79	46,498,547.15	11,624,636.79
Others	49,183,201.50	9,405,516.21	94,385,862.62	20,590,809.72
Total	109,561,804.50	24,500,166.95	211,515,904.67	49,873,320.22

(2) Deferred income tax liabilities without offset

Item	30 June 2026		31 December 2025	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Changes in the fair value of financial held for trading	38,593,688.12	9,648,422.03	30,546,574.85	7,636,643.71
Changes in the fair value of derivative financial instruments	4,381,835.08	1,095,458.77	–	–
Changes in the fair value of other current assets	–	–	95,710,634.74	23,927,658.69
Changes in the fair value of investment properties	4,694,844.83	1,173,711.21	4,694,844.83	1,173,711.21
Right-of-use assets	12,844,950.31	3,211,237.57	8,763,557.32	2,190,889.33
Total	60,515,318.34	15,128,829.58	139,715,611.74	34,928,902.94

(3) Net deferred income tax assets or liabilities after offset

Item	Deferred income tax assets and liabilities offset closing amount	Deferred income tax asset or liability balance after offset closing amount	Deferred income tax assets and liabilities offset opening amount	Deferred income tax asset or liability balance after offset opening amount
Deferred income tax assets	-6,077,067.11	18,423,099.84	-32,479,654.44	17,393,665.78
Deferred income tax liabilities	-6,077,067.11	9,051,762.47	-32,479,654.44	2,449,248.50

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

17. Deferred income tax assets/Deferred income tax liabilities *(Continued)*

(4) Unrecognised deferred income tax assets breakdown

Item	30 June 2026	31 December 2025
Deductible losses and other deductible temporary differences	**56,451,401.10**	54,206,260.65
Provision for goodwill impairment	**53,167,251.21**	53,167,251.21
Total	**109,618,652.31**	107,373,511.86

(1) The deductible losses and other deductible temporary differences all arose from Holly International Financial Holdings. According to prevailing tax laws, deductible losses of Holly International Financial Holdings may be carried forward indefinitely to deduct taxes from the year they are incurred.

(2) In 2013 the Group paid RMB60,000,000.00 to acquire the futures brokerage business of Huasheng Futures Company Limited (華證期貨有限公司),along with its related assets and liabilities. The excess of the acquisition cost over the fair value of the identifiable assets and liabilities of the asset group, amounting to RMB53,167,251.21, was recognized as goodwill. As of the end of 2019, the asset group's business had declined significantly. Management assessed the asset group's future profit forecast and concluded that the asset group's profitability was weak and operating cash flows had continued to deteriorate and were insufficient to support the goodwill. Accordingly, and in accordance with the prudence principle, a full impairment provision for goodwill was made.

Pursuant to the relevant provisions of the Enterprise Income Tax Law, an enterprise may deduct expenses arising from acquired goodwill upon the transfer or liquidation of the acquired assets and liabilities as a whole. Since the Group prepares its financial statements based on the going-concern assumption and has no plans to transfer or liquidate the acquired assets and liabilities, it did not recognize a deferred income tax asset arising from the goodwill impairment.

18. Other assets

Item	30 June 2026	31 December 2025
Advance payments	**4,882,388.21**	77,491,496.44
Taxes to be refunded, deducted and settled	**4,507,867.54**	31,158,347.54
Prepaid expenses	**2,915,774.25**	5,741,537.42
Overseas futures exchange deposit	**1,454,341.44**	2,063,487.89
Other current assets	**–**	415,831,150.44
Total	**13,760,371.44**	532,286,019.73

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

19. Assets with restricted ownership or use rights

	30 June 2026			
Item	Book balance	Book value	Type of restriction	Restriction status
Monetary funds	31,262,572.80	31,262,572.80	Frozen	Note Margin
Monetary funds	282,946.07	282,946.07	Supervised	Product raised funds account
Total	31,545,518.87	31,545,518.87		

	31 December 2025			
Item	Book balance	Book value	Type of restriction	Restriction status
Monetary funds	227,730,745.22	227,730,745.22	Frozen	Note Margin
Monetary funds	568,700.48	568,700.48	Supervised	Product raised funds account
Other assets	85,408,849.56	85,408,849.56	Pledge	Pledge of standard warehouse receipts
Total	313,708,295.26	313,708,295.26		

20. Short-term borrowings

Item	30 June 2026	31 December 2025
Principal amount of credit borrowings	3,000,000.00	1,000,000.00
Accrued interest	–	383.33
Total	3,000,000.00	1,000,383.33

21. Currency deposits payable

	30 June 2026		31 December 2025	
Item	QTY	Amount	QTY	Amount
Natural persons	101,720	4,537,136,227.36	101,601	4,350,376,762.00
Legal persons	3,829	6,111,357,278.31	3,815	5,375,566,735.66
Total	105,549	10,648,493,505.67	105,416	9,725,943,497.66

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

22. Pledged deposits payable

(1) *By customer category*

Item	30 June 2026		31 December 2025	
	QTY	Amount	QTY	Amount
Legal persons	2	15,553,920.00	1	1,346,400.00
Total	2	15,553,920.00	1	1,346,400.00

(2) *By exchange*

Exchange	30 June 2026	31 December 2025
Shanghai Futures Exchange	10,801,920.00	–
Guangzhou Futures Exchange	4,752,000.00	–
Dalian Commodity Exchange	–	1,346,400.00
Total	15,553,920.00	1,346,400.00

23. Financial liabilities held for trading

Item	30 June 2026	31 December 2025
Financial liabilities at fair value through profit or loss for the current period	6,996,660.37	7,030,984.02
Total	6,996,660.37	7,030,984.02

For the financial liabilities at fair value through profit or loss for the current period, the changes of their fair values are listed below:

Item	Changes of fair value at the end of period	Cumulative changes of fair values due to changes of their own credit risks
Amounts due to other investors of consolidated structured entities	185,760.35	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

24. Futures risk provision

Item	Opening balance	Current increase	Current decrease	Closing balance
Futures risk provision	184,158,983.39	4,012,011.13	–	**188,170,994.52**
Total	184,158,983.39	4,012,011.13	–	**188,170,994.52**

The futures risk reserve is provided at 5% of the parent company's net commission income and is included in profit or loss for the current period.

25. Payable to futures investors protection fund

Item	Opening balance	Current increase	Current decrease	Closing balance
Payable to futures investors protection fund	344,904.00	203,344.91	330,145.44	**218,103.47**
Total	344,904.00	203,344.91	330,145.44	**218,103.47**

Starting from 1 November 2025, due to a revision in the Company's rating, the rate at which the Company makes payment to the futures investors protection fund was changed from six in 100 million to six and a half in 100 million of broker transaction volume.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

26. Employee compensation payable

(1) *Employee compensation payable disclosure*

Item	Opening balance	Current increase	Current decrease	Closing balance
I. Short-term compensation	3,361,824.50	73,812,228.47	76,182,583.08	**991,469.89**
II. Post-employment benefits-setting up a contribution plan	–	10,815,687.95	10,815,687.95	**–**
III. Dismissal benefits	–	30,216.72	30,216.72	**–**
Total	3,361,824.50	84,658,133.14	87,028,487.75	**991,469.89**

(2) *Short term compensation disclosure*

Item	Opening balance	Current increase	Current decrease	Closing balance
1. Salary, bonus, subsidy and allowance	2,417,473.66	57,533,948.31	59,912,053.72	**39,368.25**
2. Workers benefits	–	6,412,540.12	6,007,740.12	**404,800.00**
3. Social insurance premiums	–	3,792,311.31	3,792,311.31	**–**
Incl.: Medical insurance premiums	–	3,371,323.47	3,371,323.47	**–**
Work injury insurance premiums	–	109,541.61	109,541.61	**–**
Maternity insurance premiums	–	311,446.23	311,446.23	**–**
4. Housing reserve fund	–	4,967,385.84	4,967,385.84	**–**
5. Labour union funding and employee education funding	944,350.84	1,106,042.89	1,503,092.09	**547,301.64**
Total	3,361,824.50	73,812,228.47	76,182,583.08	**991,469.89**

(3) *Defined contribution plan disclosure*

Item	Opening balance	Current increase	Current decrease	Closing balance
1. Basic pension	–	7,300,293.45	7,300,293.45	**–**
2. Unemployment insurance	–	233,448.59	233,448.59	**–**
3. Corporate annuity	–	3,281,945.91	3,281,945.91	**–**
Total	–	10,815,687.95	10,815,687.95	**–**

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

26. Employee compensation payable *(Continued)*

(3) Defined contribution plan disclosure (Continued)

The Group only has defined contribution schemes, mainly endowment insurance, and unemployment insurance, and enterprise annuities 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 annuities when they reach the retirement age stipulated by the state. Also, the Group does not apply defined benefit schemes.

