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**ZHONGTAI FUTURES Company Limited**  
**中泰期貨股份有限公司**

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

**(Stock Code: 01461)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “**Board**”) of ZHONGTAI FUTURES Company Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the corresponding period in 2023. This announcement, containing the full text of the 2024 annual report of the Company, complies with the relevant disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of annual results.

The consolidated annual results of the Group for the year ended 31 December 2024 have been reviewed by the audit committee of the Company.

This result announcement will be available for viewing on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ztqh.com](http://www.ztqh.com)), and the 2024 annual report of the Company will be published in due course.

By order of the Board  
**ZHONGTAI FUTURES Company Limited**  
**ZHONG Jinlong**  
*Chairman*

Jinan, the PRC  
20 March 2025

*As at the date of this announcement, the Board consists of Mr. ZHONG Jinlong, Mr. ZHOU Shunyuan and Mr. LIANG Zhongwei as executive directors, Mr. ZHENG Hanyin, Mr. MING Gang and Ms. WANG Hui as non-executive directors, and Mr. ZHENG Jianping, Mr. CHEN Hua and Mr. LUO Xinhua as independent non-executive directors.*

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# Definition

“Articles of Association”	the Articles of Association of ZHONGTAI FUTURES Company Limited, as amended from time to time
“Audit Committee”	the Audit Committee of the Board of Directors
“Board” or “Board of Directors”	the board of directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“China”, “PRC” or “Mainland China”	the People’s Republic of China, excluding, for the purpose of this annual report only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan Province
“Company” or “ZHONGTAI FUTURES”	ZHONGTAI FUTURES Company Limited (中泰期貨股份有限公司) (previously known as LUZHENG FUTURES Company Limited (魯証期貨股份有限公司), a joint stock limited company established after being reorganized in the PRC on 10 December 2012 (its predecessor was Shandong Quanxin Futures Brokerage Co., Ltd. (山東泉鑫期貨經紀有限公司), renamed as Luzheng Futures Brokerage Co., Ltd. (魯証期貨經紀有限公司), and then renamed as LUZHENG FUTURES CORPORATION LIMITED (魯証期貨有限公司), and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01461)
“Controlling Shareholder(s)”	Zhongtai Securities, Zaozhuang Mining and Shandong Energy
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	the issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi
“Group”, or “we” or “us”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Main Board of the Hong Kong Stock Exchange
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Luzheng Information Technology”	Luzheng Information Technology Co., Ltd. (魯証信息技術有限公司), a company established in the PRC with limited liability on 15 February 2015, and being a wholly-owned subsidiary of the Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Nomination Committee”	the Nomination Committee of the Board of Directors
“OTC Option”	a non-standardized trading of option contracts in non-centralized trading places
“PRC Futures Exchanges”	China Financial Futures Exchange (中國金融期貨交易所), Dalian Commodity Exchange (大連商品交易所), Zhengzhou Commodity Exchange (鄭州商品交易所), Shanghai Futures Exchange (上海期貨交易所), Guangzhou Futures Exchange (廣州期貨交易所) and Shanghai International Energy Exchange (上海國際能源交易中心)
“Prospectus”	the prospectus of the Company dated 23 June 2015
“Remuneration and Appraisal Committee”	the Remuneration and Appraisal Committee of the Board of Directors
“Reporting Period”	the year ended 31 December 2024
“Risk Control Committee”	the Risk Control Committee of the Board of Directors
“RMB” or “Renminbi”	the lawful currency of the PRC
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shandong Energy”	Shandong Energy Group Co., Ltd. (山東能源集團有限公司), a limited company incorporated in the PRC on 16 December 2010, 70% of which is owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shandong Province (山東省人民政府國有資產監督管理委員會), and being one of the Controlling Shareholders of the Company
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal nature of RMB1.00 each, including the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)

## Definition

“Strategic Development Committee”	the Strategic Development Committee of the Board of Directors
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the Supervisory Committee of the Company
“Zaozhuang Mining”	Zaozhuang Mining Group Co., Ltd. (棗莊礦業(集團)有限責任公司), a company incorporated in the PRC on 8 April 1998 with limited liability, 86.31% of which is owned by Shandong Energy, and being one of the Controlling Shareholders of the Company
“Zhongtai Huirong Capital”	Zhongtai Huirong Capital Investment Co., Ltd. (中泰匯融資本投資有限公司), previously known as Luzheng Capital Management Co., Ltd. (魯証資本管理有限公司), and Luzheng Trading Co., Ltd. (魯証經貿有限公司), a company established in the PRC with limited liability on 24 April 2013, and being a wholly-owned subsidiary of the Company
“Zhongtai Securities”	Zhongtai Securities Co., Ltd. (中泰證券股份有限公司), previously known as Qilu Securities Co., Ltd. (齊魯證券有限公司), a company established in the PRC on 15 May 2001 with limited liability, and listed in Shanghai Stock Exchange on 3 June 2020 (Stock code: 600918), 32.62% of which is owned by Zaozhuang Mining, and being one of the Controlling Shareholders of the Company

# Risk Warnings

The Company's main business is closely related to the domestic and international economic situation and the moving trend of the capital market. The fluctuation of the capital market and the regulatory policies governing the futures industry as well as any changes in them will have a direct or indirect impact on the Company's operating performance.

The Company has described the risks that it may face in its daily operating activities under "X. Possible Risks, Uncertainties and Countering Measures" in the Chapter VI of this Report. The major risks that the Company may face mainly include market risk, liquidity risk, credit risk, operational risk, compliance risk, etc.

With respect to the above potential risks, the Company manages to guard against such risks by optimizing organization structure, establishing and improving systems and taking effective measures, etc. Please refer to pages 52 to 56 of this Report for the possible risks, uncertainties that the Company may face, and the countering measures taken.

# Company Profile

## I. PROFILE

1. **Registered Chinese Name:** 中泰期貨股份有限公司

**Registered English Name:** ZHONGTAI FUTURES Company Limited

### 2. Registered office

15-16/F, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, 250001, the PRC

### 3. Head office in the PRC

15-16/F, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, 250001, the PRC

### 4. Principal place of business in Hong Kong

31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

### 5. Board of Directors

Executive Directors <sup>Note 1:</sup>

Mr. Zhong Jinlong (*Chairman of the Board*)  
Mr. Zhou Shunyuan  
Mr. Liang Zhongwei

Non-executive Directors <sup>Note 2:</sup>

Mr. Zheng Hanyin  
Mr. Ming Gang  
Ms. Wang Hui

Independent Non-executive Directors:

Mr. Zheng Jianping  
Mr. Chen Hua  
Mr. Luo Xinhua

Note 1: Mr. Liu Qingbin was appointed as an executive Director of the Company on 22 February 2024, and resigned as an executive Director of the Company on 28 November 2024; Mr. Zhou Shunyuan was appointed as an executive Director of the Company on 25 February 2025.

Note 2: Mr. Hu Kainan resigned as a non-executive Director of the Company on 22 February 2024; Mr. Liu Feng resigned as a non-executive Director of the Company on 27 June 2024; Ms. Wang Hui was appointed as a non-executive Director of the Company on 27 June 2024.

### 6. Authorized representatives

Mr. Zhong Jinlong  
Room 602, Unit 1, Building 13, 2nd East Area of Ming Hu Village, Lixia District, Jinan, Shandong Province, the PRC

Mr. Liang Zhongwei  
Room 301, Unit 1, Building 14, West Area of Yanzishan Village, Lixia District, Jinan, Shandong Province, the PRC

### 7. Joint company secretaries

Mr. Liang Zhongwei  
Ms. Ng Sau Mei <sup>Note 3</sup>

### 8. Auditors

ShineWing Certified Public Accountants LLP  
9/F, Block A, Fu Hua Mansion, No.8, Chaoyangmen Beidajie, Dongcheng District, Beijing, the PRC

### 9. Legal advisers

As to Hong Kong law: Clifford Chance  
27/F, Jardine House, One Connaught Place, Central, Hong Kong

As to PRC law: Jia Yuan Law Office  
F408, Ocean Plaza, 158 Fuxing Men Nei Ave, Xicheng District, Beijing, the PRC

Note 3: Dr. Ngai Wai Fung resigned as a joint company secretary of the Company on 10 December 2024; Ms. Ng Sau Mei was appointed as a joint company secretary of the Company on 10 December 2024.



## Company Profile

### 10. Principal banks

**China Construction Bank (Jinan Shizhong Sub-branch)**

No. 76 Jingsi Road, Shizhong District, Jinan, Shandong Province, the PRC

**Industrial and Commercial Bank of China (Jinan Lixia Sub-branch)**

No. 320 Quancheng Road, Lixia District, Jinan, Shandong Province, the PRC

**Bank of China (Jinan Branch Sales Office)**

No. 22 Luoyuan Street, Lixia District, Jinan, Shandong Province, the PRC

**Bank of Communications (Jinan Shizhong Sub-branch)**

No. 249 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC

**Agricultural Bank of China (Jinan Shizhong Sub-branch)**

No. 11 Jingsan Road, Shizhong District, Jinan, Shandong Province, the PRC

### 11. H Share registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### 12. Stock code

01461

### 13. Investor enquiries

Investors' Service Line: +86-531-81678006  
Fax: +86-531-81916777  
Website: [www.ztqh.com](http://www.ztqh.com)  
E-mail: [investors@zts.com.cn](mailto:investors@zts.com.cn)

## II. HISTORY

Shandong Quanxin Futures Brokerage Co., Ltd. (山東泉鑫期貨經紀有限公司) (“Quanxin Futures”), the predecessor of ZHONGTAI FUTURES Company Limited, is a company established in the PRC on 5 June 1995 as approved by the CSRC and registered with the State Administration for Industry & Commerce of the PRC. Its initial registered capital of RMB10.2 million was jointly contributed by Jinan Huaqing Group Corporation (濟南化輕集團總公司), Jinan Economic Development Corporation (濟南經濟發展總公司), Shandong Province Resources Development Corporation (山東省資源開發總公司) and Jinan Shizhong Food & Oil Trading Company (濟南市市中糧油貿易公司).

On 18 May 2000, Jinan Energy Investment Co., Ltd. (濟南市能源投資有限責任公司) made capital contribution of RMB20.0 million to Quanxin Futures as its new shareholder, and the registered capital of Quanxin Futures was increased to RMB30.2 million.

On 21 June 2004, Jinan Energy Investment Co., Ltd. made capital contribution of RMB0.62 million to Quanxin Futures, and the registered capital of Quanxin Futures was increased to RMB30.82 million.

On 13 September 2006, Qilu Securities Co., Ltd. (齊魯證券有限公司) (now renamed as Zhongtai Securities (中泰證券)), Shandong Xinkuang Investment Holding Group Co., Ltd. (山東新礦投資控股集團有限公司), Jinan Energy Investment Co., Ltd., Jinan Economic Development Corporation (濟南經濟發展總公司), Jinan Jingmao Industrial Investment Corporation (濟南經貿實業投資總公司) and Shandong Province Resources Development Corporation (山東省資源開發總公司) entered into the “Capital Increase and Reorganization Agreement of Shandong Quanxin Futures Brokerage Co., Ltd.” (《山東泉鑫期貨經紀有限公司增資重組協議書》) to conduct reorganization and capital increase of Quanxin Futures. Upon this capital increase and reorganization, the registered capital of Quanxin Futures was increased to RMB50.0 million.

On 14 February 2007, Quanxin Futures changed its name to Luzheng Futures Brokerage Co., Ltd. (魯証期貨經紀有限公司) (“Luzheng Brokerage”).

On 22 August 2007, Zhongtai Securities increased capital contribution by RMB150.0 million to Luzheng Brokerage, and the registered capital of Luzheng Brokerage was increased to RMB200.0 million.

On 27 December 2007, Luzheng Brokerage was renamed as LUZHENG FUTURES CORPORATION LIMITED (魯証期貨有限公司) (“Luzheng Limited”).

On 24 May 2010, Zhongtai Securities and Jinan Energy Investment Co., Ltd. increased capital contribution by RMB200.0 million and approximately RMB3.6238 million to Luzheng Limited respectively, and the registered capital of Luzheng Limited was increased to RMB403.62383564 million.

## Company Profile

On 30 June 2011, Zhongtai Securities and Jinan Energy Investment Co., Ltd. increased capital contribution by RMB114.30282606 million and RMB2.0733383 million to Luzheng Limited respectively, and the registered capital of Luzheng Limited was increased to RMB520.0 million.

On 26 September 2012, registered capital was increased by RMB120.0 million at a price of RMB2.94 for RMB1.0 in the registered capital through introduction of new shareholders among which, Zhongtai Securities and Jinan Energy Investment Co., Ltd. subscribed for RMB49.11 million and RMB0.89 million, respectively, and Yongfeng Group Co., Ltd. (永鋒集團有限公司), Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司), Linglong Group Co., Ltd. (玲瓏集團有限公司) and Sanya Shengli Investment Co., Ltd. (三亞勝利投資有限公司) (previously known as Yantai Shengli Investment Co., Ltd. (煙台勝利投資有限公司)), as the new shareholders, subscribed for RMB30.0 million, RMB20.0 million, RMB10.0 million and RMB10.0 million respectively in the additional registered capital and the registered capital of Luzheng Limited was further increased to RMB640.0 million.

On 10 December 2012, Luzheng Limited was restructured and renamed as LUZHENG FUTURES Company Limited (魯証期貨股份有限公司) (“LUZHENG FUTURES”) upon an overall share conversion based on the audited net assets of Luzheng Limited as of 30 September 2012. After such share conversion, the registered capital of the Company amounted to RMB750.0 million.

On 7 July 2015, LUZHENG FUTURES was officially listed on the Main Board of the Hong Kong Stock Exchange with the stock code of 01461. An aggregate of 275,000,000 H Shares were issued through the global offering (excluding the Shares subject to the Over-allotment Option (as defined in the Prospectus)) at an issue price of HK\$3.32 per Share.

On 24 July 2015, the Joint Global Coordinators (as defined in the Prospectus) for the Company's global offering exercised the Over-allotment Option in part, involving an aggregate of 2,090,000 H Shares, including (i) additional 1,900,000 H Shares issued by the Company; and (ii) 190,000 H Shares sold by the selling Shareholders (namely Zhongtai Securities, Shandong State-owned Assets Investment Holdings Co., Ltd. and Jinan Energy Investment Co., Ltd.), which were listed for dealing on the Main Board of Hong Kong Stock Exchange on 7 August 2015.

On 17 September 2015, Shandong Administration for Industry & Commerce approved the Company's request for change of registered information. Upon completion of this change, the registered capital of the Company was further increased to RMB1,001.9 million, and the shareholding structure was detailed as follows: Zhongtai Securities, Yongfeng Group Co., Ltd., Shandong State-owned Assets Investment Holdings Co., Ltd., Linglong Group Co., Ltd., Sanya Shengli Investment Co., Ltd. (三亞勝利投資有限公司) (previously known as Yantai Shengli Investment Co., Ltd. (煙台勝利投資有限公司)), Jinan Energy Investment Co., Ltd., and holders of H Shares held 632,176,078 ordinary Shares, 35,156,250 ordinary Shares, 22,583,601 ordinary Shares, 11,718,750 ordinary Shares, 11,718,750 ordinary Shares, 11,456,571 ordinary Shares and 277,090,000 H Shares of the Company, respectively, representing 63.10%, 3.51%, 2.25%, 1.17%, 1.17%, 1.14% and 27.66% of the total ordinary share capital of the Company respectively.

On 29 March 2022, the Company's name was changed from LUZHENG FUTURES Company Limited (魯証期貨股份有限公司) to ZHONGTAI FUTURES Company Limited (中泰期貨股份有限公司).