The Group had 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 during the current period.

27. Taxes payable

Item	30 June 2026	31 December 2025
VAT	9,188,099.59	1,297,673.73
City maintenance and construction tax	608,518.52	41,874.85
Property tax	475,363.24	374,142.84
Educational surcharges and Local education surcharges	434,236.59	29,491.14
Personal income tax	56,372.63	318,863.31
Enterprise income tax	–	2,935.01
Total	10,762,590.57	2,064,980.88

28. Bills payable

Category	30 June 2026	31 December 2025
Bank acceptance notes	104,208,576.00	488,055,807.06
Letter of credit	–	54,527,660.00
Total	104,208,576.00	542,583,467.06

As at the end of the current period, there were no bills payable due and unpaid.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

29. Other payables

Item	30 June 2026	31 December 2025
Margins payable	**119,592,720.88**	22,522,004.11
Customers' equity payable	**48,907,043.48**	11,780,968.27
Risk guarantee payable	**4,767,562.72**	4,044,889.27
Dividend payable (Note)	**4,031,111.11**	–
Accrued expenses	**1,758,265.02**	874,683.53
Auditor's fee payable	**1,150,000.00**	2,150,000.00
Construction fees payable	**450,191.01**	1,399,789.27
Settlement payables for asset-management products	**298,454.13**	567,337.15
Amounts due to the Distributor Fund	**31,486.63**	331,486.63
Payables for warehouse receipts and payable warehouse receipt pledges	**–**	245,286,921.78
Other	**4,419,268.90**	5,409,788.18
Total	**185,406,103.88**	294,367,868.19

Note: As approved by the annual general meeting held on 26 June 2026, a cash dividend of RMB0.04 (tax inclusive) for every ten shares, totaling RMB4,031,111.11 (tax inclusive), shall be distributed to all Shareholders based on the total share capital of the Company of 1,007,777,778 shares before the implementation of this profit distribution plan.

30. Lease liabilities

Item	30 June 2026	31 December 2025
Within 1 year	**7,889,618.30**	6,763,191.99
1–2 years	**4,730,406.45**	3,722,675.27
2–5 years	**1,997,016.29**	710,323.24
Total	**14,617,041.04**	11,196,190.50

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

31. Other liabilities

Item	30 June 2026	31 December 2025
Advanced proceeds received	527,213.45	10,230,530.97
Output tax to be carried forward	–	1,329,969.03
Total	527,213.45	11,560,500.00

32. Share capital

Item	Opening balance	Current changes (+/-)	Closing balance
Total shares	1,007,777,778.00	–	1,007,777,778.00

33. Capital reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Capital premium (Share premium)	593,701,109.72	–	–	593,701,109.72
Other capital reserve	4,701,890.00	–	–	4,701,890.00
Total	598,402,999.72	–	–	598,402,999.72

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

34. Other comprehensive income

Item	Opening balance	Current changes (+/-) Before current income tax	Less: Transfer from previous other comprehensive income to current profit or loss	Less: Transfer from previous other comprehensive income to current retained earnings	Less: Income tax expense	After tax attributable to the parent	After tax attributable to minority shareholders	Closing balance
1. Other comprehensive income that cannot be reclassified into profit or loss	-1,648,830.74	-2,309,131.87	–	-3,139,198.39	-533,682.47	1,363,748.99	–	-285,081.75
Incl.: Changes in fair value of other equity instruments investment	-1,648,830.74	-2,309,131.87	–	-3,139,198.39	-533,682.47	1,363,748.99	–	-285,081.75
2. Other comprehensive income to be reclassified into profit and loss	5,978,048.21	-8,274,698.50	–	–	–	-8,274,698.50	–	-2,296,650.29
Incl.: Translation difference of foreign currency financial statements	5,978,048.21	-8,274,698.50	–	–	–	-8,274,698.50	–	-2,296,650.29
Total other comprehensive income	4,329,217.47	-10,583,830.37	–	-3,139,198.39	-533,682.47	-6,910,949.51	–	-2,581,732.04

35. Surplus reserve

Item	Opening balance	Current increase	Current decrease	Closing balance
Statutory surplus reserve	76,364,979.96	-313,919.82	–	76,051,060.14
Total	76,364,979.96	-313,919.82	–	76,051,060.14

36. General risk provision

Item	Opening balance	Current increase	Current decrease	Closing balance
General risk provision	102,244,557.33	–	–	102,244,557.33
Total	102,244,557.33	–	–	102,244,557.33

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

37. Undistributed profit

Item	Current period	Last period
Undistributed profits at the end of the previous period before adjustment	75,766,293.29	86,784,552.34
Undistributed profits at the beginning of the period after adjustment	75,766,293.29	86,784,552.34
Add: Current net profit attributable to shareholders of parent company	24,409,305.32	3,992,694.29
Transfer from other comprehensive income	-2,825,278.57	–
Less: Statutory surplus reserve	–	2,466,587.78
Appropriation for general risk provision	–	2,466,587.78
Dividend payable on ordinary shares	4,031,111.11	10,077,777.78
Undistributed profit at the end of the period	93,319,208.93	75,766,293.29

38. Net handling fee and commission income

(1) Net handling fee and commission income breakdown

Item	January-June 2026	January-June 2025
Net futures brokerage business income	83,849,723.88	73,683,292.88
Net asset management business income	438,075.06	1,527,298.89
Investment advisory business income	–	6,805.14
Total	84,287,798.94	75,217,396.91

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

38. Net handling fee and commission income *(Continued)*

(2) Net handling fee and commission income by branches in administrative regions

	January-June 2026		January-June 2025	
Administrative regions	Number of branches	Net handling fee and commission income	Number of branches	Net handling fee and commission income
Jiangsu Province	17	65,727,147.95	19	58,198,712.86
Fujian Province	2	2,001,791.95	2	1,731,007.81
Zhejiang Province	2	1,927,878.57	2	1,977,152.76
Shandong Province	2	1,420,805.77	1	423,568.48
Liaoning Province	2	1,404,605.98	2	1,084,659.86
Shanghai	1	1,090,742.25	2	1,238,465.00
Henan Province	1	920,825.31	1	923,489.15
Shaanxi Province	1	748,012.79	1	1,002,737.47
Guangdong Province	1	717,691.49	1	690,978.96
Beijing	1	587,924.41	2	702,964.84
Anhui Province	1	558,484.75	2	588,805.54
Chongqing	1	551,850.56	1	664,246.07
Shanxi Province	1	482,847.17	1	508,009.66
Hunan Province	1	447,254.44	1	654,948.48
Guangxi Province	1	428,469.00	1	1,070,000.96
Hong Kong, China	1	5,271,466.55	1	3,757,649.01
Total	36	84,287,798.94	40	75,217,396.91

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

39. Net interest income

Item	January-June 2026	January-June 2025
Interest income	**46,487,126.57**	31,316,084.51
Incl.: Interest income from customer deposit	**34,904,808.99**	18,293,405.89
Interest income from own funds deposit	**10,927,370.47**	12,286,894.52
Interest income from financial assets purchased under resale agreements	**654,947.11**	735,784.10
Interest expense	**661,259.61**	13,956.58
Incl.: Interest expenditure on short-term borrowings	**59,879.19**	–
Discount expenditure on bank-accepted bills	**601,380.42**	–
Interest expenditure on financial assets sold under repurchase agreements	**–**	13,956.58
Net interest income	**45,825,866.96**	31,302,127.93

40. Investment gains

(1) Investment gains breakdown

Item	January-June 2026	January-June 2025
Long-term equity investment gains calculated with equity method	**22,968.55**	40,553.49
Financial instrument investment gains	**49,228,551.54**	724,355.86
Incl.: Gains during holding period	**1,611,759.34**	807,838.08
Incl.: Financial instrument held for trading	**1,076,680.16**	387,369.39
Other equity instruments investment	**535,079.18**	420,468.69
Gain on disposal of financial instruments	**47,616,792.20**	-83,482.22
Incl.: Financial instrument held for trading	**11,819,934.23**	1,548,053.65
Other debt investments	**–**	45,629.91
Financial derivatives	**-193,961,193.26**	44,620,832.45
Other current assets	**229,758,051.23**	-46,297,998.23
Total	**49,251,520.09**	764,909.35

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

40. Investment gains *(Continued)*

(1) Investment gains breakdown *(Continued)*

Note: The Group has implemented the Rules for the Management of Commodity Risk Management Business by Futures Risk Management Companies (《期貨風險管理公司大宗商品風險管理業務管理規則》) issued by the China Futures Association, and the Q&A on Accounting Treatment Related to Standard Warrant Transactions (標準倉單交易相關會計處理實施問答) issued by the Accounting Department of the Ministry of Finance on 8 July 2025, and has restated the financial statement information for the comparable periods. The relevant changes in accounting policies have been disclosed in the 2025 Annual Report. Accordingly, the Group has made the following adjustments to the relevant items in its consolidated comparative financial statements for January to June 2025:

Affected items	Amount before adjustment for Jan–Jun 2025 (Consolidated)	Adjustment amount	Amount after adjustment for Jan–Jun 2025 (Consolidated)
Other operating income	182,371,276.11	-179,846,997.54	2,524,278.57
Other operating income	188,341,071.74	-186,940,833.74	1,400,238.00
Investment gains	7,858,745.55	-7,093,836.20	764,909.35
Cash received from sale of goods and rendering of services	2,004,335,783.34	-2,004,335,783.34	–
Cash paid for purchase of goods and receipt of services	1,712,574,165.39	-1,712,574,165.39	–
Net decrease from financial assets relating to risk management business	34,009,037.45	291,761,617.95	325,770,655.40

(2) Gains of investment in associates

Item	January-June 2026	January-June 2025
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	23,036.31	40,169.73
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	-67.76	383.76
Total	22,968.55	40,553.49

41. Other incomes

Item	January-June 2026	January-June 2025
Individual income tax refund	94,884.95	93,878.34
Government subsidies	22,023.46	18,795.27
Total	116,908.41	112,673.61

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

42. Gains on changes of fair value

Item	January-June 2026	January-June 2025
Financial assets held for trading	**8,482,983.18**	5,754,130.48
Financial liabilities held for trading	**-185,760.35**	-87,572.36
Derivative financial instruments	**65,679,092.60**	20,658,447.02
Other current assets	**-95,710,634.74**	-1,065,338.22
Total	**-21,734,319.31**	25,259,666.92

43. Exchange gains

Item	January-June 2026	January-June 2025
Exchange gains	**153,913.75**	809,128.78
Total	**153,913.75**	809,128.78

44. Other operating income

Item	January-June 2026	January-June 2025
Market-making revenue	**4,548,804.72**	–
Revenue of Insurance + Futures business	**2,023,584.91**	1,320,979.24
Leasing and other income	**1,247,691.61**	1,203,299.33
Total	**7,820,081.24**	2,524,278.57

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

45. Proceeds from disposal of assets

Item	January-June 2026	January-June 2025
Proceeds from disposal of fixed assets	-13,109.68	-397,831.82
Total	-13,109.68	-397,831.82

46. Futures risk reserve expenses

Item	January-June 2026	January-June 2025
Futures risk provision	4,012,011.13	3,279,975.14
Total	4,012,011.13	3,279,975.14

47. Taxes and surcharges

Item	January-June 2026	January-June 2025
Property tax	2,495,566.58	1,076,285.49
Urban maintenance and construction tax	1,606,378.29	96,110.12
Stamp duty	806,935.88	835,293.32
Education surcharge	688,447.80	41,156.24
Local education surcharge	458,965.16	27,437.47
Vehicle and vessel usage tax	5,520.00	5,880.00
Land use tax	1,403.50	1,403.50
Total	6,063,217.21	2,083,566.14

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

48. Operating and management expenses

Item	January-June 2026	January-June 2025
Employees' compensation	**84,658,133.14**	82,964,706.39
Depreciation of fixed assets and right-of-use assets	**13,427,025.42**	14,583,178.87
Information technology maintenance costs	**8,029,347.17**	9,097,545.33
Postal and telecommunication expenses	**3,078,314.50**	2,910,782.47
Office expenses	**3,524,197.18**	6,413,982.02
Insurance, intermediary and consulting service fees	**1,565,910.89**	6,347,487.68
Lease and property management expenses	**1,487,406.90**	1,977,526.71
Warehousing costs	**882,426.15**	3,307,877.68
Interest expense on lease liabilities and other finance	**570,153.16**	4,731,229.78
Investors protection fund	**203,344.91**	137,797.98
Amortization of intangible assets	**177,700.80**	85,886.64
Others	**2,642,871.50**	3,172,918.08
Total	**120,246,831.72**	135,730,919.63

49. Credit impairment loss

Item	January-June 2026	January-June 2025
Bad debt loss on currency deposits receivable	**156,655.80**	-535,902.56
Bad debt loss on other receivables	**31,623.26**	1,131.50
Bad debt loss on advance to customers	**17,834.39**	3,410.13
Total	**206,113.45**	-531,360.93

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

50. Other operating costs

Item	January-June 2026	January-June 2025
Cost of Insurance + Futures business	**2,145,000.00**	1,400,238.00
Total	**2,145,000.00**	1,400,238.00

51. Non-operating income

Item	January-June 2026	January-June 2025	Amount included in non-recurring profit or loss for the current period
Special-purpose fund grant	**5,000.00**	5,000.00	5,000.00
Others	**611.96**	248,443.16	611.96
Total	**5,611.96**	253,443.16	5,611.96

52. Non-operating expenses

Item	January-June 2026	January-June 2025	Amount incurred in non-recurring profit or loss for the current period
Late payment fee expenses	**507,646.67**	–	507,646.67
Liquidated damages	**–**	29,185.00	–
Others	**4,947.49**	17,236.80	4,947.49
Total	**512,594.16**	46,421.80	512,594.16

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

53. Income tax expense

(1) Income tax expense breakdown

Item	January-June 2026	January-June 2025
Current income tax expense	2,236,393.95	–
Deferred income tax expense	5,882,805.42	-2,064,767.69
Total	8,119,199.37	-2,064,767.69

(2) Accounting profit and income tax expense adjustments

Item	January-June 2026
Total profit	32,528,504.69
Income tax expense calculated at the statutory/applicable tax rate	8,132,126.17
Impact of different tax rates applied to subsidiaries	-3,835.96
Impact of non-taxable income	-950,418.27
Impact of non-deductible costs, expenses and losses	271,168.75
Impact of deductible losses and deductible temporary differences with unrecognised deferred tax assets	370,448.17
Impact of differences from final tax settlements of prior periods	299,710.51
Income tax expense	8,119,199.37

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

54. Items in the cash flow statement

(1) *Cash related to operating activities*

(1) Other cash received related to other operating activities

Item	January-June 2026	January-June 2025
Margin and commission received	207,798,262.91	48,817,243.42
Pending settlement payments received	151,405,502.97	4,121,800.65
Securities settlement or redemption payments received	50,969,226.98	–
Standard warranty pledge cash received	20,726,848.00	–
Others	22,663,211.43	2,002,679.56
Total	453,563,052.29	54,941,723.63

(2) Other cash paid related to operating activities

Item	January-June 2026	January-June 2025
Margin and commission paid	146,382,212.62	–
Pending settlement payments paid	130,176,832.93	52,065,926.51
Standard warranty pledge cash paid	96,989,248.00	159,045,864.96
Securities settlement or redemption payments paid	46,160,094.01	–
Funds paid by other holders of structured entity	–	8,000,334.45
Others	5,423,817.54	7,208,580.53
Total	425,132,205.10	226,320,706.45

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

54. Items in the cash flow statement *(Continued)*

(2) Cash related to investing activities

(1) Material cash received related to investing activities

Item	January-June 2026	January-June 2025
Treasury bond reverse repurchase	**11,165,275,000.00**	9,919,300,000.00
Maturity of time deposits	**770,000,000.00**	–
Total	**11,935,275,000.00**	9,919,300,000.00

(2) Material cash paid related to investing activities

Item	January-June 2026	January-June 2025
Treasury bond reverse repurchase	**11,183,812,837.01**	9,918,933,000.00
Placement of time deposits	**1,706,160,949.30**	–
Total	**12,889,973,786.31**	9,918,933,000.00