### III. STAFF PROFILE

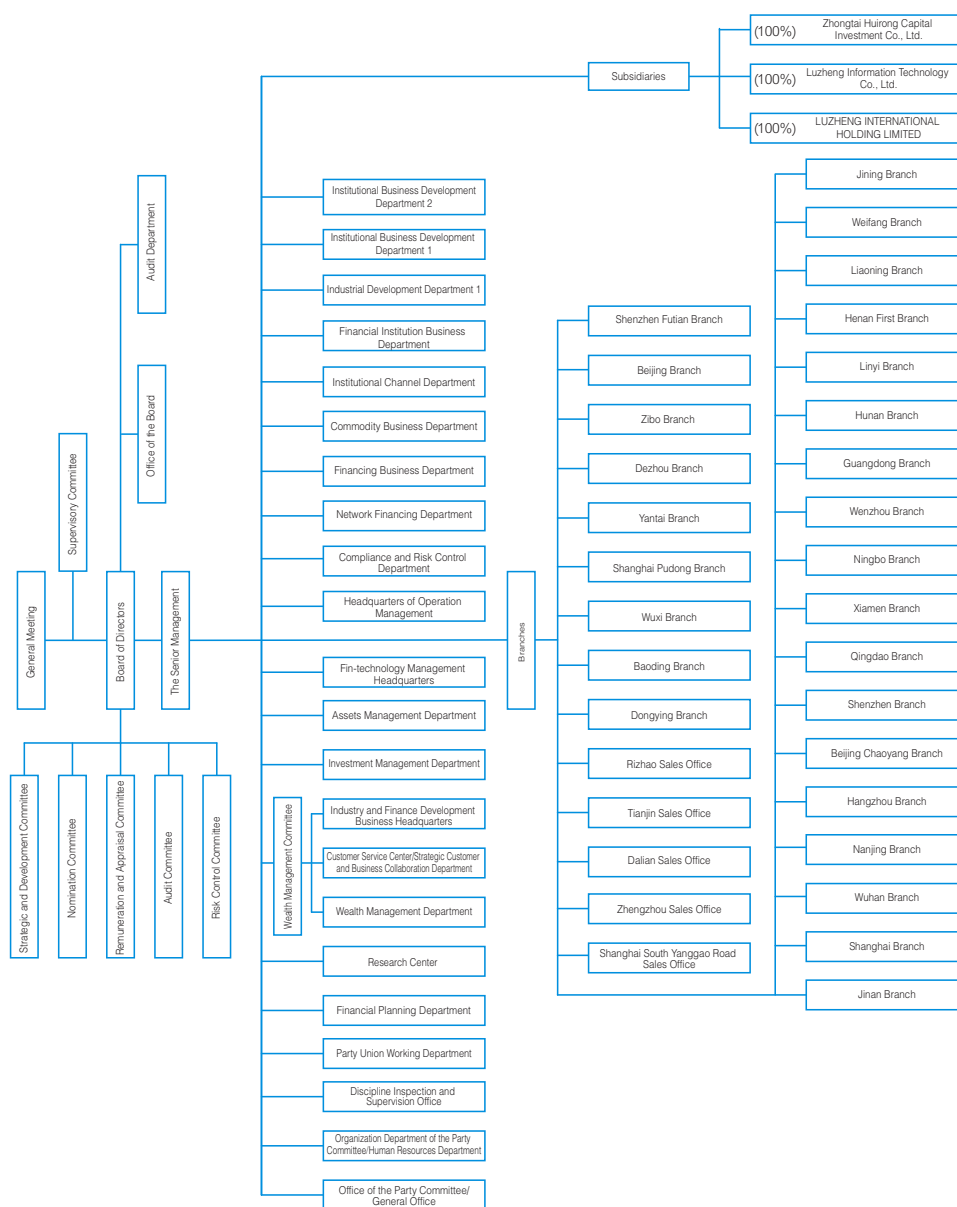
As at the end of the Reporting Period, the Group had 758 employees in total, and the breakdown of the composition of the employees is as follows:

	Category	Number	Proportion (%)
By profession	Administrative management	36	4.75%
	Financial planning	16	2.11%
	Management of brokerage business	85	11.21%
	Information technology	49	6.46%
	Risk control & Clearing	18	2.37%
	Compliance and audit	52	6.86%
	Research and development	42	5.54%
	Customer services	45	5.94%
	Investment management	2	0.26%
	Assets management	8	1.06%
	Marketing	312	41.16%
	Zhongtai Huirong Capital	93	12.27%
		Total	758
By gender	Male	443	58.44%
	Female	315	41.56%
		Total	758
By age	30 and Below	226	29.82%
	31-35	181	23.88%
	36-40	185	24.41%
	41-45	95	12.53%
	Above 45	71	9.37%
		Total	758
By education background	Post-graduate and above	209	27.57%
	Bachelor degree	500	65.96%
	College degree and below	49	6.46%
		Total	758

# Company Profile

## IV. BRIEF INTRODUCTION OF THE ORGANIZATIONAL STRUCTURE AND BRANCHES

According to the Company Law (《公司法》), the Futures and Derivatives Law (《期貨和衍生品法》), the Futures Trading Management Regulations (《期貨交易管理條例》) and the Supervisory and Administrative Measures on Futures Companies (《期貨公司監督管理辦法》) of the PRC, the Listing Rules and the laws and regulations of Hong Kong, as well as the relevant provisions under the Articles of Association, the Company has established the corporate governance structure of “the Party Committee, the General Meeting, the Board of Directors and the Supervisory Committee, and the Senior Management”. The Party Committee of the Company plays a role of “supervising our development direction, overlooking the whole picture and facilitating implementation”, discussing and resolving on major issues of the Company as stipulated by our rules and regulations. The General Meeting serves as the highest authority of the Company, with the Board of Directors, the Supervisory Committee and the Senior Management serving as the decision-making organ, supervision organ and execution organ, respectively. As at the end of the Reporting Period, the organizational structure of the Company is set out below:



As at the end of the Reporting Period, the Company has set up a total of 32 futures branches, with details as follows:

Name of branch/sales office	Date of opening	Address of branch/sales office (China)	Contact telephone number
Shanghai Branch	29 February 2016	Units 01 and 02B, 20/F (nominal floor, 18/F actual floor), No. 759 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone	+86-21-61620231
Wuhan Branch	20 June 2017	Unit 1707A, 17/F (nominal floor, actual floor is 15th floor) of Office Building A, Tianyue Xingchen Villiage*(天悦星晨), No.8 Sanyang Road, Jiang'an District, Wuhan, Hubei Province.	+86-27-86681096
Jinan Branch	16 August 2017	Zone B of 4/F, and Room 101, Lobby of 1/F, Main Building, Jihua Mansion No.19 Yingxian Road, Zhijinshi Street, Tianqiao District, Jinan, Shandong Province	+86-531-81916262
Nanjing Branch	16 August 2017	Room 2301, No. 168, Lushan Road, Jianye District, Nanjing	+86-25-57626665
Hangzhou Branch	31 July 2008	Room 1403, Building 2, No.69 Shimin Road, Sijiqing Street, Shangcheng District, Hangzhou, Zhejiang Province	+86-571-28118933
Ningbo Branch	8 June 2010	Rooms (9-1) 905-1, Block 004, No. 475 Jiangdong North Road, Yinzhou District, Ningbo, Zhejiang Province	+86-574-27707066
Qingdao Branch	4 November 2008	Room 505-1, Building 5, No. 195, Hong Kong East Road, Laoshan District, Qingdao, Shandong Province	+86-532-55795802

## Company Profile

<b>Name of branch/sales office</b>	<b>Date of opening</b>	<b>Address of branch/sales office (China)</b>	<b>Contact telephone number</b>
Wenzhou Branch	12 August 2011	Room 103, Block 1-2, Renhe Garden, Chezhan Road, Lucheng District, Wenzhou, Zhejiang Province	+86-577-85552177
Shenzhen Branch	27 December 2011	Unit D2, 25/F, Radio and Television Financial Center, No.9 Pengcheng 1st Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen	+86-755-83506920
Guangdong Branch	20 November 2012	Room 3001 (called Room 3008 by us), No. 230, Tianhe Road, Tianhe District, Guangzhou	+86-20-38838676
Hunan Branch	12 March 2013	Rooms 2402, 2403, 2404 and 2405, Building 1, Hongxiang Garden, No.588, Section 1, Liuyanghe Avenue, Furong District, Changsha, Hunan Province	+86-731-89737700
Beijing Chaoyang Branch	6 January 2022	Room 1609, 16/F, No. Yi 118 Jianguo Road, Chaoyang District, Beijing	+86-10-65006302
Xiamen Branch	24 March 2022	Room 906, No.50 Minzu Road Siming District, Xiamen	+86-592-5030386
Linyi Branch	29 October 2007	Rooms 1105 and 1106, 11/F, Building 2, Aode International, northeast of intersection of Beijing Road and Menghe Road, Liuqing Street, Lanshan District, Linyi City	+86-539-8073721
Liaoning Branch	6 November 2007	Unit 02, 18/F (21/F in lift), Area I of Northeast World Trade Plaza (Building 1, Sunland Centre), No. 10 Youhao Street, Shenhe District, Shenyang, Liaoning Province	+86-24-23251798
Jining Branch	25 July 2008	West Rooms 203 and 208, 2/F, SDIC Building, No.15 Aoti Road, Beihu Provincial Tourist Resort, Jining, Shandong Province	+86-537-2715702

## Company Profile

Name of branch/sales office	Date of opening	Address of branch/sales office (China)	Contact telephone number
Weifang Branch	30 October 2008	Room 001, Building 1, No. 277, Dongfeng West Street, Weicheng District, Weifang, Shandong Province	+86-536-8268508
Henan First Branch	9 May 2023	No.2006, 20/F, Building 1, No.9 Chuangye Road, Henan Pilot Free Trade Zone (Zhengdong)	+86-371-63228331
Beijing Branch	16 April 2007	Unit 18, 16/F, Hongsheng International Center, No.9, Chaoyangmen Beidajie, Dongcheng District, Beijing	+86-10-82194421
Shanghai Pudong Branch	10 May 2007	Room 1502A (known as Room 1802A), No. 438 Pudian Road, China (Shanghai) Pilot Free Trade Zone	+86-21-61049968
Yantai Branch	27 May 2002	No. 602 inside No. 267, Guanhai Road, Huanghai Road Street, Laishan District, Yantai City, Shandong Province	+86-535-6650036
Zibo Branch	25 July 2008	Rooms 9002, 9004, 9006, 9008, West Zone, 9/F, No. 66, Renmin West Road, Zhangdian District, Zibo City, Shandong Province	+86-533-2187287
Dongying Branch	29 December 2008	West Side of the 1/F, No. 751, Beiyi Road, Dongying District, Dongying City, Shandong Province	+86-546-8279996
Dezhou Branch	29 January 2010	Rooms 1601, 1602, 1603, 1604, 1605, 1606, 1629, Zhongsheng Building, No. 1117, Changhe Avenue, Changhe Office, Changhe Street, Tianqu New Area, Dezhou City, Shandong Province	+86-534-2617086



## Company Profile

Name of branch/sales office	Date of opening	Address of branch/sales office (China)	Contact telephone number
Wuxi Branch	19 May 2016	Units 6-1108 Jiaye Fortune Center, Economic Development Zone, Wuxi, Jiangsu Province	+86-510-82726370
Shenzhen Futian Branch	21 March 2024	No. 01A+08, 18/F, Dabaihui Plaza, northeast side of the Intersection of Fuhua Road and Jintian Road, Gangxia Community, Futian Street, Futian District, Shenzhen	+86-755-82567020
Baoding Branch	10 December 2024	Rooms 1512-1515, Building B, Baoding Zhongguancun Innovation Center, No. 1799, Chaoyang North Street, Gaokai District, Baoding, Hebei Province	+86-312-3022798
Tianjin Sales Office	10 April 2007	Units 2-05, Building 2-2-101, No. 11 Olympic Road, Tianjin Economic and Technological Development Zone	+86-22-66283470
Dalian Sales Office	11 February 2003	Units 1902, 1903 and 2009, Dalian Futures Building, Tower A of Dalian International Financial Center, No. 129 Huizhan Road, Shahekou District, Dalian	+86-411-84806651
Zhengzhou Sales Office	11 June 2009	Unit 1705 and 1706, 17/F, Weilai Building, No. 69 Weilai Road, Jinshui District, Zhengzhou	+86-371-65629184
Rizhao Sales Office	26 December 2014	North of 1/F, No. 106 Commercial, Unit 03, Building 001, Rizhao Xingye Headquarters, south of Dongying Road and west of Qingdao Road, Qin Lou Street, Donggang District, Rizhao, Shandong Province	+86-633-8088271
Shanghai South Yanggao Road Sales Office	18 August 2022	Units 04, 40/F (nominal floor, 36/F actual floor), No. 729 South Yanggao Road, China (Shanghai) Pilot Free Trade Zone	+86-21-68585667

### V. BUSINESS BRIEFINGS OF THE COMPANY

The business scope of the Group covers commodity futures brokerage, financial futures brokerage, futures investment consulting, asset management, basis trading, warehouse receipt service, cooperative hedging, market-maker business, OTC derivatives business, information technology consulting services, and other business activities permitted by the CSRC.

### VI. BRIEFINGS OF OUR SUBSIDIARIES

As at the end of the Reporting Period, the Company owns four subsidiaries, namely Zhongtai Huirong Capital (中泰匯融資本), Luzheng Information Technology (魯証信息技術), ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED (中泰匯融(香港)有限公司), and LUZHENG INTERNATIONAL HOLDING LIMITED (魯証國際控股有限公司).

The business scope of Zhongtai Huirong Capital includes investment activities with self-owned capital and investment planning with self-owned capital, business management consulting, sale and wholesale of agricultural products, metal products, metallurgical materials, mineral products (except for those specially provided by the state), precious metals, chemical products (except for hazardous chemicals, monitored chemicals, fireworks, civil explosives, precursor chemicals products of poisons); import and export activities (except for the items prohibited by laws, administrative regulations and the decisions of the state council, the limited items shall be operated only after obtaining a license); technical consultation; investment consultation (excluding restricted items); sales of petroleum products (excluding dangerous chemicals); wholesale of refined oil (excluding dangerous chemicals); sales of paper products; sales of pulp; sales of rubber products; sales of technical glass products; sales of daily glass products; sales of functional glass and new optical materials; general cargo storage services (excluding dangerous chemicals and other items that need permission and approval). Sale of chemical fertilizer; sale of fertilizer; sale of synthetic materials; sales of electronic special materials; sale of special chemical products (excluding dangerous chemicals). (except for items that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws)). Licensed projects: wholesale of edible oil; warehouse receipt service; basis trading; cooperative hedging; OTC derivatives business; market making business; sales of renewable resources. (items subject to approval according to laws shall not be carried out until the approval is obtained from competent authorities. The specific items shall be subject to the approval documents or licenses of competent authorities)

The business scope of Luzheng Information Technology includes sale of electronic products, office automation equipment, computers, cultural office machinery, control equipment, machine room equipment, computer information system integration service; development, sales of computer network products and software and related technical services; electronic engineering design and construction and information technology consulting services, etc. (items subject to approval according to laws shall not be carried out until the approval is obtained from competent authorities.)

The business scope of ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED includes import and export activities, investment, capital risk management and technology consultancy services, etc.

The business scope of LUZHENG INTERNATIONAL HOLDING LIMITED includes investment holding, etc.