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

55. Additional information on cash flow statement

(1) Additional information on cash flow statement

Additional information	January-June 2026	January-June 2025
1. Adjustment of net profit to cash flow from operating activities:		
Net profit	24,409,305.32	-3,605,648.27
Add: Asset impairment losses	–	-493,550.41
Credit impairment losses	206,113.45	-531,360.93
Depreciation of fixed assets	8,669,717.85	8,901,278.87
Depreciation of right-of-use assets	4,757,307.57	5,681,900.00
Amortization of intangible assets	177,700.80	85,886.64
Loss ("-" for gain) from disposal of fixed assets, intangible assets and other long term assets	13,109.68	397,831.82
Loss ("-" for gain) from changes in fair value	-8,297,222.83	-5,666,558.12
Financial expense ("-" for income)	1,231,412.77	290,816.76
Net interest income ("-" for income)	-654,947.11	-721,827.52
Exchange loss ("-" for income)	-153,913.75	-809,128.78
Investment loss ("-" for gain)	-13,454,662.13	-2,442,075.13
Futures risk reserve expenses	4,012,011.13	3,279,975.14
Decrease ("-" for increase) of deferred income tax assets	-1,029,434.06	889,795.48
Increase ("-" for decrease) of deferred income tax liabilities	6,602,513.97	-1,824,285.80
Decrease ("-" for increase) of inventory	–	408,868,017.22
Decrease ("-" for increase) of operating receivables	-446,370,409.35	-407,779,112.84
Increase ("-" for decrease) of operating payables	375,565,604.22	-874,409,728.31
Net cash flow from operating activities	-44,315,792.47	-869,887,774.18
2. Net changes in cash and cash equivalents:		
Cash balance at the end of period	2,428,846,487.55	6,086,838,718.23
Less: Cash balance at the beginning of period	3,412,479,712.74	7,036,460,835.63
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	-983,633,225.19	-949,622,117.40

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

V. Notes to the Consolidated Financial Statements *(Continued)*

55. Additional information on cash flow statement *(Continued)*

(2) Composition of cash and cash equivalents

Item	30 June 2026	31 December 2025
1. Cash	2,428,846,487.55	3,412,479,712.74
Incl.: Bank deposit immediately available	2,415,384,774.70	3,398,556,163.15
Other monetary funds immediately available	13,461,712.85	13,923,549.59
2. Cash equivalents	–	–
3. Closing balance of cash and cash equivalents	2,428,846,487.55	3,412,479,712.74

(3) Monetary funds that are not cash and cash equivalents

Item	30 June 2026	31 December 2025	Reasons for not being cash and cash equivalents
Monetary funds	5,256,292,971.67	4,320,132,022.37	Time deposits with maturity exceeding three months
Monetary funds	31,545,518.87	228,299,445.70	Restricted in use
Monetary funds	54,557,280.39	29,546,854.07	Accrued interest of monetary funds
Total	5,342,395,770.93	4,577,978,322.14	

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

V. Notes to the Consolidated Financial Statements *(Continued)*

56. Foreign currency monetary funds

(1) *Foreign currency monetary funds*

Item	Foreign currency balance at the end of the period	Exchange rate	RMB balance converted at the end of the period
Monetary fund			
Incl.: HKD	155,011,053.03	0.86855	134,634,850.11
USD	17,855,318.84	6.8109	121,610,791.09
GBP	145.60	9.0145	1,312.51
Currency deposits receivable			
Incl.: HKD	199,031,141.53	0.86855	172,868,497.97
Advance to customers			
Incl.: HKD	6,986,083.18	0.86855	6,067,762.55

(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

57. Lease

(1) *The Group as lessee*

Item	January-June 2026	January-June 2025
Interest expense on lease liabilities	261,846.10	290,816.76
Expenses relating to short-term leases accounted for current profit or loss under the simplified approach	93,765.92	228,216.63
Total cash outflows relating to leases	3,858,809.03	5,228,492.93

(2) *The Group as lessor*

(1) Operating leases where the Group is a lessor

Item	Rental income	Including: Income related to variable lease payments not included in lease receipts
Property leasing	1,206,282.26	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VI. Changes in the Scope of Consolidation

The structured entity newly included in the Group's consolidation scope during the current period was the Holly Wenjin Enhanced No.1 Single-Client Asset Management Plan. Other than that, there were no other changes to the consolidation scope.

VII. Interests in Other Entities

1. Interests in subsidiaries

(1) Subsidiaries

Subsidiary name	Registered capital	Principal place of business	Place of registration	Nature	Shareholding		Reason
					Direct	Indirect	
Holly Capital Management Co., Ltd. (弘業資本管理有限公司)	RMB500 million	Nanjing	Nanjing	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 the same 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

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VII. Interests in Other Entities *(Continued)*

1. Interests in subsidiaries *(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 ASBE, into the scope of the consolidated statements.

On 30 June 2026, the net assets managed under the consolidated asset management plans and fund amounted to RMB71,396,255.03, and meanwhile, the book value of the Group's interests in the consolidated asset management plans reached RMB64,397,780.06, which was recognised in "Financial assets held for trading" Account.

Structured entity name	Type	The Group's actual capital contribution at the end of period
Holly Hongsheng FOF2301 Single Asset Management Plan (弘業弘升 FOF2301 單一資產管理計劃)	Asset management plan	RMB4,449,000
Holly Flexible Allocation Ruijin Multi-Strategy Single Asset Management Plan (弘業靈活配置鋭進多策略單一資產管理計劃)	Asset management plan	RMB7,705,100
Holly Wenjin Enhanced No.1 Single-Client Asset Management Plan（弘業穩進增強1號單一資產管理計劃）	Asset management plan	RMB10,000,000
Holly International Fixed Income Fund (弘業國際固定收益基金)	Fund	USD3,796,600
Holly International Global Opportunity Fund SP (弘業國際環球機遇基金 SP)	Fund	USD2,214,900

(3) The Group had no significant non-wholly owned subsidiary, had no financial or other support provided to any structured entity to be included in the consolidated financial statements, and had no subsidiary over which the Group retained control and in which the Group's ownership interests had changed. No subsidiaries of the Company issued share capital or debt securities.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VII. Interests in Other Entities *(Continued)*

2. Interests in joint ventures or associates

(1) Important associates

Associates	Principal place of business	Place of registration	Nature	Shareholding		Accounting method
				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) ("Hongrui New Era")	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) ("Hongrui Growth")	Jiangsu	Jiangsu	Risk investment etc.	9.901%	–	Equity method

Within the Reporting Period, the Group and the Company held 9.901% equity of Hongrui Growth. According to Hongrui Growth's Articles of Association, the Company would appoint a member of Board of Directors, would impose significant influence on the invested company through participation in its production or operating decisions; therefore, Hongrui Growth as an associate should be included into the financial statements of the Group and the Company.

(2) Financial highlights of key associates

Item	Closing balance/Amount incurred in current period		Opening balance/Amount incurred in last period	
	Hongrui New Era	Hongrui Growth	Hongrui New Era	Hongrui Growth
Current assets	28,441,672.54	135,503.94	28,344,454.24	136,378.87
Non-current assets	1,851,702.02	22,000,000.00	1,851,702.02	22,000,000.00
Total Assets	30,293,374.56	22,135,503.94	30,196,156.26	22,136,378.87
Current liabilities	–	677,476.00	3,958.15	677,666.44
Non-current liabilities	–	–	–	–
Total Liabilities	–	677,476.00	3,958.15	677,666.44
Net profit	104,710.52	-684.49	182,589.68	3,876.00
Total comprehensive income	104,710.52	-684.49	182,589.68	3,876.00

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VII. Interests in Other Entities *(Continued)*

2. Interests in joint ventures or associates *(Continued)*

(3) Associates were not restricted in their ability to transfer funds to the Company. There was no excessive loss incurred by any associate of the Group. The Group had no unrecognised commitment and contingent liability related to investment in associates.

3. Structured entities not included into the consolidated statements

On 30 June 2025, the net assets of structured entities established by the Group but not included into the consolidated financial statements amounted to RMB19,095,043.12.

The Group has interests in the structured entities sponsored by third party institutions through directly holding investments. The 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	**30 June 2026** **Financial assets held for trading**	31 December 2025 Financial assets held for trading
Funds	**147,350,154.95**	132,499,869.98
Asset management plans	**144,313,554.10**	135,134,345.66
Trust schemes	**880,596.22**	998,882.26
Total	**292,544,305.27**	268,633,097.90

The Group's maximum risk exposure arising from investments in the aforesaid funds, trust schemes and asset management plans was carrying amounts of the investment amount of the Group.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VIII. Financial Instruments and Risk Management

The objectives of the Group's risk management are to seek appropriate balance between the risks, 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 controls processes, 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 and the Group's operating activities.

(I) Market Risk

1. *Foreign currency risk*

The Group's business is mainly concentrated in Mainland China and settled in Renminbi. The currencies giving rise to foreign currency risk are primarily Hong Kong dollars and United States dollars.

(1) For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. The Group's exposure to foreign currency risk for assets and liabilities denominated in Renminbi as at the end of the period is as follows:

	30 June 2026		31 December 2025	
Item	**Balance in foreign currency**	**Balance in RMB equivalent**	Balance in foreign currency	Balance in RMB equivalent
Monetary funds				
HKD	**155,011,053.03**	**134,634,850.11**	154,776,518.01	139,797,246.60
USD	**17,855,318.84**	**121,610,791.09**	24,185,945.20	169,998,171.62
Currency deposits receivable				
HKD	**199,031,141.53**	**172,868,497.97**	157,055,269.46	141,855,460.48
Advance to customers				
HKD	**6,986,083.18**	**6,067,762.55**	2,937,644.05	2,653,338.86
Financial assets held for trading				
HKD	**515,760.00**	**447,963.35**	–	–
USD	**6,640,433.59**	**45,227,329.14**	7,193,376.32	50,560,803.48
Other receivables				
HKD	**2,853,782.70**	**2,478,652.96**	1,903,702.16	1,719,461.86
USD	**18,480.91**	**125,871.63**	35,256.58	247,811.45
Other payables				
HKD	**1,174,826.88**	**1,020,395.89**	1,055,308.90	953,176.10
USD	**35,633.67**	**242,697.36**	70,536.10	495,784.14
Foreign exchange risk exposure		**482,198,625.55**		505,383,334.11

About Us
Operating Conditions
Corporate Governance
Interim Financial Information

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VIII. Financial Instruments and Risk Management *(Continued)*

(I) Market Risk *(Continued)*

1. *Foreign currency risk* *(Continued)*

(2) Analysis on the exchange rates for Renminbi against foreign currencies applied by the Group

	Average rates		Balance Sheet date mid-spot rate	
Item	**Jan-Jun 2026**	Jan-Jun 2025	**30 June 2026**	31 December 2025
HKD	**0.88105**	0.92192	**0.86855**	0.90322
USD	**6.8932**	7.1839	**6.8109**	7.0288

(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 period would have decreased the Group's net profit by the amount shown. The effects of translation into Renminbi at the spot exchange rate at the balance sheet date are set out below:

Item	**30 June 2026**	31 December 2025
Net profit		
Items denominated in HKD	**-261,045.65**	-271,458.72
Items denominated in USD	**-24,041.94**	-23,635.54

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 net profit by the amounts shown above, on the basis that all other variables remained constant.

The above analysis excludes the effect of foreign currency translation differences, which is recognised in other comprehensive income of the Group.

2. *Interest rate risk*

Interest-bearing financial instruments at fixed rates and at floating rates expose the Group to fair value interest risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to maintain an appropriate mix of fixed and floating rate instruments. The Group does not use derivative financial instruments to hedge interest rate risk.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VIII. 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 period

Item	30 June 2026		31 December 2025	
	Actual interest rate	**Amount**	Actual interest rate	Amount
Fixed interest rate financial instruments				
Financial assets				
Monetary fund				
Incl.: Futures margin	**1.24%–3.69%**	**5,153,027,959.44**	1.87%–3.70%	4,578,329,712.29
Own funds	**2.40%–3.75%**	**112,795,420.14**	2.60%–4.04%	112,568,189.34
Other monetary funds	**–**	**–**	0.75%–1.70%	227,730,745.22
Currency deposits receivable and pledged deposits receivable	**0.35%**	**401,037,741.01**	0.35%	225,669,884.60
Financial assets purchased under resale agreements	**1.31%**	**112,392,000.00**	1.80%	93,966,000.00
Financial assets held for trading				
Incl.: Bonds held for trading	**2.65%–6.25%**	**40,777,590.82**	2.65%–6.25%	42,950,920.14
Financial liabilities				
Short-term borrowings	**2.11%**	**3,000,000.00**	2.30%	1,000,000.00
Net amount		**5,817,030,711.41**		5,280,215,451.59
Floating rate financial instruments				
Financial assets				
Monetary fund				
Incl.: Futures margin	**0.35%–1.90%**	**2,149,836,121.94**	0.05%–1.85%	2,902,353,930.03
Own funds	**0.05%–1.83%**	**287,531,646.90**	0.00%–1.40%	126,005,054.34
Other monetary funds	**0.00%–0.35%**	**13,493,829.67**	0.00%–1.70%	13,891,489.53
Net amount		**2,450,861,598.51**		3,042,250,473.90

(2) Sensitivity analysis

As of 30 June 2026, with all other variables held constant, an increase in interest rate of 100 basic points would have reduced net profit and the owners' equity of the Group by RMB4,149,118.82. A decrease in interest rate of 100 basic points would have increased net profit and the owners' equity of the Group by RMB5,130,361.85. As of 31 December 2025, with all other variables held constant, an increase in interest rate of 100 basic points would have reduced net profit and the owners' equity of the Group by RMB4,475,072.25. A decrease in interest rate of 100 basic points would have increased net profit and the owners' equity of the Group by RMB5,541,515.62.

About Us
Operating Conditions
Corporate Governance
Interim Financial Information

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

VIII. 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 asset-management products, derivative financial instruments, and other products, 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 commodity price, net value of asset-management products and share price on net profit and owners' equity of the Group, with all other variables held constant.

Item	Net profit	
	30 June 2026	31 December 2025
Change in commodity price		
10% increase	**32,962,869.61**	337,394,295.00
10% decrease	**-30,676,386.02**	-337,394,295.00
Changes in the net value of asset-management products		
10% increase	**22,052,066.35**	22,135,677.04
10% decrease	**-22,052,066.35**	-22,135,677.04
Change in share price		
10% increase	**37,404.94**	–
10% decrease	**-37,404.94**	–

Item	Owners' equity	
	30 June 2026	31 December 2025
Change in commodity price		
10% increase	**32,962,869.61**	337,394,295.00
10% decrease	**-30,676,386.02**	-337,394,295.00
Changes in the net value of asset-management products		
10% increase	**22,521,699.09**	24,082,555.18
10% decrease	**-22,521,699.09**	-24,082,555.18
Changes in share price		
10% increase	**37,404.94**	–
10% decrease	**-37,404.94**	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VIII. Financial Instruments and Risk Management *(Continued)*

(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, other receivables and other assets. Exposure to these credit risks is 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 in the balance sheet.

The Group's monetary funds are mainly deposited with reputable financial institutions and therefore the Management considers that there are no material credit 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.

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 30 June 2026, 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	**30 June 2026**	31 December 2025
Monetary fund	**7,771,242,258.48**	7,990,458,034.88
Currency deposits receivable	**4,396,103,415.49**	3,187,227,426.50
Pledged deposits receivable	**15,553,920.00**	77,608,800.00
Advance to customers	**6,037,423.73**	2,640,072.17
Financial assets held for trading	**333,321,896.08**	331,597,311.37
Financial assets purchased under resale agreements	**112,392,000.00**	93,966,000.00
Other receivables	**11,608,830.04**	15,585,757.45
Other assets – Other current assets	**–**	415,831,150.44
Total maximum risk exposure	**12,646,259,743.82**	12,114,914,552.81

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VIII. Financial Instruments and Risk Management *(Continued)*

(III) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds for a company to fulfill its obligation of settlement in cash or other financial assets. The Company and its subsidiaries are responsible for their own cash management, including short-term investment and borrowing to meet estimated cash requirements (Any borrowing above the preset upper limit of authority should be approved by the Company's Board of Directors). The Group's policy is to regularly monitor its liquidity requirements to ensure sufficient cash reserves to meet short-term and long-term liquidity requirements.