## Company Profile

Details are as follows:

Name of the company	Shareholding percentage (%)	Date of establishment	Registered address	Contact number
Zhongtai Huirong Capital	100	24 April 2013	Room 201, Block A, No. 1 Qianwanyilu, Shenzhen – Hong Kong Cooperation Zone, Qianhai, Shenzhen, Guangdong Province, the PRC (in Shenzhen Qianhai Commercial Secretary Co., Ltd)	+86-531-81916232
Luzheng Information Technology	100	15 February 2015	Room 1515, Floor 15, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC	+86-531-81678620
ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED (中泰匯融(香港)有限公司)	100	21 November 2013	40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong	+86-531-86161199
LUZHENG INTERNATIONAL HOLDING LIMITED (魯証國際控股有限公司)	100	16 April 2018	40th Floor, Dah Sing Financial Centre 248 Queen's Road East, Wanchai, Hong Kong	+86-531-86910569

## VII. HONOURS AWARDED TO THE COMPANY DURING THE REPORTING PERIOD

In 2024, the Company won such titles as China's Best Futures Company Award, China's Futures Company Management Team Gold Award, Best Commodity Futures Industry Service Award (metals, agricultural by products, energy and chemicals), Best Financial Futures Service Award, Best Rural Revitalization Service and Social Responsibility Public Welfare Award, Best Risk Management and Corporate Brand Building Award, Most Popular Self Media of Futures Companies, Best-performing Futures Company APP of the Year Award\* (年度最佳期貨公司APP突出表現獎), Best Digitally Transformed Futures Companies\* (最佳數字化轉型期貨經營機構), Investor Protection Education Innovation of the Year Award, Best Risk Management Subsidiary Service Innovation Award (Zhongtai Huirong Capital Investment Co., Ltd), China's Best Derivatives Comprehensive Service Innovation Award, Best Futures Talent Training Institution Contribution Award, China's Golden Futures Research Institute, Best Iron and Steel Research Team, Best Macro Financial Research Team, Best Energy and Chemicals Research Team, Best Agricultural Product Research Team, Best Metals Research Team in the 17th selection of best futures operating institutions in China.

The Company won the "Gold Award for Market Making Business in 2023" of Shanghai Futures Exchange.

The cases submitted by the Company were included in the "Excellent Case of Futures Operating Institutions Serving the Real Economy\* (期貨經營機構服務實體經濟優秀案例)" of China Futures Association.

The cases submitted by the Company were included in the "Excellent Case for Trader Education\* (交易者教育優秀案例)" of China Futures Association.

The cases submitted by the Company were included in the Second Prize for Outstanding Achievements in the Themed Case of "People's Finance, Building Soul with Learning for Further Achievements" of the Office of Institute of Chinese Financial Ideological and Political Work.

The Company was awarded the "Outstanding Organization Title for Achievement in Anti-money Laundering undertaken by Shandong Province's Voluntary Agencies" by Shandong Province Anti-money Laundering Inter-Agency Coordination Office.

The Company was recognized for "Good Financial Products of Shandong Province in 2023" by the Office of the Financial Committee of Shandong Provincial CPC Committee, Shandong Branch of the People's Bank of China and Shandong Regulatory Bureau of National Financial Regulatory Administration.

The Company won the "Second Prize for Financial Innovation Projects of Jinan City in 2023" organized by the Office of the Financial Committee of Jinan Municipal Committee of the Communist Party of China.

The Company won the "Excellent Project Award" of 2023 for the "Worry-Free Agricultural Insurance" pilot construction of Zhengzhou Commodity Exchange.

The Company won the title of "Investment and Education Pioneer Team" of Zhengzhou Commodity Exchange.

# Financial Summary

Unless otherwise stated, the accounting data and financial indicators set out in this Report are prepared in accordance with the Accounting Standards for Business Enterprises issued by the MOF of China.

## I. MAJOR ACCOUNTING DATA OF THE GROUP

Unit: RMB'0000

Item	2024	2023	Increase/ decrease over corresponding period of last year	2022
Operating income	185,118	215,323	-14.03%	244,763
Total profit	829	18,143	-95.43%	22,539
Net profit-attributable to shareholders of the Company	453	13,372	-96.61%	16,610
Net cash flows from operating activities	188,264	285,333	-34.02%	588,864

Unit: RMB'0000

Item	31 December 2024	31 December 2023	Increase/ decrease over corresponding period of last year	31 December 2022
Total assets	3,375,714	3,012,639	12.05%	2,885,916
Total liabilities	3,120,584	2,756,610	13.20%	2,641,688
Currency margin payable	2,758,217	2,313,802	19.21%	2,064,957
Equity attributable to shareholders of the Company	255,130	256,029	-0.35%	244,228
Total share capital ('0000 share)	100,190	100,190	-	100,190

## II. MAJOR FINANCIAL INDICATORS OF THE GROUP

Item	2024	2023	Increase or decrease compared with the corresponding period of last year	2022
Basic earnings per share (RMB)	<b>0.005</b>	0.134	-96.61%	0.17
Diluted earnings per share (RMB)	<b>0.005</b>	0.134	-96.61%	0.17
Weighted average return on net assets	<b>0.18%</b>	5.33%	decreased by 5.15 percentage points	7.02%
Net assets value per share attributable to shareholders of the Company (RMB)	<b>2.55</b>	2.56	-0.35%	2.44
Gearing ratio <sup>(1)</sup>	<b>41.87%</b>	45.48%	decreased by 3.61 percentage points	45.52%

(1) Gearing ratio = (Total liabilities – acting trading securities – currency margin payable – pledge margin payable)/(Total assets – acting trading securities – currency margin payable – pledge margin payable)

## III. NET CAPITAL AND RELEVANT RISK CONTROL INDICATORS OF THE COMPANY

Indicators	31 December 2024	31 December 2023	Regulatory standard
Net capital (RMB)	<b>1,607,199,315.90</b>	1,430,583,496.42	30,000,000.00
Net capital/total risk capital reserves	<b>189.69%</b>	191.17%	100.00%
Net capital/net assets	<b>60.71%</b>	56.60%	20.00%
Current assets/current liabilities	<b>529.13%</b>	522.03%	100.00%
Liabilities/net assets	<b>17.06%</b>	16.16%	150.00%
Settlement reserve funds (RMB)	<b>304,191,905.52</b>	520,037,118.86	16,000,000.00

Note: During the Reporting Period, the net capital and other risk regulatory indicators of the Company have been complying with relevant requirements under the Administrative Measures on Risk Regulatory Indicators of Futures Companies《期貨公司風險監管指標管理辦法》(the “Regulatory Standard”) promulgated by the CSRC.

## Financial Summary

### IV. FINANCIAL CONDITIONS OF THE GROUP OF THE LATEST FIVE YEARS

#### 1. Profitability

Unit: RMB'0000

Item	2024	2023	2022	2021	2020
Operating income	185,118	215,323	244,763	225,462	129,089
Operating expenses	183,922	196,873	222,199	199,648	120,885
Total profit	829	18,143	22,539	25,620	8,139
Net profit-attributable to shareholders of the Company	453	13,372	16,610	18,857	4,199

#### 2. Assets condition

Unit: RMB'0000

Item	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Total assets	3,375,714	3,012,639	2,885,916	2,068,210	1,310,661
Total liabilities	3,120,584	2,756,610	2,641,688	1,840,014	1,098,907
Currency margin payable	2,758,217	2,313,802	2,064,957	1,457,905	1,017,145
Equity attributable to shareholders of the Company	255,130	256,029	244,228	228,196	211,754
Total share capital ('0000 shares)	100,190	100,190	100,190	100,190	100,190

### 3. Key financial indicators

Item	2024	2023	2022	2021	2020
Basic earnings per share (RMB)	<b>0.005</b>	0.13	0.17	0.19	0.04
Diluted earnings per share (RMB)	<b>0.005</b>	0.13	0.17	0.19	0.04
Weighted average return on net assets	<b>0.18%</b>	5.33%	7.02%	8.57%	2.00%
Net assets value per share attributable to shareholders of the Company (RMB per share)	<b>2.55</b>	2.56	2.44	2.28	2.11
Gearing ratio	<b>41.87%</b>	45.48%	45.52%	33.84%	22.93%



# Chairman's Statement

Dear Shareholders,

As we usher in the new year, I wish you embark on a happy journey! 2024 marks a crucial period for fully implementing the spirit of the 20th National Congress of the Communist Party of China, for pressing ahead with the challenging tasks of the 14th Five-Year Plan, and for ensuring the stable operation and high-quality development of the futures market. The "New Nine Guidelines" have set clear requirements for the development of the futures market. The General Office of the State Council has forwarded the Opinions on Strengthening Supervision, Preventing Risks, and Promoting High-quality Development of the Futures Market, which was issued by seven departments including the China Securities Regulatory Commission. The document outlined comprehensive and specific arrangements for strengthening supervision, preventing risks, and promoting development of the futures market. China's futures market has seen sustained improvement in our variety system, steady progress in operational efficiency and quality, substantial enhancement of price influence, notable achievements in serving the real economy, and a well-developed risk prevention and control system.

2024 is a year of accelerating transformation and development for the Company. Confronted with complex and ever-changing domestic and international economic situations and great changes in the market policies, the Company has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhered to the leadership of Party building, comprehensively deepened reforms, bravely explored and innovated, implemented the "talent-aided empowering" strategy, continuously promoted the brokerage business transformation, increased the Headquarters' support of frontline operations, continuously optimized and improved the continuous supportive care customer service system, and accelerated the transformation of research business towards practical applications, strengthened compliance and risk management. For three consecutive years, the Company has been rated as AA regulatory rating in Class A companies based on the classified evaluation of futures companies, the highest rating in the industry, resulting in new operational achievements. As compared with last year, at the end of the Reporting Period, the Company's market share in terms of client equity, commission income, and the Headquarters' net profit increased by 0.09, 0.30, and 0.09 percentage point, respectively, demonstrating a continuous improvement in our ability to serve the real economy. While actively serving the real economy and the national strategies, and striving to create economic benefits, the Company has fully leveraged our professional advantages, actively fulfilled our social responsibilities, and rewarded the society. In 2024, the Company actively provided financial service support for rural revitalization, carrying out more than 170 "insurance + futures" projects across the country with insurance coverage of more than RMB2 billion for agricultural business entities, and settling claims valued at nearly RMB80 million. The Company ranked second and seventh in the special evaluations of rural revitalization and "insurance + futures" by the China Futures Association, respectively.

We owe these achievements to the patient guidance of regulatory authorities, the unwavering support of Shareholders, clients, and all walks of the society, and the hard work and dedication of all the staff of Zhongtai Futures. On behalf of the Company's Party Committee and the Board of Directors, I would like to express my heartfelt gratitude and highest respect for them!

A grand undertaking can only be achieved through persistence and diligence. 2025 is a pivotal year for comprehensively studying and implementing the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China, for further deepening reforms, for accomplishing the 14th Five-Year Plan and for planning for the 15th Five-Year Plan period, and for accelerating the high-quality development of the Company. The Company will continue to adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and prioritizing Party Building, focus on our core responsibilities and main business, intensify transformation and upgrading, set clear goals, work diligently and practically, overcome difficulties, forge ahead, promote operational and developmental tasks with the current momentum, increase the Headquarters' empowering, accelerate the transformation of research business towards practical application, expedite the optimization and promotion of the continuous supportive care customer service system, improve the operational quality of risk management business, continuously strengthen compliance and risk management, enhance compliance and risk management in sophistication, consolidate the Company's developmental advantages, and strive to make greater contribution to building Zhongtai Futures into a first-class futures company with loyal, lawful, innovative and harmonious people!

**ZHONGTAI FUTURES Company Limited**

**ZHONG Jinlong**

***Chairman***

20 March 2025

# Management Discussion and Analysis

## I. ECONOMIC AND FUTURES MARKET ANALYSIS DURING THE REPORTING PERIOD

### (1) Economic Conditions

2024 marks the 75th anniversary of the founding of the People's Republic of China and is a crucial year for achieving the goals and tasks of the 14th Five-Year Plan. In the past year, confronted with the complex and tough conditions of increasing external pressure and internal difficulties, the Central Committee of the Communist Party of China with Comrade Xi Jinping at the core rallied the people of all ethnic groups throughout the country and led them to calmly cope with the adverse conditions, leveraging on comprehensive measures. The overall economic operation was stable, making progress while maintaining stability. Great progress was also made in high-quality development, and main goals and tasks were successfully realized, suggesting new and solid steps towards Chinese modernization path.

Firstly, despite the increasing external pressure and internal difficulties, China's overall economic output has reached a new level. In 2024, the international environment was complex, along with weak growth momentum of the world economy, intensified geopolitical conflicts and increasing trade protectionism; domestically, there was insufficient effective demand, pains resulting from replacing traditional driving forces with new ones, and certain enterprises in lots of production and operation difficulties. Amidst such a difficult situation and despite much pressure and difficulties, China's economy achieved new breakthroughs in total economic output and made new contribution to global development. In 2024, China's total economic output reached RMB134.9 trillion, exceeding RMB130 trillion for the first time, representing a year-on-year increase of 5%. China's total economic output ranks second in the world. From a global perspective, China's 5% economic growth rate ranks among the top of the world's major economies and is an important contributor to global economic growth.

Secondly, a package of policies was introduced in a timely manner, which has effectively boosted social confidence, especially promoted a significant economic recovery. Affected by various factors, China's economic growth rate slowed down in the second and third quarters of 2024, casting significant downward pressure on the economy at some time. In response to this, the Central Committee of the Communist Party of China strengthened macroeconomic regulation and control in accordance with the timing and trend. On 26 September 2024, the Central Politburo meeting of the Chinese Communist Party decisively planned a package of expansive policies, which greatly boosted the confidence, stimulated vitality, and fueled economic recovery. In the fourth quarter of 2024, the GDP grew by 5.4% as compared with the same period of the previous year, representing an increase of 0.8 percentage point as compared with the third quarter; the growth rates of industrial added value above designated size, added value of service industry, and total retail sales of consumer goods have accelerated by 0.7, 1.0, and 1.1 percentage point(s), respectively. The manufacturing PMI has rebounded to a boom range since October 2024, while the non-manufacturing business services index has steadily increased to 52.2% in December 2024.

## Management Discussion and Analysis

Thirdly, in the process of achieving economic growth amidst various difficulties, new progress were recorded in high-quality development. China's economy is at a crucial point of transformation and upgrading. Faced with difficulties and challenges in the course of advancing, people of all walks must set high-quality development as the primary task, developing new quality productive forces according to local conditions, turning new driving forces into dominant forces through accumulation, upgrading traditional driving forces, optimizing the economic development structure with new driving forces. The industrial structure was optimized and upgraded. The proportion of added value of high-tech manufacturing and equipment manufacturing industries above designated size in 2024 increased to 16.3% and 34.6%, respectively, which is 0.6 and 1.0 percentage point(s) higher than the previous year. The new urbanization was steadily advancing. The urbanization rate of the permanent population reached 67.00% as at the end of 2024, representing an increase of 0.84 percentage point as compared with the end of the previous year. The green and low-carbon transformation was also accelerating. According to preliminary calculation, the proportion of non-fossil energy consumption to total energy consumption in 2024 increased by 1.8 percentage points as compared with the previous year. The results of high-level opening up to the outside world are also very obvious, with total import and export of goods reaching RMB43.8 trillion, which set a new historical high.

Fourthly, more efforts were made to stabilize employment and promote income growth, effectively pressing ahead with the protection and improvement of people's livelihoods. The fundamental goal and top priority of our development is to provide the people with a happy life. In 2024, various regions and departments implemented more measures to benefit the people, and made greater efforts in stabilizing employment and promoting income growth. The annual average unemployment rate in the national urban survey is 5.1%, representing a decrease of 0.1 percentage point as compared with the previous year. The per capita disposable income of residents increased by 5.1% in real terms, which is in line with economic growth. The scale of migrant workers among the off-poverty population has remained stable at more than 30 million for four consecutive years. New progress has also been made in areas such as education, healthcare, elderly care, and childcare.

Fifthly, China balanced development and security needs, and fortified food and energy security to effectively mitigate risks in key areas in an orderly manner. In 2024, China's grain output saw a record high, reaching a new level of 1.4 trillion jin for the first time. The total amount of primary energy production continued to increase, ensuring energy supply. China actively optimized real estate policies, secured delivery of buildings, and explored and structured new real estate development models. The real estate market has shown positive changes since September 2024, with year-on year increases of 0.5% and 1.0%, respectively in the fourth quarter's sales area and sales revenue of newly built commercial properties, reversing the previous continuous decline trend. A series of relevant measures have been introduced to address risks in key areas such as local government debt and small and medium-sized financial institutions. In this regard, practical results have been achieved, effectively consolidating the foundation of national safe development.

Overall, in 2024, China has overcome various difficulties and challenges in economy brought about by complex internal and external environments, successfully achieved major expected goals and tasks, promoted effective improvement in economic quality and reasonable growth in quantity. Such high-quality development is beyond doubt, and such remarkable results are hard-earned.