The remaining contract period of the Group's financial liabilities on the balance sheet date based on the undiscounted contractual cash flows (including interest calculated at the contract rate (if it is a floating rate, the current rate at the end of the period)), and the earliest date of required payment are as follows:

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VIII. Financial Instruments and Risk Management *(Continued)*

(III) Liquidity risk *(Continued)*

1. *30 June 2026*

Item	Current	Within 1 year	1–5 years	Total balance	Book value at sheet date
Short-term borrowings	–	3,047,518.36	–	3,047,518.36	3,000,000.00
Currency deposits payable	10,648,493,505.67	–	–	10,648,493,505.67	10,648,493,505.67
Pledged deposits payable	15,553,920.00	–	–	15,553,920.00	15,553,920.00
Derivative financial liabilities	–	13,670,172.63	–	13,670,172.63	13,670,172.63
Payable to futures investors protection fund	–	218,103.47	–	218,103.47	218,103.47
Bills payable	–	104,208,576.00	–	104,208,576.00	104,208,576.00
Other payables	–	185,871,876.43	–	185,871,876.43	185,406,103.88
Lease liabilities	–	7,900,442.29	6,966,237.93	14,866,680.22	14,617,041.04
Total	10,664,047,425.67	314,916,689.18	6,966,237.93	10,985,930,352.78	10,985,167,422.69

2. *31 December 2025*

Item	Current	Within 1 year	1–5 years	Total balance	Book value at sheet date
Short-term borrowings	–	1,000,383.33	–	1,000,383.33	1,000,383.33
Currency deposits payable	9,725,943,497.66	–	–	9,725,943,497.66	9,725,943,497.66
Pledged deposits payable	1,346,400.00	–	–	1,346,400.00	1,346,400.00
Derivative financial liabilities	–	9,999,149.77	–	9,999,149.77	9,999,149.77
Payable to futures investors protection fund	–	344,904.00	–	344,904.00	344,904.00
Bills payable	–	542,583,467.06	–	542,583,467.06	542,583,467.06
Other payables	–	294,367,868.19	–	294,367,868.19	294,367,868.19
Lease liabilities	–	6,846,754.62	4,515,059.00	11,361,813.62	11,196,190.50
Total	9,727,289,897.66	855,142,526.97	4,515,059.00	10,586,947,483.63	10,586,781,860.51

About Us
Operating Conditions
Corporate Governance
Interim Financial Information

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

VIII. Financial Instruments and Risk Management *(Continued)*

(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 permissions 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.

IX. Fair Value Disclosure

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement

1. *Period-end fair value of assets and liabilities measured at fair value*

Item	30 June 2026			
	Level 1	Level 2	Level 3	Total
I. Ongoing fair value measurement				
(I) Financial assets held for trading	41,225,554.17	291,663,709.04	880,596.22	333,769,859.43
1. Financial assets at fair value through profit or loss for the current period	41,225,554.17	291,663,709.04	880,596.22	333,769,859.43
(1) Funds	–	147,350,154.94	–	147,350,154.94
(2) Asset management plans	–	144,313,554.10	–	144,313,554.10
(3) Bonds	40,777,590.82	–	–	40,777,590.82
(4) Trust schemes	–	–	880,596.22	880,596.22
(5) Shares	447,963.35	–	–	447,963.35
(II) Derivative financial assets	3,494,225.00	–	14,659,752.71	18,153,977.71
(III) Investment properties	–	48,068,400.00	–	48,068,400.00
(IV) Other equity instruments investment	6,261,769.80	–	1,834,275.00	8,096,044.80
Total assets measured at fair value on an ongoing basis	50,981,548.97	339,732,109.04	17,374,623.93	408,088,281.94
(V) Financial liabilities held for trading	–	–	6,996,660.37	6,996,660.37
(VI) Derivative financial liabilities	11,014,465.00	–	2,655,707.63	13,670,172.63
Total liabilities measured at fair value on an ongoing basis	11,014,465.00	–	9,652,368.00	20,666,833.00
II. Non-ongoing fair value measurement	–	–	–	–
Total assets measured at fair value not on an ongoing basis	–	–	–	–
Total liabilities measured at fair value not on an ongoing basis	–	–	–	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

IX. Fair Value Disclosure *(Continued)*

(I) The amount of assets and liabilities measured at fair value and the levels of fair value measurement *(Continued)*

1. *Period-end fair value of assets and liabilities measured at fair value* *(Continued)*

Item	31 December 2025			
	Level 1	Level 2	Level 3	Total
I. Ongoing fair value measurement				
(I) Financial assets held for trading	42,950,920.14	286,336,737.38	2,309,653.85	331,597,311.37
1. Financial assets at fair value through profit or loss for the current period	42,950,920.14	286,336,737.38	2,309,653.85	331,597,311.37
(1) Funds	–	151,238,279.17	–	151,238,279.17
(2) Asset management plans	–	135,098,458.21	1,310,771.59	136,409,229.80
(3) Bonds	42,950,920.14	–	–	42,950,920.14
(4) Trust schemes	–	–	998,882.26	998,882.26
(II) Derivative financial assets	6,874,791.03	–	2,279,498.50	9,154,289.53
(III) Investment properties	–	48,068,400.00	–	48,068,400.00
(IV) Other equity instruments investment	25,958,375.27	–	1,851,610.00	27,809,985.27
(V) Other current assets	415,831,150.44	–	–	415,831,150.44
Total assets measured at fair value on an ongoing basis	491,615,236.88	334,405,137.38	6,440,762.35	832,461,136.61
(VI) Financial liabilities held for trading	–	–	7,030,984.02	7,030,984.02
(VII) Derivative financial liabilities	5,924,720.00	–	4,074,429.77	9,999,149.77
Total liabilities measured at fair value on an ongoing basis	5,924,720.00	–	11,105,413.79	17,030,133.79
II. Non-ongoing fair value measurement	–	–	–	–
Total assets measured at fair value not on an ongoing basis	–	–	–	–
Total liabilities measured at fair value not on an ongoing basis	–	–	–	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

IX. 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. *Period-end fair value of assets and liabilities measured at fair value* (Continued)

During the current 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 current period.

(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 level 2 fair value of the financial instruments of the Group as at the end of the current period are as follows:

For unlisted open-end funds, fair value is determined by price which is based on the net asset value as at the end of the Reporting Period.

For asset management plans for which there is no open market, fair value is determined through 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 object of the valuation and where earnings can be ascertained, the market approach or the income approach is used for valuation.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

IX. 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. *Period-end fair value of assets and liabilities measured at fair value (Continued)*

(2) Level 2 fair value measurement (Continued)

During the current 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
Trust schemes	Discounted cash flow mode	Future cash flows, risk-adjusted discount rate	The higher the future cashflows, the higher the fair value, 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	Volatility	The higher the volatility, the higher the fair value
Financial liabilities held for trading	Valuation of underlying financial instruments and contract allocation method	Contract allocation rate	The higher the contract allocation rate, the higher (for gain)/the lower (for loss) the fair value

As at the end of the current period, there were no changes in the valuation techniques for the fair values of the assets and liabilities of level 3 fair value measurement.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

IX. 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. *Period-end fair value of assets and liabilities measured at fair value* (Continued)

(3) Level 3 fair value measurement (Continued)

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 period included in profit or loss	Total gains or losses for the year included other comprehensive income	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: Trust schemes	998,882.26	-118,286.04	-	-	-	880,596.22	-118,286.04
Asset management plans	1,310,771.59	-327,333.07	-	-	983,438.52	-	-
Other equity instruments investment	1,851,610.00	-	-17,335.00	-	-	1,834,275.00	-
Derivative financial assets	2,279,498.50	10,729,245.41	-	1,651,008.80	-	14,659,752.71	13,008,743.91
Subtotal of financial assets	6,440,762.35	10,283,626.30	-17,335.00	1,651,008.80	983,438.52	17,374,623.93	12,890,457.87
Financial liabilities							
Financial liabilities held for trading	7,030,984.02	185,760.35	-220,084.00	-	-	6,996,660.37	185,760.35
Derivative financial liabilities	4,074,429.77	-2,557,353.22	-	1,138,631.08	-	2,655,707.63	1,517,076.55
Subtotal of financial liabilities	11,105,413.79	-2,371,592.87	-220,084.00	1,138,631.08	-	9,652,368.00	1,702,836.90

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

IX. 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 and the Company mainly include: monetary funds, currency deposits receivable, pledged deposits receivable, settlement deposits receivable, financial assets held under resale agreements, other receivables, currency deposits payable, pledged deposits payable, futures investors protection funds payable, trade payables and other payables. There was no significant difference between the carrying amount and the fair value of the above financial assets and financial liabilities.

X. Related Parties and Transactions with Related Parties

(I) Relations with related parties

1. *Controlling shareholder and ultimate controller*

(1) Controlling shareholder and ultimate controller

Parent name	Place of registration	Business nature	Registered capital	Parent's 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	RMB2,000,000,000.00	27.33%	27.33%	People's Government of Jiangsu Province

(2) Changes in controlling shareholder's registered capital

There were no changes to the registered capital of the controlling shareholder during the current period.

2. *Subsidiaries of the Company*

See Note VI and Note VII.

3. *Associates of the Company*

See Note VII.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Related Parties and Transactions with Related Parties *(Continued)*

(I) Relations with related parties *(Continued)*

4. *Other important related parties of the Company*

Other related parties	Relation
Soho Holly Corporation	Shareholder of the Group and Company
SOHO Culture Group Company Limited (蘇豪文化集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Zhongtian Holding Co., Ltd. (江蘇蘇豪中天控股有限公司) (formerly known as Jiangsu High Hope International Group Zhongtian Holding Co., Ltd. (江蘇匯鴻國際集團中天控股有限公司))	Controlled by the same ultimate holding company
Jiangsu SOHO Champion Development Co., Ltd. (江蘇蘇豪中錦發展有限公司) (formerly known as High Hope Int'l Group Jiangsu Champion Holdings Limited (江蘇匯鴻國際集團中錦控股有限公司))	Controlled by the same ultimate holding company
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Private Equity Fund Management Co., Ltd. (江蘇蘇豪私募基金管理有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Assets Operation Group Co., Ltd. (江蘇蘇豪資產運營集團有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Wisdom Private Fund Management Co., Ltd. (江蘇蘇豪匯升私募基金管理有限公司) (formerly known as Jiangsu High Hope Wisdom Co., Ltd. (江蘇匯鴻匯升投資管理有限公司))	Controlled by the same ultimate holding company
Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Real Estate Operation and Management Co., Ltd. (江蘇蘇豪不動產經營管理有限公司)	Controlled by the same ultimate holding company
Jiangsu SOHO Xin Zhi Group Co., Ltd. (江蘇省蘇豪新智集團有限公司) (formerly known as Jiangsu Overseas Group Co., Ltd. (江蘇省海外企業集團有限公司))	Controlled by the same ultimate holding company
Jiangsu Nonferrous Metals I/E Corp. Ltd. (江蘇有色金屬進出口有限公司)	Controlled by the same ultimate holding company

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

X. Related Parties and Transactions with Related Parties *(Continued)*

(I) Relations with related parties *(Continued)*

4. *Other important related parties of the Company* (Continued)

Other related parties	Relation
Nanjing Tianhong Information Technology Service Co., Ltd. (南京天泓信息技術服務有限公司) (formerly known as Jiangsu Tianhong Hengde Motor Vehicle Appraisal Co., Ltd. (江蘇天泓恒德機動車評估有限公司))	Controlled by the same ultimate holding company
Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	Controlled by the same ultimate holding company
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Controlled by the same ultimate holding company
Jiangsu High Hope Zhongtian Technology Co., Ltd. (江蘇匯鴻中天科技有限公司)	Controlled by the same ultimate holding company
Jiangsu Holly Yongchang (Hong Kong) Co., Limited (江蘇弘業永昌(香港)有限公司)	Controlled by the same ultimate holding company
Jiangsu Holly Environmental Technology Industrial Co., Ltd. (江蘇弘業環保科技產業有限公司)	Controlled by the same ultimate holding company
Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	Controlled by the same ultimate holding company
Shanghai Highhope Pulp And Paper Corporation (上海匯鴻漿紙有限公司)	Controlled by the same ultimate holding company
Nantong Holly Import and Export Co., Ltd. (南通弘業進出口有限公司)	Controlled by the same ultimate holding company
Nanjing Hongjia Asset Management Co., Ltd. (南京泓佳資產經營管理有限公司) (formerly known as Jiangsu Hongjia Property Management Co., Ltd. (江蘇泓佳物業管理有限公司))	Controlled by the same ultimate holding company
Soho Litian (Liaoning) Polymer Material Co., Ltd. (蘇豪麗天(遼寧)高分子材料有限公司) (formerly known as Liaoning Litian New Material Co., Ltd. (遼寧麗天新材料有限公司))	Controlled by the same ultimate holding company
Jiangsu Artall Public Art Development Co., Ltd. (江蘇愛濤公共藝術發展有限公司)	Controlled by the same ultimate holding company
Jiangsu Soho Products Co., Ltd. (江蘇蘇豪物產有限公司) (formerly known as Jiangsu Haiqi Products Trading Co., Ltd. (江蘇海企物產貿易有限公司))	Controlled by the same ultimate holding company
Shi Xianzhao (史先召)	Senior management

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Related Parties and Transactions with Related Parties *(Continued)*

(II) Transactions with related parties

1. Purchase of goods/Acceptance of services

Related parties	Related party transaction	January – June 2026	January – June 2025
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Cafeteria service charge	833,017.26	–
Jiangsu Financial Holdings Co., Ltd. (江蘇金融控股有限公司)	Labour cost	137,443.80	215,729.28
Jiangsu SOHO International Group Corporation (江蘇蘇豪國際集團股份有限公司)	Advertising and publicity expenses	32,348.68	41,915.04
Jiangsu Holly Environmental Technology Industrial Co., Ltd. (江蘇弘業環保科技產業有限公司)	Procurement cost	7,716.82	8,296.46
Jiangsu Artall Public Art Development Co., Ltd. (江蘇愛濤公共藝術發展有限公司)	Procurement cost	2,212.39	–
Jiangsu High Hope Zhongtian Technology Co., Ltd. (江蘇匯鴻中天科技有限公司)	Procurement cost	–	28,268.15
Total		1,012,738.95	294,208.93

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

X. Related Parties and Transactions with Related Parties *(Continued)*

(II) Transactions with related parties *(Continued)*

2. Sales of goods/Provision of services

Related parties	Related party transaction	January–June 2026	January–June 2025
Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	Fee income	669.55	1,447.39
Soho Litian (Liaoning) Polymer Material Co., Ltd. (蘇豪麗天(遼寧)高分子材料有限公司)	Fee income	62.26	66.04
Nantong Holly Import and Export Co., Ltd. (南通弘業進出口有限公司)	Fee income	21.58	–
Shanghai Highhope Pulp And Paper Corporation (上海匯鴻漿紙有限公司)	Fee income	7.08	–
Jiangsu SOHO Zhongtian Holding Co., Ltd. (江蘇蘇豪中天控股有限公司)	Fee income	5.94	–
Jiangsu SOHO Champion Development Co., Ltd. (江蘇蘇豪中錦發展有限公司)	Fee income	1.27	–
Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	Fee income	–	194.92
Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	Asset management business income/ Others	–	20,692.31
Total		767.68	22,400.65

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Related Parties and Transactions with Related Parties *(Continued)*

(II) Related party transactions *(Continued)*

3. Related lease

(1) Lease

		January–June 2026				
Name of lessor	Types of leased assets	Expenses relating to Short -term lease and leases of low-value assets applied the practical expedient	Variable lease payments not included in the measurement of lease liabilities	Rental paid	Interest expense of lease liabilities	Addition of right-to-use assets
Nanjing Hongjia Asset Operation and Management Co., Ltd. (南京泓佳資產經營管理有限公司)	Plants and buildings	–	–	–	77,730.98	5,786,317.25
Total		–	–	–	77,730.98	5,786,317.25

		January–June 2025				
Name of lessor	Types of leased assets	Expenses relating to Short-term lease and leases of low-value assets applied the practical expedient	Variable lease payments not included in the measurement of lease liabilities	Rental paid	Interest expense of lease liabilities	Addition of right-to-use assets
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	81,898.27	–
Soho Holly Corporation (蘇豪弘業股份有限公司)	Plants and buildings	101,200.79	–	–	–	–
Total		101,200.79	–	1,719,830.20	81,898.27	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

X. Related Parties and Transactions with Related Parties *(Continued)*

(III) Related party transaction balance

1. *Amount due from related parties*

Item	Related party transaction	Related parties	30 June 2026	31 December 2025
Other receivables	Housing leasing deposits	Nanjing Hongjia Asset Operation and Management Co., Ltd. (南京泓佳資產經營管理有限公司)	257,231.82	257,231.82