## Management Discussion and Analysis

### (2) Futures Market Analysis

#### 1. The size of the futures market

According to data from the China Futures Association, the cumulative trading volume of China's futures market in 2024 was 7.729 billion board lots, with a cumulative turnover of RMB619.26 trillion, representing a year-on-year decrease of 9.08% and increase of 8.93%, respectively.

#### 2. Fluctuation in the futures market

In 2024, against the backdrop of slowing global economic growth and the Fed's interest rate cuts cycle, China's futures market played a greater role of serving the national economy. Enterprises and institutions were becoming increasingly involved. Market transactions increasingly focused on the risk points of economic operation, leading to effective reduction of friction costs, and more stable foundation for effective transactions. The cumulative trading volume of the national futures market in 2024 is about 7.729 billion board lots, representing a decrease of 9.08% as compared with 8.501 billion board lots in 2023. In contrast to the decreased trading volume, the cumulative turnover of the national futures market was approximately RMB619.26 trillion in 2024, representing a year-on-year increase of 8.93%; the futures market's holdings also increased synchronously, slightly increasing from 39.2817 million board lots at the end of 2023 to 39.7873 million board lots at the end of 2024. The sustained growth of trading turnover indicates that the overall market size is still expanding, reflecting the futures market's enhancing functions in risk management and resource allocation. Since late September 2024, the government has introduced a package of policies to boost the economy and the capital market. The futures market is closer to macroeconomic changes, and the stock index, treasury bond, non-ferrous metals and ferrous metals that are closely related to the macro-economy and the financial market have seen significant growth of turnover. Meanwhile, with the increasing demand from institutional investors for asset allocation and from enterprises for risk hedging transactions, high-frequency trading in the market is restricted under new regulations, and effective transactions in the market are further consolidated.

#### 3. Development of the futures industry

##### (1) *The futures market played a greater role in serving the new development pattern and Chinese modernization*

In September 2024, in order to strengthen supervision, prevent risks, and promote high-quality development of the futures market, the General Office of the State Council forwarded the notice of China Securities Regulatory Commission and other departments, namely the "Opinions on Strengthening Supervision and Preventing Risks and Promoting the High-quality Development of the Futures Market", and deployed 17 key initiatives in 8 aspects. Meanwhile, the China Futures Association completed the formulation and revision of seven self-regulatory rules in the year, issued important rules such as "Reputation Risk Management Rules for Futures Companies", "Bulk Commodity Risk Management Business Rules of Futures Risk Management Companies", "Insurance + Futures' Business Rules of Futures Companies (Trial)", and issued the "Guidelines for Registering Mobile Application Software of Securities and Futures Industry (Trial)" jointly with the Securities Industry Association and the Fund Industry Association, which effectively strengthened the management of honest and clean practice and trader suitability of futures companies, optimized the management of the association's professional committee.

### **(2) The variety system of the futures market was further enriched**

In 2024, totaling 15 new varieties were listed, including three futures varieties, namely bottle flakes, logs, and polycrystalline silicon, and 12 options varieties, namely alumina, lead, nickel, red dates, and eggs. As of the end of the year, the total number of futures and options varieties in China's domestic futures market reached 146, including 74 commodity futures, 8 financial futures, 52 commodity options, and 12 financial options, further enriching the variety system.

### **(3) The function of the futures market was further enhanced**

In 2024, facing the bulk commodity price fluctuation risk, real economy enterprises were becoming increasingly aware about risk management through the use of derivative tools. According to data from the China Futures Association, as of the end of December 2024, in terms of warehouse receipt services, the cumulative scale of warehouse receipt services provided to micro-, small and medium-sized businesses was RMB15.979 billion; in terms of OTC derivatives business, the cumulative incremental nominal amount of OTC commodity derivatives was RMB2,991.133 billion; in terms of basis trading, the cumulative purchase and sale amount of spot goods was RMB524.909 billion; in terms of right-cum trade, the cumulative transaction amount of spot goods was RMB6.865 billion.

### **(4) The futures market was steadily opening up to the outside world**

In September 2024, the General Office of the State Council forwarded a notice from the China Securities Regulatory Commission and other departments, namely the "Opinions on Strengthening Supervision, Preventing Risks, and Promoting High-quality Development of the Futures Market". The notice mentioned the orderly pushing inclusion of eligible commodity futures and options varieties into the scope of commodities available to foreign investment, allowing qualified overseas investors to participate in more commodity futures and options trading; consider the inclusion of stock index futures and treasury bond futures into specific categories for opening up; support domestic and foreign futures exchanges to deepen product and business cooperation, and allow overseas futures exchanges to launch more financial products linked to domestic futures prices; intensify efforts to develop and cultivate international markets so as to attract more overseas industrial enterprises to participate in domestic futures trading.

## Management Discussion and Analysis

### II. DISCUSSION AND ANALYSIS OF THE GROUP'S DEVELOPMENT PLANS AND RESULTS

In 2024, under the correct leadership of the Party Committee of Zhongtai Securities, the Group adhered to focusing on our main responsibilities and businesses, integrated and fully utilized our dominant resources, continuously promoted the brokerage business transformation, steadily carried out self-owned fund investment and management work, properly developed cadre and talent, implemented the “One Zhongtai in Union” concept, continuously intensified business collaboration, enhanced compliance and risk control management, and made new operating achievements.

#### (1) Futures Brokerage Business

##### **Market Analysis:**

During the Reporting Period, the futures market as a whole was healthy, with an increasing capability of serving the real economy. In 2024, a total of 15 new futures and options varieties were listed on the futures market, and all four major futures exchanges have launched new varieties, adding up to 146 varieties, covering major sectors of the national economy such as agricultural products, metals, energy, chemicals, shipping, and finance. The options cover more than 80% of mature commodity futures. There were a growing number of commodity index products and OTC derivatives developed around exchange-traded varieties, accelerating the formation of a diversified and interconnected product ecosystem. The cumulative trading turnover in the futures market increased by 8.93% as compared with the same period of the previous year.

##### **Development Plans and Results:**

Firstly, the Company made more efforts in acquiring new customers. In 2024, the Company recorded a year-on-year increase of 123.33% in our cumulative number of new customers; secondly, the Company established a wealth management committee to integrate and fully utilize our dominant resources, and continuously promoted the brokerage business transformation; thirdly, the Company continuously optimized the supportive care customer service system, comprehensively enhanced our customer service capabilities and reach-out level; fourthly, the Company carried out 9 sessions of “Intensifying training, Intensifying empowerment, and pushing improvement” activities, comprehensively and effectively empowering the front line; fifthly, the Company implemented the “One Zhongtai in Union” concept and continuously strengthened business collaboration.

As of the end of the Reporting Period, the total equity of the Company was RMB30.147 billion, representing an increase of 13.01% as compared with the end of the previous year. During the Reporting Period, the Company's market share of handling fee income was 1.81%, representing a year-on-year increase of 0.30 percentage point.

### (2) Futures Transaction Consulting Business

#### Market Analysis:

During the Reporting Period, 15 new futures and options varieties were listed on China's futures market, bringing the total number of futures and options varieties to 146. Generally speaking, with the further improvement of functions of the futures market, there are growing needs from industrial customers to use the futures market for risk management and hedging, and from asset management institutions for transaction consulting services. However, in a market where traditional brokerage business is dominant and transaction consulting business is auxiliary, futures transaction consulting business have not yet formed a scale.

#### Development Plans and Results:

In 2024, the Company continued to build the continuous supportive care customer service system to attend customer needs and to continuously improve practical research. The Company created a new version of "strategy supermarket" offering high-standard and diversified trading strategies to customers. The revised strategy supermarket launched 14 subjective strategy products and released a total of 65 trading strategies; eight new video course-based transaction consulting products featuring fundamental analysis courses and four trading method-based transaction consulting products featuring technical analysis are added; three signal-alert transaction consulting products, namely "First-mover in fluctuation (波動先鋒)", "Trend Tracking (趨勢追蹤)" and "Oscillation Hunter (震盪捕手)", became available. The Company continued to improve the competence of serving financial institutional customers, by creating a practical quantitative CTA strategy factor pool with our own characteristics, which has become a powerful tool for financial institutional customers to expand business. The research strength of the Company continued to improve. The research team of the Company has won the titles of China's Golden Futures Research Institute "Best Macro Financial Futures Research Team" and "Best Industry Futures Research Teams for Metal, Ferrous Metal and Non-ferrous Metal, Energy, Chemical and Agricultural Products" and a large number of "Best Analysts", "Senior Analysts" and "Veteran Analyst" selected by Futures Daily and futures exchanges have emerged. The case submitted by the Company with a title of "How Transaction Consulting Business Helped a Scrap Processing Base to Get out of Trouble in Winter Storage and Increase Investment Return-A Case of Zhongtai Futures serving scrap processing bases" successfully became an excellent practice case of futures transaction consulting business of China Futures Association in 2024.

### (3) Futures Asset Management Business

#### Market Analysis:

At the end of the Reporting Period, the scale of futures asset management business in China was approximately RMB314.318 billion, representing a year-on-year increase of approximately 14.45%, denoting a growth of overall scale of the industry. Meanwhile, the futures asset management industry is still characteristic of a high concentration of business in leading players and a low proportion of investment in futures and derivatives.

#### Development Plans and Results:

During the Reporting Period, the Company continued to optimize team-building, pushed ahead product research and development and project reserve; constantly enhanced the internal control system of asset management and improved the internal control management practice of asset management business; strengthened the construction of information system to improve work efficiency and management practice; increased industry research and business exchanges, and copied mature experiences and advanced practices.



## Management Discussion and Analysis

### (4) Risk Management Business

#### **Market Analysis:**

The Group conducted risk management business through Zhongtai Huirong Capital, mainly including OTC derivatives business, market-making business and bulk commodity futures and spot business.

During the Reporting Period, affected by the slowdown of global economic growth and the continuing geopolitical conflicts, the real economy faced the pressure of insufficient effective demand. Economic restructuring and transformation and upgrading were imminent. Enterprises faced increasing uncertainties in the course of economic restructuring.

#### **Development Plans and Results:**

During the Reporting Period, the Group actively exerted our professional advantages and played an important role in helping enterprises to manage risks and promoting high-quality development of the real economy. In terms of OTC derivatives business, the Group continued to deepen intra-group business synergy, increased research and development and supply of innovative products, and increased business automation, leading to improvement in the number of industrial customers being served and product innovation. Meanwhile, substantial growth was recorded in the hedging income from bulk commodity OTC derivatives business. The Group attaches great importance to the rural revitalization, and made full use of the advantages of OTC derivatives business to continuously promote the high-quality development of agricultural industry, and provided price and income insurance services to farmers and agriculture-related enterprises under the “insurance + futures” service model. The Group has played an active role in serving the development of rural industries.

During the Reporting Period, in terms of market-making business, the Group actively applied for market-making business varieties, added eight market-making option varieties and provided market-making services relating to more than 20 futures and options varieties of five futures exchanges, covering agricultural products, energy and chemical industries, precious metals and non-ferrous metals. The market-making business team has enhanced operating profitability and substantially increased profit margin by improving the research level and developing various futures and options market-making strategies.

During the Reporting Period, in terms of bulk commodity futures and spot business, firstly, the Group highlighted the advantages of traditional varieties, actively expanded our presence in emerging varieties such as industrial silicon, lithium carbonate, bottles flakes and logs to increase business income; secondly, through continued engagement in the field of industrial integration, the Group gained in-depth understanding of the needs and wants of the upstream and downstream of the industrial chain, and formulated personalized service plans for customers; thirdly, the Group strengthened the research and analysis of real economy industries and related futures varieties, actively explored new trading models and strategies, gave full play to our risk management capabilities, and contributed to the sound operation of the real economy industries.

### III. INFORMATION TECHNOLOGY

The Group firmly believes that information technology infrastructure and information systems are crucial to the effective management and successful development of the business, and continued to invest in information technology.

In 2024, the Company continuously strengthened the operation and maintenance management of the information technology. Firstly, we strengthened operation and maintenance management of information technology, and achieved “zero” accident in the operation of information systems throughout the year; secondly, we continuously perfected the operation and maintenance management system, reviewed and improved the construction of information security-related systems according to the latest national laws and regulations and regulatory requirements in the industry, and continuously strengthened information technology security compliance management; thirdly, we completed optimal deployment of computer room resources and system migration, continuously optimized the quantitative business system and layout, and strengthened the quantitative business services’ support to ensure the competitive advantage of the Company’s quantitative service system.

The Company attaches great importance to the application of financial technology. Firstly, the Company built our continuous supportive care customer service system using the financial technology, and promoted the construction and launch of independently-developed applications such as enterprise WeChat, smart outbound calling, Zhongtai Futures APP, booking system for live-streaming training, new investment research system and real-time trading competition system, and promoted the construction of a continuous supportive care customer service platform in all aspects; secondly, we continuously promoted the construction of our “one platform with two APPs”, further improved the service support of our marketing service system, and pushed the digital transformation of the marketing service system; thirdly, the Company continuously promoted the construction of a big data platform by strengthening data management and data analysis, improved the support of our management system, and gradually realized the digital transformation of management and operation; fourthly, the Company has gradually improved our independent research and development capability. The OTC option business management system, futures and spot trading risk control management system, comprehensive risk management platform, asset management evaluation system and other software like ZHONGTECH strategy platform have been launched one after another, and were updated from time to time, which has continuously empowered the rapid development of the Company and effectively promoted the digital transformation of the Company.

### IV. DEVELOPMENT PLAN FOR 2025

In 2025, the Group will conscientiously implement the decisions and arrangements of Zhongtai Securities’ Party Committee, adhere to the leadership of Party building, focus on our main responsibility and main business, adhere to the “talent-aided empowering” strategy, strengthen the headquarters’ empowerment, accelerate the transformation of research business towards actual application, accelerate the optimization and promotion of a continuous supportive care customer service system, improve the operational quality of risk management business, continue to strengthen compliance and risk control management, and promote the high-quality development of the Group.

## Management Discussion and Analysis

By business types, the main work plans of the Group in 2025 are as follows:

### Futures Brokerage Business

The Group will continue to promote the brokerage business transformation and further enhance our income-generating ability. Firstly, the Group will make full use of our professional resources integration advantages to continuously promote the brokerage business transformation. The Group will maximize the role of the wealth management committee in integrating the resources and advantages of our financial institutional customers, industrial customers, individual investors and professional investors, and form a joint brokerage business management force through such multi-dimensional co-ordination, to meet customers' diversified needs. Secondly, the Group will intensify the Headquarters' empowering to continuously improve the service capability of our brokerage business. The Group will continue to strengthen the construction of the practical research expert team, give full play to the synergy advantages of the industrial chain collaboration team, increase the Group's ranking and market share in varieties and industries through multi-dimensional co-ordination, and comprehensively build a industrial matrix service system for Zhongtai Futures. The Group will continue to carry out "intensifying trainings, intensifying empowerment and pushing improvement" activities, comprehensively improve the professional service ability of all employees, and build the Group's competitive advantage in the market. Thirdly, the Group will continue to promote the construction of the brokerage business team and increase the per capita efficiency. The Group will establish a multi-layer personnel management mechanism, introduce personalized talent development and team building programs, optimize the team composition, and increase the per capita efficiency of brokerage business. Fourthly, the Group will continue to optimize the continuous supportive care customer service system and improve service quality; the Group will intensify data empowerment, create various marketing service scenarios according to the customer's life cycle, meet their diversified needs, and empower marketing personnel in sales activities. Fifthly, the Group will further intensify the business collaboration between the parent company and the subsidiaries to effectively improve the synergy efficiency. The Group will continue to provide adequate trainings through business case sharing or online training to communicate the information about latest customer needs and business models in the market; conduct satisfaction surveys every quarter, and change least-cooperative branches to ensure that collaboration efficiency and quality are improved; clarify the performance assessment responsibility system, and strengthen business coordination and service connection.