2. *Amounts due to related parties*

Item	Related parties	30 June 2026	31 December 2025
Currency deposits payable	Shanghai Highhope Pulp and Paper Corporation (上海匯鴻漿紙有限公司)	3,880,998.20	1,001.00
Currency deposits payable	SOHO Litian (Liaoning) Polymer Materials Co. , Ltd. (蘇豪麗天(遼寧)高分子材料有限公司	3,359,376.40	885,797.40
Currency deposits payable	Jiangsu SOHO Zhongtian Holdings Co., Ltd. (江蘇蘇豪中天控股有限公司)	2,895,988.92	6,791,036.54
Currency deposits payable	Jiangsu Chemical Fertilizer Co., Ltd. (江蘇省化肥工業有限公司)	2,874,319.38	2,724,749.72
Currency deposits payable	Jiangsu SOHOZhongjin Development Co., Ltd. (江蘇蘇豪中錦發展有限公司)	1,473,527.72	1,415,262.19
Currency deposits payable	Soho Holly Corporation (蘇豪弘業股份有限公司)	59,021.74	59,021.74
Currency deposits payable	Jiangsu Dongsheng Material Trading Co., Ltd. (江蘇東晟物資貿易有限公司)	1,500.00	1,500.00
Currency deposits payable	Nantong Holly Import and Export Co., Ltd. (南通弘業進出口有限公司)	1,001.00	1,010,000.00
Currency deposits payable	Jiangsu SOHO Huisheng Private Equity Fund Management Co., Ltd. (江蘇蘇豪匯升私募基金管理有限公司)	1,001.00	1,001.00
Currency deposits payable	Jiangsu Nonferrous Metals I/E Corp. Ltd. (江蘇有色金屬進出口有限公司)	1,001.00	1,001.00
Currency deposits payable	Jiangsu 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 Soho Products Co., Ltd. (江蘇蘇豪物產有限公司)	1,001.00	–
Currency deposits payable	Shi Xianzhao (史先召)	1,002.80	–
Other payables	Jiangsu SOHO Investment Group Company Limited (江蘇蘇豪投資集團有限公司)	854,804.57	–
Other payables	Nanjing Hongjia Asset Operation and Management Co., Ltd. (南京泓佳資產經營管理有限公司)	764,133.54	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

X. Related Parties and Transactions with Related Parties *(Continued)*

(III) Related party transaction balance *(Continued)*

3. *Others*

Related parties	Item	Related party transaction	30 June 2026	31 December 2025
Nanjing Hongjia Asset Operation and Management Co., Ltd. (南京泓佳資產經營管理有限公司)	Other assets	Prepayment of Rent	–	573,276.72

(IV) Remuneration of directors, supervisors and staff

1. *Compensation of senior management*

Item	January-June 2026	January-June 2025
Compensation of senior management	1,916,069.98	1,888,645.71

XI. Commitments and Contingent Events

(I) Material commitments

1. *External investment contracts contracted but not performed or not completely performed*

Capital commitments	30 June 2026	31 December 2025
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

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

XI. Commitments and Contingent Events *(Continued)*

(II) Contingent events

1. Significant pending litigation or arbitration

As of 30 June 2026, 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 30 June 2026, the Group had no other significant contingencies to be disclosed.

XII. Subsequent Events

As of the date of this Report, the Group had no material subsequent events.

XIII. 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, 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.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XIII. Other Important Matters *(Continued)*

(I) Segment reports *(Continued)*

1. *Segment reports of profit, assets and liabilities by business type*

Item	Futures Brokerage and Asset Management Business Division	Commodity Trading and Risk Management Business Division	Offset between Divisions	Total
External operating income	152,174,238.66	13,534,421.74	–	165,708,660.40
Inter-divisional operating income	764,097.58	–	-764,097.58	–
Operating expenses	-119,607,949.87	-13,829,321.22	764,097.58	-132,673,173.51
Non-operating income and expenditure	-506,982.20	–	–	-506,982.20
Gross profit	32,823,404.17	-294,899.48	–	32,528,504.69
Income tax expense	-8,186,767.69	67,568.32	–	-8,119,199.37
Net profit	24,636,636.48	-227,331.16	–	24,409,305.32
Total assets	12,661,012,343.03	769,445,215.00	-353,575,571.99	13,076,881,986.04
Total liabilities	11,303,962,136.60	251,281,549.35	-353,575,571.99	11,201,668,113.96
Other important items:				
Incl.: Net interest income	42,414,127.15	3,411,739.81	–	45,825,866.96
Depreciation and amortization	12,186,339.45	1,418,386.77	–	13,604,726.22
Increase in non-current assets other than long-term equity investment	-5,080,255.52	231,227.16	–	-4,849,028.36

2. *Segment reports of external transaction income for each reportable segment by geographic region*

External transaction income is classified by the location of the clients who accepted services or bought products from the Group. The Group's external transaction income by geographic region is listed below:

Item	Total external transaction income
Mainland China	157,583,004.44
Hong Kong, China	8,125,655.96
Total	165,708,660.40

(II) As of 30 June 2026, the Group had no other important matters to be disclosed.

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

XIV. Notes to Parent's Financial Statements

1. Long term equity investment

(1) *Long term equity investment breakdown*

Item	30 June 2026	31 December 2025
Investment in subsidiaries	700,448,579.81	700,448,579.81
Investment in associates	8,789,758.16	8,766,789.61
Total long term equity investment	709,238,337.97	709,215,369.42
Less: Provision for long term equity investment impairment	–	–
Net long term equity investment	709,238,337.97	709,215,369.42

(2) *Investment in subsidiaries*

Invested company	Opening balance	Provision for impairment as at the beginning of the period	Current changes (+/-)	Closing balance	Provision for impairment as at the end of the period
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 associates*

Investees	Opening balance	Provision for impairment as at the beginning of the period	Current changes (+/-) Investment gain/loss recognised under equity method	Closing balance	Provision for impairment as at the end of the period
Associates					
Jiangsu Hongrui New Era Venture Capital Co., Ltd. (江蘇弘瑞新時代創業投資有限公司)	6,642,283.59	–	23,036.31	6,665,319.90	–
Jiangsu Hongrui Growth Venture Capital Co., Ltd. (江蘇弘瑞成長創業投資有限公司)	2,124,506.02	–	-67.76	2,124,438.26	–
Total	8,766,789.61	–	22,968.55	8,789,758.16	–

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026
(All amounts in RMB unless otherwise stated in the notes to these financial statements)

XIV. Notes to Parent's Financial Statements *(Continued)*

2. Net handling fee and commission income

Item	January-June 2026	January-June 2025
Net futures brokerage business income	**78,798,171.77**	65,604,971.00
Net asset management business income	**499,862.14**	1,695,731.56
Investment advisory business income	**764,097.58**	1,095,498.79
Total	**80,062,131.49**	68,396,201.35

3. Net interest income

Item	January-June 2026	January-June 2025
Interest income	**40,758,366.20**	22,677,504.62
Incl.: Interest income from customer fund deposits	**33,422,475.27**	14,904,584.77
Interest income from own fund deposits	**6,720,298.68**	7,037,135.75
Interest income from financial assets purchased under resale agreements	**615,592.25**	735,784.10
Interest expense	**–**	13,956.58
Incl.: Interest expense on financial assets sold under repurchase agreements	**–**	13,956.58
Net interest income	**40,758,366.20**	22,663,548.04

Notes to the Financial Statements

From 1 January 2026 to 30 June 2026

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

XIV. Notes to Parent's Financial Statements *(Continued)*

4. Investment gains

Item	January-June 2026	January-June 2025
Long term equity investment gains calculated with equity method	22,968.55	40,553.49
Financial instrument investment gains	10,955,657.47	938,082.47
Incl.: Gains during holding period	535,079.18	584,905.78
Incl.: Financial instrument held for trading	–	164,437.09
Other equity instruments investment	535,079.18	420,468.69
Gain on disposal of financial instruments	10,420,578.29	353,176.69
Incl.: Financial instrument held for trading	10,420,578.29	307,546.78
Other debt investments	–	45,629.91
Total	10,978,626.02	978,635.96

5. Gains from changes in fair value

Item	January-June 2026	January-June 2025
Financial assets held for trading	8,728,230.68	3,665,030.58
Total	8,728,230.68	3,665,030.58

Additional Information on the Financial Statements

1. Extraordinary Profit and Loss Statement

Item	January-June 2026
Profit or loss on disposal of non-current assets	-13,109.68
Government grants recognised through profit or loss for the current period	22,023.46
Other non-operating income and expenses other than the foregoing items	-506,982.20
Subtotal	-498,068.42
Less: Effect of income tax	2,394.56
Effect of minority interests (after tax)	–
Total	-500,462.98

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 (RMB/share) Diluted
Net profit attributable to equity holders of the parent company	1.30%	0.0242	0.0242
Net profit attributable to equity holders of the parent company after extraordinary items	1.33%	0.0247	0.0247

Name of Company: Soho Holly Futures Co., Ltd.

Legal representative:
Chu Kairong

Person in charge of accounting:
Jia Fuhua

Person in charge of the accounting firm:
Jia Fuhua

Date: 26 August 2026