### Futures Transaction Consulting Business

The Company will accelerate transformation of our research services and enhance the practical capability of our research services. The Company will cause our research services to shift from primarily serving industrial and financial institutional customers to serving a combination of industrial, financial, small and medium-sized customers and subsidiaries, and to build the actual practical capability of research services. Firstly, the Company will continue to strengthen the construction of online transaction consulting products, launch online variety in-depth research consulting products and courses, enhance the sense of acquisition and experience of small and medium-sized customers, and provide professional and powerful support for industrial customers. Secondly, the Company will promote the construction of an expert team in practical industrial research services, and use a combination of futures, options and various exchange-traded and OTC derivatives to provide industrial customers with risk management solutions of real practical value. Thirdly, through strengthening the construction of ZHONGTECH Strategy Platform, the Company will continue to hone, enrich and update the CTA strategic products, and realize the commercialization of results through transaction consulting business and brokerage business. Fourthly, the Company will push ahead the construction of our practical research system, and subject to compliance with laws, serve the subsidiary's trading activities with practical strategies, and to reserve and produce talents for the Company's risk management, asset management and other businesses, while achieving value transformation through transaction consulting business.

### **Futures Asset Management Business**

In terms of Futures Asset Management Business, subject to the principles of “returning to the original function of asset management, adhering to active management, highlighting the characteristics of futures, and realizing an advantage-based development”, the Company will carry out asset management business in a sound manner. Firstly, the Company will continue to strengthen the construction of the asset management and investment research team, and push and improve the mechanism of developing and introducing different talents; secondly, the Company will constantly enhance the R&D capability for asset management products, build asset management products featuring futures characteristics in line with our own resource and inherent advantage, and continue to innovate and broaden the product line layout; thirdly, the Company will continue to optimize the internal control system of asset management business and improve the process control ability.

### **Risk Management Business**

The Group will strictly control risks, further enhance our professional service capabilities, and strive to improve the operating quality of our risk management business. Firstly, in terms of OTC derivatives business, the Group will improve our research capability on industrial chains, hedge trading capability and risk control practice, intensify the research and development and promotion of innovative products to increase market share and consolidate the leading position in the bulk commodities OTC derivatives industry. Secondly, in terms of market-making business, the Group will strengthen the construction of the market-making team, enhance the team’s strategic research and development and trading capabilities, and gradually expand the market-making scale; accelerate the research and development of futures market-making and trading strategies, improve the capabilities of options market-making pricing and quotation, volatility prediction and risk management, enrich options trading tools, and continue to expand the scale of options business. Thirdly, in terms of futures and spot trading business, the Group will actively expand the business area, expand the scope of services, to meet more customer needs. The Group will pay close attention to market dynamics and market trends, and constantly optimize risk management solutions. The Group will continue to deepen industrial integration, explore new trading models and strategies, provide accurate and efficient risk management services for customers, and provide stronger support for the development of the real economy.

## Management Discussion and Analysis

### V. FINANCIAL STATEMENT ANALYSIS

#### (1) Profitability Analysis

During the Reporting Period, under the correct leadership of the Party Committee of Zhongtai Securities, the Company adhered to focusing on our main business and main responsibility, comprehensively deepened reforms, bravely explored and innovated, implemented the “talent-aided empowering” strategy, continued to promote the brokerage business transformation, increased the Headquarters’ front-line empowerment, continued to optimize and improve the continuous supportive care customer service system, accelerated the transformation of research business to actual application, strengthened compliance and risk control management, and made every effort to promote business development and achieved new results. Due to significant fluctuation of China’s domestic A-share market in 2024, the equity option business of Zhongtai Huirong Capital, a subsidiary of the Company incurred a huge loss. As a result, the Group’s net profit attributable to Shareholders for the year ended 31 December 2024 decreased significantly as compared with the same period of previous year, in contrast to sound development of other businesses of the Group. At the end of the year, the Company’s customer equity, fee income and net profit of the Headquarters saw a year-on-year increase of 13.02%, 22.26% and 2.24%, respectively, and 0.09, 0.30 and 0.09 percentage point in respective market shares, respectively. During the Reporting Period, the Group achieved a total operating income of RMB1,851.1807 million, representing a decrease of 14.03% as compared with RMB2,153.2325 million in 2023; operating expenses totaled RMB1,839.2238 million, down 6.58% from RMB1,968.7284 million in 2023. The net profit attributable to Shareholders was RMB4.5298 million, representing a decrease of 96.61% as compared with RMB133.7188 million in 2023; earnings per share was RMB0.0045, representing a decrease of 96.61% as compared with RMB0.1335 in 2023.

#### (2) Asset Structure and Asset Quality

At the end of the Reporting Period, affected by the increase in customers’ equity, both total assets and total liabilities of the Group grew slightly.

At the end of the Reporting Period, the Group’s total assets amounted to RMB33.757 billion, representing an increase of 12.05% as compared with RMB30.126 billion at the end of 2023. The Group’s liabilities totaled RMB31.206 billion, representing an increase of 13.20% as compared with RMB27.566 billion at the end of 2023. Net assets attributable to Shareholders were RMB2.551 billion, representing a decrease of 0.35% as compared with RMB2.560 billion at the end of 2023.

At the end of the Reporting Period, the Group’s total assets were as follows: non-current assets were RMB269 million, representing a decrease of 16.98% as compared with RMB324 million at the end of 2023, and current assets were RMB33.488 billion, representing an increase of 12.37% as compared with RMB29.802 billion at the end of 2023. The increase in non-current assets is mainly attributable to the increase in deferred income tax assets and intangible assets, while the increase in current assets is mainly due to the increase in margin deposits. During the Reporting Period, there was no significant impairment of the Group’s assets.

At the end of the Reporting Period, liabilities excluding acting trading securities, currency deposit payable and pledge deposit payable were RMB1.838 billion, representing a decrease of 13.93% as compared with RMB2.135 billion at the end of 2023. The Group’s gearing ratio was 41.87%, representing a decrease of 3.61 percentage points as compared with 45.48% at the end of 2023. During the Reporting Period, the gearing ratio was relatively stable, and we had no liquidity pressure.

### **(3) Financing Channels and Ability**

During the Reporting Period, the Company did not engage in any financing activities such as issuance and placing of shares as well as issuance of subordinated bonds in response to market condition and requirements of business operation.

### **(4) Liquidity Level Management**

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

## Management Discussion and Analysis

### (5) Items of Income Statement

During the Reporting Period, the Group achieved a total profit of RMB8.2933 million, representing a year-on-year decrease of RMB173.1321 million or 95.43%. Summary of the financial results are as follows:

In RMB'0000

	2024	2023
<b>I. Operating income</b>	<b>185,118</b>	215,323
Net fees and commission income	41,183	35,381
Net interest income	24,630	23,173
Investment income (Loss marked with "-")	3,244	-10,810
Including: Investment income from associates and joint ventures	75	348
Gains from changes in fair value (Loss marked with "-")	-6,103	14,663
Exchange earnings (Loss marked with "-")	-5	-26
Other operating income	121,921	152,813
Gains on disposal of assets (Loss marked with "-")	3	22
Other income	245	107
<b>II. Operating expenses</b>	<b>183,922</b>	196,873
Expenditure on provision for futures risks	2,158	2,074
Taxes and surcharges	351	398
Business and management fees	55,189	43,630
Credit impairment losses	2,778	-18
Impairment losses on assets	-64	72
Other business costs	123,511	150,717
<b>III. Operating profit (Loss marked with "-")</b>	<b>1,196</b>	18,450
Add: Non-operating income	1	1
Less: Non-operating expenses	367	309
<b>IV. Total profits (Total losses marked with "-")</b>	<b>829</b>	18,143
Less: Income tax expenses	376	4,771
<b>V. Net profits</b>	<b>453</b>	13,372
<b>VI. Net after-tax amount of other comprehensive income</b>	<b>51</b>	32
Net after-tax amount of other comprehensive income attributable to owners of the parent company	51	32
Including: difference arising from translation of foreign exchange financial statements	51	32
Net after-tax amount of other comprehensive income attributable to minority interest	0	0
<b>VII. Total comprehensive income</b>	<b>504</b>	13,404
Total comprehensive income attributable to owners of the parent company	504	13,404
Total comprehensive income attributable to minority interest	0	0
<b>VIII. Earnings per share</b>	<b>0.005</b>	0.134
Basic and diluted earnings per share(RMB)	0.005	0.134

## Management Discussion and Analysis

### 1. Fees and interest income

In 2024, the Group achieved net fees and commission income and net interest income of RMB658.13 million in aggregate, representing a year-on-year increase of 12.40%. In particular, the net fees and commission income accounted for 62.58% and 60.42%, respectively in 2024 and 2023, while the net interest income accounted for 37.42% and 39.58%, respectively. The breakdown is as follows:

In RMB'0000

	2024		2023		Change of 2024 as compared with 2023	
	Amount	Percentage	Amount	Percentage	Change in amount	Rate
Net fees and commission income	41,183	62.58%	35,381	60.42%	5,802	16.40%
Net interest income	24,630	37.42%	23,173	39.58%	1,457	6.29%
Total	65,813	100%	58,554	100%	7,259	12.40%

#### (1) Net fees and commission income

During the Reporting Period, the composition of the Group's net fees and commission income is as follows:

In RMB'0000

	2024	2023	Percentage change (%)
Net fees income from brokerage services	41,108	35,264	16.57
Investment consulting fee income	75	68	11.40
Net income from asset management service	0	49	-100.00
Total	41,183	35,381	16.40

During the Reporting Period, the Group achieved net fees and commission income of RMB411,830 thousand, representing a year-on-year increase of 16.40%.



## Management Discussion and Analysis

### (2) Net interest income

During the Reporting Period, the Group achieved net interest income of RMB246,300 thousand, representing a year-on-year increase of 6.29%. The composition of the Group's net interest income in 2024 is as follows:

In RMB'0000

	2024	2023	Percentage change (%)
<b>Interest income</b>	<b>52,867</b>	48,342	9.36
Including: Interest income from deposits with banks	<b>48,930</b>	44,847	9.10
Interest income from financial assets held under resale agreements	<b>205</b>	117	74.87
Exchange margin interest income	<b>3,732</b>	3,377	10.52
<b>Interest expense</b>	<b>28,237</b>	25,168	12.19
Including: Interest expense paid to customers	<b>27,702</b>	24,096	14.97
Interest expense of lease liabilities	<b>269</b>	319	-15.71
Loan interest expense	<b>149</b>	674	-77.96
Interest expense for settlement and clearing service	<b>117</b>	79	47.99
<b>Net interest income</b>	<b>24,630</b>	23,173	6.29

Interest income was mainly derived from interest on demand and term deposits of the Group's own capital and interest from demand deposits of the client margin deposits. Interest income increased by RMB45,250 thousand or 9.36% as compared with the same period of last year, which was primarily due to an increase in the client margin deposits.

Interest expense increased by RMB30,690 thousand or 12.19% as compared with the same period of last year, which was primarily due to an increase in interests payable to clients.

### 2. Financial assets income

During the Reporting Period, the Group achieved financial assets income of RMB-28,580 thousand, representing a year-on-year decrease of RMB67,110 thousand or 174.19%, which was mainly attributable to the huge loss incurred by our subsidiary Zhongtai Huirong Capital from equity option business due to the drastic fluctuation of the domestic A-share market in China in 2024. The composition of the Group's financial assets income in 2024 is as follows:

In RMB'0000

	2024	2023	Percentage change (%)
Investment income	<b>3,244</b>	-10,810	130.01
Gains from changes in fair value	<b>-6,103</b>	14,663	-141.62
<b>Total</b>	<b>-2,858</b>	3,853	-174.19

## Management Discussion and Analysis

### (1) Investment income

During the Reporting Period, the Group achieved investment income of RMB32,440 thousand. The composition of the Group's investment income in 2024 is as follows:

In RMB'0000

	2024	2023	Percentage change (%)
Investment income from disposal of held for trading financial instruments	1,863	-12,019	115.50
Investment income obtained during the holding period of held for trading financial assets	1,306	860	51.86
Long term equity investment income accounted by equity method	75	348	-78.41
<b>Total</b>	<b>3,244</b>	<b>-10,810</b>	<b>130.01</b>

### (2) Gains from changes in fair value

During the Reporting Period, the Group's gain from changes in fair value was RMB-61,030 thousand, representing a year-on-year decrease of RMB207,660 thousand or 141.62%.

In RMB'0000

	2024	2023	Percentage change (%)
Changes in fair value of held for trading financial instruments	-6,103	14,663	-141.62
<b>Total</b>	<b>-6,103</b>	<b>14,663</b>	<b>-141.62</b>

## Management Discussion and Analysis

### 3. Business and management fees

In 2024, the Group's business and management fees amounted to RMB551,890 thousand, representing a year-on-year increase of RMB115,590 thousand or 26.49%. The breakdown is as follows:

In RMB'0000

	2024	2023	Percentage change (%)
Employee benefits	30,570	26,205	16.66
Advertising expenses	8,690	2,157	302.79
Running costs of electronic equipment	4,246	3,684	15.24
Depreciation and amortization	2,828	2,748	2.90
Labor remuneration payable to Introducing broker	1,290	843	52.94
Communication expenses	1,275	1,258	1.34
Conference expense	1,037	812	27.69
Business entertainment expenses	1,037	1,208	-14.16
Seat usage fees	884	587	50.72
Travel expenses	854	903	-5.49
Audit fees	105	132	-20.59
Others	2,374	3,092	-23.22
Total	55,189	43,630	26.49

## (6) Asset Items

As at 31 December 2024, the Group's total assets were RMB33,757,140 thousand, representing a year-on-year increase of 12.05%, among which cash assets amounted to RMB31,817,670 thousand, representing a year-on-year increase of 14.61%; financial investment assets amounted to RMB1,347,870 thousand, representing a year-on-year decrease of 9.57%; and other assets amounted to RMB591,590 thousand, representing a year-on-year decrease of 32.36%. The Group's total assets are as follows:

In RMB'0000

	31 December 2024	31 December 2023	31 December 2024 compared with 31 December 2023	
			Amount	%
Cash assets	3,181,767	2,776,137	405,630	14.61
Financial investment assets	134,787	149,045	-14,258	-9.57
Other assets	59,159	87,457	-28,297	-32.36
<b>Total</b>	<b>3,375,714</b>	<b>3,012,639</b>	<b>363,075</b>	<b>12.05</b>

### 1. Cash assets

As at 31 December 2024, the Group's cash assets increased by RMB4,056,300 thousand or 14.61% as compared with the same period of last year. The composition of the Group's cash assets is as follows:

In RMB'0000

	31 December 2024	31 December 2023	31 December 2024 compared with 31 December 2023	
			Amount	%
Cash and cash equivalents	2,075,252	1,881,847	193,406	10.28
Currency margin receivable	928,089	665,420	262,669	39.47
Pledge margin receivable	178,426	228,871	-50,445	-22.04
<b>Total</b>	<b>3,181,767</b>	<b>2,776,137</b>	<b>405,630</b>	<b>14.61</b>

The change in cash assets was mainly reflected in the cash and cash equivalents, currency margin receivable and pledge margin receivable. Cash and cash equivalents amounted to RMB20,752,520 thousand, accounting for 61.48% of the total assets of the Group, representing a year-on-year increase of RMB1,934,060 thousand or 10.28%; currency margin receivable amounted to RMB9,280,890 thousand, accounting for 27.49% of the total assets of the Group, representing a year-on-year increase of RMB2,626,690 thousand or 39.47%. Pledge margin receivable amounted to RMB1,784,260 thousand, accounting for 5.29% of the total assets of the Group, representing a year-on-year decrease of RMB504,450 thousand or 22.04%.

## Management Discussion and Analysis

### 2. Financial investment assets

As at 31 December 2024, the Group's financial investment assets decreased by RMB142,580 thousand, or 9.57% as compared with the same period of last year. The composition of the Group's financial investment assets is as follows:

In RMB'0000

	31 December 2024	31 December 2023	31 December 2024 compared with 31 December 2023	
			Amount	%
Long-term equity investments	4,401	4,326	75	1.74
Held for trading financial assets	127,829	112,776	15,053	13.35
Financial assets held under resale agreements	2,557	31,942	-29,385	-91.99
<b>Total</b>	<b>134,787</b>	<b>149,045</b>	<b>-14,258</b>	<b>-9.57</b>

### 3. Other assets

As at 31 December 2024, the Group's other assets amounted to RMB591,590 thousand, representing a year-on-year decrease of RMB282,970 thousand or 32.36%. The composition of the Group's other assets is as follows:

In RMB'0000

	31 December 2024	31 December 2023	31 December 2024 compared with 31 December 2023	
			Amount	%
Receivables	26,834	46,443	-19,610	-42.22
Contract assets	815	3,023	-2,207	-73.03
Inventories	4,115	3,710	405	10.92
Fixed assets	4,653	4,722	-70	-1.48
Right-of-use assets	2,313	2,874	-561	-19.52
Intangible assets	1,609	1,450	160	11.01
Deferred income tax assets	4,880	873	4,006	458.66
Futures membership investment	140	140	0	0.00
Others	13,800	24,221	-10,420	-43.02
<b>Total</b>	<b>59,159</b>	<b>87,457</b>	<b>-28,297</b>	<b>-32.36</b>

## (7) Items of Liabilities

As at 31 December 2024, the Group's total liabilities amounted to RMB31,205,840 thousand, representing a year-on-year increase of RMB3,639,740 thousand or 13.20%. Among them, currency deposits payable amounted to RMB27,582,170 thousand, representing a year-on-year increase of 19.21%. Summary of Changes in the Group's total liabilities are as follows:

In RMB'0000

	31 December 2024	31 December 2023	31 December 2024 compared with 31 December 2023	
			Amount	%
Currency margin payable	2,758,217	2,313,802	444,415	19.21
Pledge margin payable	178,426	228,871	-50,445	-22.04
Funds payable to OTC option customers	111,971	144,612	-32,641	-22.57
Held for trading financial liabilities	13,864	17,448	-3,584	-20.54
Other liabilities	58,106	51,877	6,229	12.01
<b>Total</b>	<b>3,120,584</b>	<b>2,756,610</b>	<b>363,974</b>	<b>13.20</b>

### 1. Currency margin payable

As at 31 December 2024, the Group's currency margin payable amounted to RMB27,582,170 thousand, accounting for 88.39% of the Group's total liabilities, and representing a year-on-year increase of RMB4,444,150 thousand or 19.21%. The composition of the Group's currency margin payable is as follows:

In RMB'0000

	31 December 2024	31 December 2023	31 December 2024 compared with 31 December 2023	
			Amount	%
Natural person	826,230	672,469	153,761	22.87
Legal person	1,920,650	1,636,015	284,635	17.40
Non-settlement member	11,337	5,318	6,018	113.17
<b>Total</b>	<b>2,758,217</b>	<b>2,313,802</b>	<b>444,415</b>	<b>19.21</b>

## Management Discussion and Analysis

### (8) Items of Equity

As at 31 December 2024, the Group's total equity amounted to RMB2,551,300 thousand, representing a year-on-year decrease of 0.35%. The composition of the Group's equity is as follows:

In RMB'0000

	31 December 2024	31 December 2023	31 December 2024 compared with 31 December 2023	
			Amount	%
Share capital	100,190	100,190	0	0.00
Share capital premium	65,063	65,063	0	-0.00
Other reserves	16,494	15,109	1,385	9.17
Retained earnings	73,384	75,668	-2,284	-3.02
Total equity	255,130	256,029	-899	-0.35

### (9) Charges over Assets

As at 31 December 2024, the fair value of standard warehouse receipts that can be used for re-pledge among the pledges received by the Group for warehouse receipt pledge financing amounted to RMB3,828,000.00, all of which were used for re-pledge to offset the trading margin (as at 31 December 2023, the fair value of standard warehouse receipts that can be used for re-pledge among the pledges received by the Group for warehouse receipt pledge financing amounted to RMB30,547,000.00, all of which were used for re-pledge to offset the trading margin). As at 31 December 2024, the Group's inventories with a book value of RMB1,512,420.00 were pledged to the futures exchanges to offset trading margins (as at 31 December 2023, no inventory was pledged to the futures exchange as trading margins).

### (10) Risk of Fluctuation of Exchange Rate and Mitigation Measures

The foreign currency assets and liabilities held by the Group are insignificant as compared with the total assets and liabilities. In terms of the Group's revenue structure, a majority of the business transactions are denominated in RMB, and the proportion of income from foreign currency transactions is insignificant. Therefore, the Group considers that its foreign exchange risk is immaterial. As at 31 December 2024, the Group does not use any derivative financial instruments to hedge the exchange risk.

**(11) Contingencies**

As at the balance sheet date, the Group has no significant contingencies that are discloseable.

**(12) Gearing Ratio**

Item	As at 31 December 2024	As at 31 December 2023	Increase/ decrease compared with the same period of last year	As at 31 December 2022
Gearing ratio	<b>41.87%</b>	45.48%	decreased by 3.61 percentage points	45.52%

Gearing ratio = (Total liabilities – acting trading securities – currency margin payable – pledge margin payable) / (Total assets – acting trading securities – currency margin payable – pledge margin payable)

**VI. EMPLOYEES STRUCTURE, REMUNERATION AND TRAINING**

For the Composition of Employees of the Company, please see “III. Staff Profile” of Chapter III of this report.

During the Reporting Period, the total expenses of staff remuneration of the Group were RMB305,700 thousand, details of which are as follows (amounts stated in RMB'0000):

	Year ended 31 December	
	2024	2023
Short-term benefits	<b>26,662</b>	22,308
Post-employment benefits-defined contribution scheme	<b>3,884</b>	3,891
Other welfares	<b>24</b>	7
	<b>30,570</b>	26,205



## Management Discussion and Analysis

### The five highest-paid individuals

During the Reporting Period, the five highest-paid individuals do not include any Directors or Supervisors (2023: do not include any Directors or Supervisors). Details of the total remuneration for the five highest-paid individuals for the year are as follows (amounts stated in RMB'0000):

	Year ended 31 December	
	2024	2023
Salaries and allowances	724	645
Social insurance, housing fund and related pension costs	91	95
Bonus	205	337
<b>Total</b>	<b>1,020</b>	<b>1,077</b>

The emoluments of the five highest-paid individuals fall within the following bands:

Item	2024	2023
RMB1,500,001 to RMB2,000,000	2	2
RMB2,000,001 to RMB2,500,000	3	2
RMB2,500,001 to RMB3,000,000	–	1
RMB3,000,001 to RMB3,500,000	–	–
RMB4,000,001 to RMB4,500,000	–	–
RMB4,500,001 to RMB5,000,000	–	–
<b>Total</b>	<b>5</b>	<b>5</b>

## Management Discussion and Analysis

The Company attaches great importance to attracting, motivating, nurturing and making good use of talents. We always pay close attention to the competitiveness of our salary level within the industry and the fairness of our remuneration system from the perspective of our staff. We implemented a remuneration system based on market level with reference to the results of performance appraisals. The remuneration package of the Company comprises basic salary, performance-linked wage, sales commission, bonus and various allowances and staff benefits. In line with the applicable laws and regulations of the PRC, the Company enters into a labor contract with each of our employees to establish a labor relationship. A labor contract contains provisions relating to labor contract terms, scope of duties, work location, working hours and leaves and holidays, remuneration, social insurance, labor protection, working conditions and protection from occupational hazards, labor discipline and system compliance, staff training, as well as the rescission, termination, and renewal of labor contract and economic compensation. In accordance with the applicable laws and regulations of the PRC, the Company maintains contribution to various social insurance plans (endowment insurance, medical insurance, unemployment insurance, work related injury insurance and maternity insurance) and supplementary medical insurance, housing provident fund and enterprise annuities for our employees. We have made full contribution to the aforesaid social insurances, supplementary medical insurance and housing provident fund and enterprise annuities in accordance with the applicable regulations.

During the Reporting Period, the Company continued to strengthen the construction of learning organizations, systematically empowered talents to improve their comprehensive ability, increased the frequency of shared learning and special exchange seminars, and improved the training efficiency. Firstly, the Company mobilized systematic and diversified training contents regarding honest employment, cultural construction, rules and regulations learning, official document writing, anti-money laundering, finance, audit, new media, information technology, new futures varieties, delivery training, etc., to meet the training needs of employees in different lines and at different levels; secondly, the Company mobilized special training for recruitment, which incorporated the spirit of instructions from higher authorities and the Company's recruitment management methods, with more application of interview methods and skills, improved the recruitment efficiency and interview expertise of interviewers, and ensured the quality of new employees in the first place; thirdly, the Company created a series of training sessions on "precise benchmarking and catching up with learning", a series of training sessions on "empowering the front line for improved quality and increased efficiency", promoted the promotion of "precise drip irrigation" benchmarking improvement, empowered the marketing service capacity building of business entities in an all-round way, contributing to creating a "research+marketing" compound marketing service talent; fourthly, the Company continued to strengthen the capacity building of middle and high-level cadres, organized the "training of marketing service-oriented deputy general manager and assistant general manager", and organized the training of middle and high-level cadres in Zhongtai Securities' "Leading Plan in 2024" to continuously improve the team management and business development capabilities of middle and high-level managers; fifthly, the Company further increased the training places, with such portals as E-learning Industry, Finance, Individual Investment, Professional Investors, IB, OTC, Futures and Spot Commodities, and Zhengzhou Commodity Exchange channel, Guangzhou Commodity Exchange channel, Shanghai International Energy Trading Center channel and CICC's channels to provide platform support to the Headquarters for empowering the front-line business.

## Management Discussion and Analysis

### VII. CHANGES IN BRANCHES AND SUBSIDIARIES AND IMPACT ON RESULTS

#### (1) Changes in branches and subsidiaries during the Reporting Period

##### 1. Establishment and closure of branches of the Company

During the Reporting Period, the Company established Shenzhen Futian Branch on 21 March 2024; established Baoding Branch on 10 December 2024; and closed Hangzhou Linping Sales Office on 3 July 2024.

##### 2. Relocation of branches of the Company

During the Reporting Period, the Company completed the relocation of Wuha Branch in the same city on 19 January 2024; completed the relocation of Yantai Branch and Dezhou Branch in the same city on 8 March 2024; completed the relocation of Jinan Branch in the same city on 8 May 2024; completed the relocation of Hangzhou Branch in the same city on 29 July 2024; completed completed the relocation of Xiamen Branch in the same city on 1 August 2024.

##### 3. Change of names of branches of the Company

During the Reporting Period, the Company's Beijing Sales Office changed its name to Beijing Branch, Zibo Sales Office changed its name to Zibo Branch, Dezhou Sales Office changed its name to Dezhou Branch, Yantai Sales Office changed its name to Yantai Branch, Wuxi Sales Office changed its name to Wuxi Branch, Dongying Sales Office changed its name to Dongying Branch and Shanghai Sales Office changed its name to Shanghai Pudong Branch.

### **(2) Changes in subsidiaries of the Company**

During the Reporting Period, the Company did not establish or de-register any subsidiary.

### **(3) Effects of changes in branches and subsidiaries on the results during the Reporting Period**

#### **Effects of changes in branches of the Company on the results**

During the Reporting Period, the Company established two new branches, closed one branch, relocated six branches in the same city and changed names of seven branches. None of them had material impact on the Company's results.

#### **Effects of changes in subsidiaries of the Group on the results**

During the Reporting Period, there were no significant changes in subsidiaries of the Group and hence, the results were not materially affected.

## **VIII. MAJOR INVESTMENTS AND FINANCING**

### **(1) Major investments**

The Group did not conduct any major investment during the Reporting Period.

As at the date of this report, the Group has no future plan for major investments or acquisition of major capital assets.

### **(2) Major financing**

The Group did not conduct any major financing activity during the Reporting Period.

## **IX. DISPOSAL OF MATERIAL ASSETS, ACQUISITION, REPLACEMENT, SPIN-OFF AND REORGANIZATION OF OTHER COMPANIES**

During the Reporting Period, the Company did not conduct any disposal of material assets, acquisition, replacement, spin-off or reorganization of other companies.

## Management Discussion and Analysis

### X. POSSIBLE RISKS, UNCERTAINTIES AND COUNTERING MEASURES

#### (1) Major risks

Major risks to which the Group might be exposed include market risk, credit risk, liquidity risk, operational risk and compliance risk. The above risks are caused by various uncertainties in the business activities of the Group.

1. **Market Risk:** the risk of incurring losses of the Group due to changes in the prices of securities, futures and bulk commodities or interest rates and exchange rates. The major market risks faced by the Group are the price risks of equity assets, price risks of futures commodities, pricing risks of options, hedging risks and interest rate risks.
2. **Credit Risk:** the risk of incurring losses of the Group due the unwillingness or failure of a counter-party to perform its contractual obligations. The major credit risks that the Group may encounter are default risks and settlement risks.
3. **Liquidity Risk:** the capital liquidity risk resulting from the Group's unavailability of sufficient capital to meet its obligations or payment settlement during operation, and the trading liquidity risk due to its failure to buy or sell futures, physical commodities and option contracts at the market prices.
4. **Operational Risk:** the risk of incurring losses due to a series of non-financial issues, including incomplete internal operation procedures, staff, system or negative external incidents.
5. **Compliance Risks:** the risk that the Group or its staff may face legal sanction, regulatory measures and self-regulatory punishment and may incur economic loss and reputation harm due to violation of laws, regulations and self-regulatory rules on the part of our business activities or behavior of our staff.

### **(2) Countering Measures Adopted**

#### **1. General Countering Measures**

##### **(1) *Establishing a scientific and effective risk management organizational structure***

The Board of Directors of the Company is the highest decision-making organ in charge of risk management, with the Risk Control Committee and the Audit Committee to review and audit major risk matters; the Supervisory Committee is responsible for supervising and inspecting the Board of Directors and the senior management in performing their risk management duties; the senior management are responsible for organizing and carrying out the Company's daily comprehensive risk management; the Chief Risk Officer is responsible for organizing, coordinating and implementing all kinds of comprehensive risk management; the Compliance and Risk Control Department is the centralized management department in charge of the Company's overall risk management, who carries out daily comprehensive risk management under the leadership of the Chief Risk Officer; other functional departments, branches and risk management subsidiaries are responsible for setting up their own compliance and risk control positions respectively, who assist their person in charge to arrange the identification, assessment, monitoring, handling and reporting of various types of risks of their own.

##### **(2) *Constantly perfecting the corporate governance structure***

The Company continuously optimizes the corporate governance structure and continuously strengthens the construction of corporate governance capacity. The general meetings, the Board of Directors, the Supervisory Committee and the senior management shall abide by laws and regulations and the relevant provisions of the Articles of Association, and perform their respective duties, coordinate their operations and form effective check and balance. The rules of procedure of the general meetings, the Board of Directors, the Supervisory Committee and the Articles of Association and other internal rules are in compliance with relevant laws and regulations and have been effectively implemented. Meanwhile, they can be optimized in time according to the Company's development and market changes, and the corporate governance capacity has been continuously improved.

##### **(3) *Constantly perfecting the comprehensive risk management system***

The Company's risk management covers all departments, branches and subsidiaries in every part of business throughout the course. The Company has established and constantly improved a comprehensive risk management system covering all types of risks, and standardized the risk management. It takes the Company as a whole in gathering risk information and business data of all business lines and subsidiaries for risk identification, risk assessment, risk monitoring, risk handling and risk reporting.

##### **(4) *Constantly enhancing the risk control awareness***

The Company puts great emphasis on enhancing risk control awareness and risk control capabilities among our staff. Through internal advocating and training, the Company constantly enhances the capabilities of the staff in identifying and preventing risks as well as raising their risk management awareness, fosters a favorable risk management culture and ensures that the general risk management objectives of the Company are achieved.

## Management Discussion and Analysis

### 2. Countering Measures Against Major Risks

#### (1) *Market Risk*

- (i) The Company has established a systematic investment management mechanism, and continuously strengthens analysis of the financial market. Prior to commencement of a new investment project, a business unit is required to submit an application to the Company's senior management, conduct due diligence, describe nature of the investment, analyze the potential market risks and possible consequences.
- (ii) The Company adopts diversified fund management strategies to avoid excessive concentration of capital use. We increases research on interest rate and exchange rate risks to make more forward-looking decisions about capital use, and the relevant decision-making organization will decide the feasibility of the plan through a standardized procedures.
- (iii) The Company tracks and monitors risk limits by using quantitative indicators in the process of trading and risk control, strengthens monitoring of the exposure limit, concentration limits, preset warning lines, stop loss line and position size. Designated personnel is on duty for monitoring, strengthening risk hedge, in order to reduce the loss resulting from drastic fluctuation and unexpected movement of market price.

#### (2) *Credit Risk*

- (i) For credit risks related to the commodity futures and spot transaction and risk management business of risk management subsidiaries, the Group has established a client credit evaluation system for credit ratings of existing and potential clients based on the appraisal conducted by the Group's risk control personnel, and adjust the credit ratings of the clients based on their financial conditions and their experiences of co-operation with the Group.
- (ii) For credit risks related to the futures brokerage business, the Company conducts risk rating on clients based on their assets, professional knowledge on futures, trading experiences and risk tolerance before entering into brokerage contracts with such clients. Accordingly, the Company provides appropriate services to them and implements corresponding risk control measures. The Company requires our clients to maintain margin deposits not lower than the minimum deposit required by the PRC Futures Exchanges. If such margin deposits fall short, the risk control personnel will strictly comply with the internal control measures of the Company to close out the position compulsorily with reference to the clients' past trading history and reputation. This measure can control the risk of margin call liquidation while retaining premium clients.

### **(3) Liquidity Risk**

- (i) The Company has established a net capital risk assessment and monitoring system to continuously monitor the Company's net capital and other risk regulatory indicators.
- (ii) The Company strengthens the real-time monitoring and management of large amounts of funds in order to achieve centralized fund allocation and coordinated liquidity risk management.
- (iii) The Company conducts a stress test on the risk control indicators on an ad hoc basis by observing and simulating the effects on the major regulatory indicators and the cash flow of the Company under different scenarios, such as drastic fluctuation in market price, material lack of market liquidity or massive changes in macro-economic environment, and work out prevention measures and emergency plans accordingly.
- (iv) The Company's risk management subsidiary selects those commodities that are more actively traded in the commodity market for business when we conducts commodity trading and risk management business to reduce the liquidity risk of trading.

### **(4) Operational Risk**

- (i) The Company formulates and strictly implements internal control system and work procedures with written terms covering every business line, including human resources and administration, brokerage business, intermediaries management, trading, settlement, delivery, compliance and internal control, risk control, legal affairs, anti-money laundering, customer service, financial management, information technology, research and development and investor education, asset management and option business. The Company constantly expands and improves such systems in accordance with the laws and regulations, requirements of self-regulatory rules and the development of new businesses.
- (ii) The Company continuously reviews the risk points of each business line to form a control list, and constantly improves the procedures, strengthens accountability. The Company increased the operational level of our employees, in an aim to reduce operational risks caused by internal operating procedures and personnel errors. The Company strictly implements the reward and punishment measures for units or individuals who cause operational risks or who effectively avoid operational risks, and holds self-examination and rectification internally to avoid the recurrence of similar risks.
- (iii) To avoid employee moral hazard, the Company has human-oriented incentives such as remuneration and promotion in an open, fair and impartial way to provide our staff with a favorable development environment, and to enhance their sense of responsibility and dedication to their duties. The Company holds trainings about professional ethics, standardizes the operational behavior of employees, prohibits transfer of benefits and market manipulation, to reduce possible human operational risks.



## Management Discussion and Analysis

### **(5) Compliance Risk**

- (i) The Company has built up a well-structured compliance management system and organizational system, and appointed a chief risk officer who is fully responsible for the risk management, internal control and compliance, etc.
- (ii) The Company has designated compliance and risk control executives in the functional departments of the headquarters, each branch and the risk management subsidiaries to strengthen risk control before the facts and in the course of the facts.
- (iii) The Company has an audit department who regularly inspects the rationality, legitimacy, compliance and effectiveness of the internal control system of the Company, the operation and the financial revenue and expenditure of each operating entity, the operation procedures of each functional department of the Company and the duty-performance of our personnel.
- (iv) The compliance and risk control department and the audit department of the Company have adopted certain measures to reduce possible compliance risks, including understanding the latest laws and regulations in a timely manner, conducting compliance training, offering compliance consultation and carrying out compliance monitoring and compliance check, and internal audit, etc.

# Report of the Board of Directors

## I. PRINCIPAL BUSINESSES

The Company is a futures company. For the details of Group's business scope, please see "V. Business Briefings of the Company" of Chapter III of this report.

## II. RESULTS AND FINAL DIVIDENDS

Please refer to Chapter XIII of this report for the details of the Group's results for the year ended 31 December 2024.

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 December 2024.

## III. BUSINESS REVIEW

A review of the business for the year and a discussion on future development of the Group are set out in pages 30 to 35 of this report. An analysis of the major financial performance indicators on the performance of the Group for the year is set out from pages 36 to 47 of this report. Details of the significant events that have material impact on the Group during the Reporting Period and since the end of the financial year are set out in page 101 of this report. Major risks and uncertainties that may be faced by the Group are set out in pages 52 to 56. Major relationship with employees, customers and suppliers are set out in page 64.

## IV. DIRECTORS AND DIRECTORS' BIOGRAPHIES

### (1) Directors

During the Reporting Period and as at the date of this Report, the Directors of the Company comprises of Mr. Zhong Jinlong, Mr. Liu Qingbin (appointed on 22 February 2024; resigned on 28 November 2024 as he wanted to commit more time to family and personal affairs), Mr. Zhou Shunyuan (appointed on 25 February 2025) and Mr. Liang Zhongwei as executive Directors; Mr. Hu Kainan (resigned on 22 February 2024 due to other work commitments), Mr. Zheng Hanyin, Mr. Ming Gang and Mr. Liu Feng (resigned on 27 June 2024 due to other work commitments) and Ms. Wang Hui (appointed on 27 June 2024) as non-executive Directors; Mr. Zheng Jianping, Mr Chen Hua and Mr. Luo Xinhua as independent non-executive Directors.

During the Reporting Period, Mr. Liu Qingbin obtained the legal opinion referred to in Rule 3.09D of the Listing Rules on 20 February 2024. He also acknowledged his responsibilities as a Director of the Company. Ms. Wang Hui obtained the legal opinion referred to in Rule 3.09D of the Listing Rules on 27 June 2024. She also acknowledged her responsibilities as a Director of the Company.

As at the end of the Reporting Period, the Board of Directors comprises of three independent non-executive Directors, and the requirements under the Listing Rules that the board of directors must include at least three independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise was complied.

There was no relationship among the members of the Board (in particular between the Chairman of the Board and the general manager) in the financial, business, family or other material/relevant aspects.

## Report of the Board of Directors

### (2) Directors' biographies

Please refer to the section "I. Briefings of the Directors, Supervisors and Senior Management (I) The Board" in Chapter IX of this Report for details.

## V. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, each of the Directors and Supervisors have entered into service contracts with the Company in respect of, among other things, compliance with relevant laws and regulations, observation of the Articles of Association and provisions on arbitration.

The principal particulars of these service contracts are (a) for a term of three years commencing from the signing date; and (b) are subject to termination in accordance with their respective terms. The service contracts may be renewed according to the Articles of Association and applicable laws, rules or regulations.

Save as disclosed above, none of the Directors, Supervisors or their associated entities has entered or proposed to enter any service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

## VI. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which have been taken or deemed to be owned under such provisions of the SFO), or which was required to be entered in the register referred to therein pursuant to Section 352 of the SFO, or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## VII. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, to the knowledge of the Directors, the interests or short positions of the following persons (other than Directors, Supervisors or chief executive of the Company) in the Shares or underlying Shares of the Company, which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, are as follows:

Name of Shareholder	Class of Shares	Capacity	Number of Shares held	Approximate percentage of the total issued Shares	Approximate percentage of shareholding in the relevant class of Shares
Zhongtai Securities Co., Ltd. (previously known as Qilu Securities Co., Ltd.)	Domestic Shares	Beneficial owner	632,176,078 (long position)	63.10%	87.22%
Shandong Energy Group Co., Ltd. <sup>(1)</sup>	Domestic Shares	Interest of controlled corporation	632,176,078 (long position)	63.10%	87.22%
Xu Guiqin	H Shares	Beneficial owner	18,276,000 (long position)	1.82%	6.59%
CM International Capital Limited <sup>(2)</sup>	H Shares	Beneficial owner	18,211,000 (long position)	1.82%	6.57%
CMIG International Capital Limited (中民投國際資本有限公司) <sup>(2)</sup>	H Shares	Interest of controlled corporation	18,211,000 (long position)	1.82%	6.57%
China Minsheng Investment Group Corp., Ltd. (中國民生投資股份有限公司) <sup>(2)</sup>	H Shares	Interest of controlled corporation	18,211,000 (long position)	1.82%	6.57%

The calculation above is based on 724,810,000 Domestic Shares and 277,090,000 H Shares (1,001,900,000 Shares in total) issued by the Company as at 31 December 2024.

## Report of the Board of Directors

Notes:

- (1) Shandong Energy Group Co., Ltd. indirectly holds 36.09% equity interest in Zhongtai Securities Co., Ltd. through its wholly-owned subsidiaries Xinwen Mining Group Co., Ltd. and Zaozhuang Mining (Group) Co., Ltd., and therefore, Shandong Energy Group Co., Ltd. is deemed to be interested in 632,176,078 (long position) Domestic Shares of the Company held by Zhongtai Securities Co., Ltd. for the purpose of Part XV of the SFO.
- (2) CM International Capital Limited directly holds 18,211,000 (long position) H Shares of the Company. According to the form of disclosure of interest submitted by China Minsheng Investment Group Corp., Ltd. (中國民生投資股份有限公司) to the Hong Kong Stock Exchange on 4 October 2018, CMIG International Capital Limited (中民投國際資本有限公司) holds 100% of the equity interest in CM International Capital Limited, and China Minsheng Investment Group Corp., Ltd. (中國民生投資股份有限公司) and CMI Financial Holding Corporation (wholly-owned by CMIG Asia Asset Management Co., Ltd. (中民投亞洲資產管理有限公司, which is wholly-owned by China Minsheng Investment Group Corp., Ltd.)), hold 31.5% and 68.5% equity interests in CMIG International Capital Limited, respectively. Therefore, China Minsheng Investment Group Corp., Ltd. (中國民生投資股份有限公司), CMIG Asia Asset Management Co., Ltd. (中民投亞洲資產管理有限公司), CMI Financial Holding Corporation and CMIG International Capital Limited (中民投國際資本有限公司) are deemed to be interested in the 18,211,000 (long position) H Shares of the Company held by CM International Capital Limited for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 December 2024, the Directors of the Company are not aware of any other person (other than Directors, Supervisors or chief executives of the Company) who has interests or short positions in the Shares or underlying Shares of the Company, which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or, which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### VIII. PENALTY AND RECTIFICATION IMPOSED ON THE COMPANY, DIRECTORS, SUPERVISORS AND THE SENIOR MANAGEMENT

- (1) **In July 2024, Shandong Regulatory Bureau of the CSRC issued the Decision on the Measure of Ordering ZHONGTAI FUTURES Company Limited to Take Correction Measures ([2024] No.70)(《關於對中泰期貨股份有限公司採取責令改正措施的決定》([2024]70號)) to Zhongtai Futures**

Shandong Regulatory Bureau of the CSRC pointed out that the Company has incompliance in terms of the compliance management, risk management and internal control deficiency of its subsidiaries, and has not achieved full coverage of risk management; failed to report the part-time work of individual directors in a timely manner; certain quarterly and annual reports of the Chief Risk Officer omitted compliance and inspection status of trading advisory business, among other issues.

The Company attached great importance to this matter, and timely carried out comprehensive rectification according to the requirements of Shandong Regulatory Bureau of the CSRC, submitted the rectification report, which has passed the acceptance. Through rectification, we have further improved the compliance and risk control management level of subsidiaries, achieved full coverage of risk management, and supervised all lines and departments to strictly abide by regulatory requirements to ensure the Company's continuous compliance and healthy development.

**(2) In December 2024, Shandong Regulatory Bureau of the CSRC issued the Decision on the Measure of Issuing a Warning Letter to ZHONGTAI FUTURES Company Limited ([2024] No.139)《關於對中泰期貨股份有限公司採取出具警示函措施的決定》([2024]139號) to Zhongtai Futures**

Shandong Regulatory Bureau of the CSRC pointed out that, the Company failed to adequately review the qualifications of the partners and the meeting materials during Internet conferences, and has not effectively controlled the course of activities.

The Company attached great importance to the matter, immediately conducted self-examination and took measures according to the requirements of Shandong Regulatory Bureau of the CSRC, further strengthened the control of Internet marketing in terms of systems and process, and submitted the rectification report to Shandong Regulatory Bureau of the CSRC on time.

**(3) In December 2024, Beijing Regulatory Bureau of the CSRC issued the Decision on the Administrative and Regulatory Measure of Issuing a Warning Letter to Beijing Branch of ZHONGTAI FUTURES Company Limited ([2024] No.315)《關於對中泰期貨股份有限公司北京分公司採取出具警示函行政監管措施的決定》([2024]315號)) to Beijing Branch of Zhongtai Futures**

Beijing Regulatory Bureau of the CSRC pointed out that, Beijing Branch of the Company had some incompliance, such as inadequate management of customers' trading behavior, insufficient monitoring of the trading behavior of and follow-up visit of some brokerage clients, and failure to effectively check business risks.

The Company attached great importance to the matter, mobilized Beijing Branch and relevant departments to conduct self-examination and rectification in time according to the requirements of Beijing Regulatory Bureau of the CSRC, further improved the management of clients' trading behavior, optimized the verification, disposal and tracking and assessment mechanism, and submitted the rectification report to Beijing Regulatory Bureau of the CSRC on time.

## Report of the Board of Directors

### IX. THE COMPANY'S COMMITMENT TO SOCIAL RESPONSIBILITIES

#### 1. The Company's Commitment to Social Responsibilities

The Company is committed to building and maintaining a good corporate image of integrity, compliance and fairness. The Company contributes to a steady and healthy growth of the futures market in China by paying tax in compliance with the law, proactively undertaking the obligation of promoting socio-economic development and improving the futures industry.

The Company offers good career development opportunities to our staff. We provides staff with remuneration, opportunities of promotion, reasonable working hours, vacation, equal opportunities, a diversified and discrimination-free working environment and other compensation and benefits as well as increasing training resources in strict compliance with the Labor Law of People's Republic of China and its labor contracts.

The Company strives to become a prominent corporate citizen and actively fulfill our social responsibility by enthusiastically supporting charities, participating in social services, etc. During the Reporting Period, the Company had no material environmental protection issues or other major social security issues.

The Company persists in fulfilling our corporate social responsibility, actively responds to the initiative proposed by the futures industry of promoting the rural revitalization in all aspects and contributing to the common prosperity, and commits itself to the national rural revitalization strategy. The Company won the "Best Rural Revitalization Service and Social Responsibility Public Welfare Award" granted by the Futures Daily and the Securities Times, the "Excellent Financial Products in Shandong Province in 2023" granted by the Financial Office of Shandong Provincial Party Committee, Shandong Branch of People's Bank of China, Shandong Supervision Bureau of State Financial Supervision and Administration", the "Second Prize of Financial Innovation Project of Jinan City in 2023" granted by the Finance Committee Office of Jinan Municipal Committee of the Communist Party of China", and the "Outstanding Project Award" for "Agricultural Insurance Without Worries (農險無憂)" Pilot Project granted by Zhengzhou Commodity Exchange in 2023.

#### (2) The Company's commitment to rural revitalization

In 2024, the Company leveraged on our professional expertise to provide financial service support for rural revitalization. The Company signed "paired assistance agreements" with 26 rural revitalization areas, and carried out more than 170 "insurance + futures" projects in respect of 10 varieties such as pigs, corn and soybean meal, underwriting more than RMB2.135 billion. The Company purchased agricultural and sideline products of more than RMB1,054,600 from rural revitalization areas in Huachuan County of Heilongjiang Province, Wulong County of Chongqing, Alaer City of Xinjiang, Taihu County of Anhui Province. At the same time, leveraging on our technical advantage, we assisted local enterprises in establishing sales platforms. We have taken various measures in promoting rural revitalization. In the evaluation for 2023 to 2024 conducted by China Futures Association, the Company ranked second in the futures sector for rural revitalization, and seventh in the futures sector for the "insurance + futures".

### **X. OTHER DISCLOSURES**

#### **(1) Permitted Indemnity Provision**

During the Reporting Period, the Company had purchased appropriate liability insurance for Directors, Supervisors and senior management to indemnify them for their liabilities arising out of corporate activities.

#### **(2) Management Contract**

During the Reporting Period, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

#### **(3) Environment Policies and Performance**

The Group is a low-energy consumption, non-manufacturing financial enterprise with slight-pollution. The main impacts on environment in the ordinary course of business of the Group are the consumption of paper, electricity, water and automobile exhaust emission. In the daily operations, the Group strictly abides by the relevant state environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China《(中華人民共和國環境保護法)》 and the Air Pollution and Control Law of Atmospheric Pollution of the People's Republic of China《(中華人民共和國大氣污染防治法)》. The Group actively promotes environmental protection concepts and puts them into action.

The Group has maintained an internal practice of recycling consumables (such as toner cartridges and paper) to minimize resource consumption and environmental impact in the course of our business. The Group encourages employees to use double-sided printing when printing is needed, and recycle single-sided paper.

The Group promotes energy-saving practices in our offices, sales offices and other places by encouraging employees to reduce unnecessary use of lighting and air conditioning. Through the abovementioned policies and measures, the Group has improved the overall environmental awareness and reduced consumption of energy effectively.

#### **(4) Compliance with Laws and Regulations**

The Company strictly abides by the Company Law《(公司法)》, the Futures and Derivatives Law《(期貨和衍生品法)》, the Regulations on the Administration of Futures Trading《(期貨交易管理條例)》, the Supervisory and Administrative Measures for Futures Companies《(期貨公司監督管理辦法)》 of the PRC, the Listing Rules, the SFO and the relevant laws and regulations of the PRC and Hong Kong.



## Report of the Board of Directors

### **(5) Relationship with Key Stakeholders**

#### **1. Employees**

Employees are regarded as the most important and valuable assets for the Group. The Group has established a complete system and procedures of human resource management in order to regulate the use of human resources and realistically protect employees' rights and interests. Through compensation and welfare schemes and annual appraisal plans, the Group has awarded and commended outstanding employees while enhancing employees' vocational capabilities and widening their room for vocational development by way of training and others.

Please refer to the section "VI. Employees Structure, Remuneration and Training" in Chapter VI of this Report for details.

#### **2. Major customers and suppliers**

The Group provides services for the individual and the institutional customers in the different industries. The Company's large customers include institutional and high-net-worth individuals. For the year ended 31 December 2024, the revenue from the five largest customers of the Company represented less than 30% of operating income.

Due to the nature of the business, the Company does not have major suppliers.

### **(6) Directors' Competing Business**

During the Reporting Period, none of the Directors of the Company and their associates (as defined in the Listing Rules) is interested in any business which competes, or may compete, directly or indirectly, with the business of the Company and/or its subsidiaries.

### **(7) Directors' and Supervisors' Material Interests in Transactions, Arrangements or Contracts of Significance**

During the Reporting Period, save as disclosed in the section "III. Connected Transactions" in Chapter X of this Report, there is no transactions, arrangement or contract of significance in relation to the Group's business to which the Company or any of our subsidiaries was a party and in which a Director or Supervisor of the Company or entities connected with a Director or Supervisor has a material interest, whether directly or indirectly, has been entered into or subsisted during the Reporting Period.

### **(8) Equity-linked Agreements**

No equity-linked agreement was entered into by the Company during the Reporting Period.

### **(9) Reserves and Reserves Available for Distribution to Shareholders**

During the Reporting Period, the changes of the Group's reserves are set out in Note 39 on main items to the consolidated financial statements in this Report.

### **(10) Pre-Emptive Rights**

There is no arrangement for pre-emptive rights of the Company in accordance with the laws of the PRC and the requirements of the Articles of Association.

### **(11) Directors' and Supervisors' Right to Purchase Shares or Debentures**

During the Reporting Period, none of the Directors, Supervisors or their respective spouse or children under 18 years of age has a right to gain benefits by means of the acquisition of Shares in or debentures of the Company, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, Supervisors of the Company or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

### **(12) Property and Equipment**

Please refer to the Note 15 on main items of the consolidated financial statements of this Report for details of property and equipment of the Group during the Reporting Period.

### **(13) Public Float**

Based on public information available to the Company and as far as the Directors are aware, during the Reporting Period and up to the date of this Report, the public float of the Company was in compliance with the minimum public float requirement of 25% of the Hong Kong Stock Exchange.

### **(14) Share Capital**

As at the end of Reporting Period, the total share capital of the Company was RMB1,001,900,000, divided into 1,001,900,000 Shares (including 724,810,000 Domestic Shares and 277,090,000 H Shares) with a nominal value of RMB1.00 each. The details of changes in share capital of the Company during the Reporting Period are set out in Note 34 to the consolidated financial statements of this Report.

## Report of the Board of Directors

### (15) Issuance of Debentures

During the Reporting Period, the Company did not issue any debentures.

### (16) Donation

In 2024, the Company applied a total of RMB750,000 in industrial project assistance funds to rural revitalization places, including Jiaxiang County, Juye County, Yuncheng County, Shanghe County, Xintai City and Zhucheng City of Shandong Province, so as to further enhance the self-development ability of rural revitalization areas through industrial assistance. We assisted development of featured industrial projects in those areas, to spur local employment and increase farmers' income; the party organizations of the Company cooperated with the party organizations in rural revitalization areas to promote paired Helping activities through Party-building, and donated materials equivalent to RMB161,700. The Company donated RMB1,000 to Shandong Population Care Fund\* (山東省人口關愛基金).

**By order of the Board**

**Zhong Jinlong**  
**Chairman**

20 March 2025

\* For identification purpose only

# Work Report of the Supervisory Committee in 2024

In 2024, the Supervisory Committee earnestly performed and independently exercised its supervision powers and duties in strict compliance with the requirements of the Company Law of the People's Republic of China, the Futures and Derivatives Act of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association and Terms of Reference of the Supervisory Committee, and relevant laws and regulations. With the principle of being accountable to the Company and all Shareholders, it actively understood and supervised the Company's operating activities, financial status, execution of major decisions, resolutions of the general meetings and Board, and also supervised the compliance of the Company with laws in operation and the performance of duties by the Directors and senior management of the Company. The work report of the Supervisory Committee in 2024 is as follows.

## I. MAJOR WORK OF THE SUPERVISORY COMMITTEE IN 2024

### (1) Meetings of the Supervisory Committee in 2024 and the attendance of Supervisors at such meetings

During the Reporting Period, the Supervisory Committee held two meetings, details of which are as follows:

1. The fourth meeting of the fourth session of the Supervisory Committee was held by voting on site on 26 March 2024, at which the following proposals were considered and approved: the Proposal on the Work Report of the General Manager of ZHONGTAI FUTURES Company Limited for the Year 2023, the Proposal on the Work Report of the Supervisory Committee of ZHONGTAI FUTURES Company Limited for the Year 2023, the Proposal on the Internal Control Evaluation Report of ZHONGTAI FUTURES Company Limited for the Year 2023, the Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2023 (Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), the Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2023 (Guidelines of the CSRC Regarding the Contents and Formats of Annual Reports of Futures Companies), the Proposal on the Final Financial Accounts of ZHONGTAI FUTURES Company Limited for the Year 2023, the Proposal on the Profit Distribution Plan of ZHONGTAI FUTURES Company Limited for the Year 2023 and the Proposal on the Financial Budgets of ZHONGTAI FUTURES Company Limited for the Year 2024;
2. The fifth meeting of the fourth session of the Supervisory Committee was held by voting on site on 28 August 2024, at which the Proposal on the Work Report of the General Manager of ZHONGTAI FUTURES Company Limited for the First Half of 2024 and the Proposal on the Interim Report of ZHONGTAI FUTURES Company Limited for the Year 2024 were considered and approved.

## Work Report of the Supervisory Committee in 2024

Details of attendance and voting of Supervisors at the meetings in 2024 are as follows:

Name of Supervisor	Capacity	Attendance at meetings of the Supervisory Committee					Are there two consecutive meetings not attended in person	Votes
		Number of meetings required to attend	Number of meetings attended in person	Number of meetings attended by means of correspondence	Number of meetings attended by a proxy	Number of meetings not attended		
An Tie	Chairman of the Supervisory Committee	2	2	0	0	0	No	For all
Ding Jian	Supervisor	2	2	0	0	0	No	For all
Liu Pu	Staff Representative Supervisor	2	1	0	1	0	No	For all

### (2) Attending important meetings of the Company to perform monitoring duties

The Supervisory Committee arranged Supervisors to attend important meetings of the Company as a voting member or not, including the general meetings and the Board meetings held during the Reporting Period. By attending the above-mentioned meetings, it made sure that the decision-making process of major matters of the Company complied with laws and best practices, and supervised the performance of duties by the directors and senior management personnel of the Company, continuously monitored the effectiveness of the Company's internal control, and thus earnestly performed their supervisory duties.

### (3) Carrying out information disclosure, connected transactions and financial supervision.

In 2024, the Supervisory Committee supervised whether the procedures for preparing and approving the Company's periodic reports, and the contents and formats of such reports conform with laws and regulatory requirements by regularly reviewing the Company's periodic reports, and kept a close eye on information disclosure and connected transactions; monitored the truthfulness, accuracy and completeness of the Company's financial information by reviewing the Company's financial reports to be updated about the Company's assets and liabilities, cash flow and operating results, and other financial information in a timely manner and following the liquidity of the Company's own funds and customer margin deposit, and risk regulatory indicators such as net capital and others.

### (4) Carrying out a combination of daily supervision and special supervision

In 2024, the Supervisory Committee persevered in daily supervision and inspection of the Company's operating activities, and carried out supervision and inspection of 14 branches, including the branches in Wenzhou, Jinan, Linyi, Qingdao, Hangzhou, Guangdong and Beijing, and sales offices in Shanghai, Dongying, Rizhao, Dalian, Jining, Hangzhou Linping and Jinan; during the Reporting Period, special compliance inspections were carried out in the form of special inspection on Zhongtai Huirong Capital, a risk management subsidiary; carried out special supervision and inspection on the Company's IT management, anti-money laundering management, etc., and effectively improved the effectiveness of supervision by putting forward rectification suggestions for the problems found.

## Work Report of the Supervisory Committee in 2024

### **(5) Supervision and inspection of the duty-performance of the Directors and senior management personnel**

In 2024, members of the Supervisory Committee implemented their supervision and inspection functions, stayed informed of the Company's business management activities and decision-making process on major issues in a timely manner by attending the general meetings of shareholders, the Board meetings and the annual management meeting of the Company, and reviewing and approving the summary minutes of the meetings held by the general manager's office, and monitored how the Directors and the senior management personnel of the Company discharged their duties.

### **(6) Improving the ability of the Supervisory Committee to perform their duties**

In 2024, the Supervisory Committee continuously made arrangements for its members to study the latest regulatory policies and regulations, familiarize themselves with the relevant laws, regulations and regulatory rules for listed companies, enhance the ability of its members to perform their duties, and ensure that the Supervisory Committee functions in all aspects effectively in accordance with the requirements of the Hong Kong Stock Exchange for the operation of listed companies and based on the Company's actual situation.

## **II. OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS IN 2024**

During the Reporting Period, the Supervisory Committee of the Company performed its supervisory duties in accordance with the Company Law of the People's Republic of China, the Futures and Derivatives Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association, the Terms of Reference of the Supervisory Committee and relevant laws and regulations, and expressed the following opinions:

### **(1) Lawful operation of the Company**

In 2024, the Company operated in accordance with the law, continuously improved its corporate governance level, and strengthened and perfected its internal control system. All business management activities were in compliance with laws and regulations, regulatory policies and the Articles of Association, and the decision-making procedures for major issues were legal and compliant. During the Reporting Period, the Supervisory Committee did not find any material breach of laws and regulations by the Company.

### **(2) Financial management of the Company**

The Company has established and continuously improved its financial system. The financial report of 2024 has been audited by ShineWing Certified Public Accountants LLP who has issued a standard unqualified auditor's report. The Supervisory Committee believed that the financial statements have been prepared under the requirements of Chinese Accounting Standards for Business Enterprises, and give a true and fair picture of the financial status and results of operation of the Company in 2024.

## Work Report of the Supervisory Committee in 2024

### **(3) Performance of duties by the Directors and Senior Management Personnel**

The Directors and senior management personnel of the Company have diligently performed their duties and strictly implemented the resolutions of the general meetings and the Board. During the Reporting Period, the Supervisory Committee did not find violations of laws and regulations and the Articles of Association on the part of the Directors and senior management personnel in performing their duties for the Company or any acts detrimental to the interests of the Company.

### **(4) Connected transactions**

The transactions between the Company and its related parties were entered into on normal terms, the prices are fair and the transactions are fair and reasonable. During the Reporting Period, the Supervisory Committee did not find any connected transaction being used to harm the interests of the Company and other minority shareholders.

### **(5) Internal control of the Company**

The Company has prepared the Internal Control Evaluation Report of the Company for the Year 2024. The Supervisory Committee believes that as of the benchmark reporting date (31 December 2024), the Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the enterprise internal control standard system and relevant regulations, and no defects in internal control over financial reporting, nor material or major defects in internal control of non-financial reporting were noted. However, the Company was subject to administrative measures from the regulatory authorities for failure to properly manage its subsidiaries' risk management, internet conference activities management, customer transaction behavior management and other aspects, which in nature are of general defects in internal control of non-financial reporting, and the risks arising from these general defects are all within control. The Company has taken corresponding measures to improve the system construction, strengthen internal control management, and earnestly implement rectification, and thus no significant impact was noted on the quality of the Company's management activities.

### **(6) Preparation and approval of the 2024 annual report**

The Supervisory Committee believes that the preparation and approval procedures for the Company's 2024 Annual Report are in compliance with relevant laws, regulations, normative documents, the Articles of Association and the Company's internal regulations; the content and format satisfied all the requirements of the CSRC, the Hong Kong Stock Exchange and other relevant authorities, and can give a true, accurate and complete picture of the Company's business management and financial status in 2024; the Supervisory Committee did not find violation of the confidentiality provisions about inside information on the part of the personnel involved in the preparation and approval of the report.

### III. WORK PLANS OF THE SUPERVISORY COMMITTEE FOR 2025

In 2025, the Supervisory Committee will continue to closely follow the core objectives of the Company's business development, strengthen its supervisory functions in all directions, actively explore innovative work modes, firmly grasp the key supervision points in major business areas and key operational links, and give full play to the stability and continuity role of supervision. Firstly, in terms of compliance operation and risk prevention and control, we will further deepen and broaden our supervision of major issues such as the Company's operations in accordance with laws and regulations, comprehensive financial control, the establishment and effective implementation of internal control systems, compliance reviews of related-party transactions, risk control over external investments, and strict control of inside information; secondly, by attending shareholders' meetings, Board meetings and management meetings, and holding regular meetings of the Supervisory Committee, we will conduct in-depth and detailed research and analysis focusing on the protection of shareholders' rights and interests and hot-button issues of concern to employees, providing strong support for the Company's steady development and scientific decision-making and contributing to the Company's high-quality and sustainable development; thirdly, we will establish and improve a normalized communication and coordination mechanism, to maintain close and efficient communication with the internal audit department and the accounting firm engaged by the Company. Through the comprehensive analysis of financial information, business processes and internal control, we can timely and accurately grasp the Company's operating status, financial status and risk status, and provide the Supervisory Committee with detailed and reliable data basis for supervision and decision-making; fourthly, we attach great importance to improving the professional competence of the members of the Supervisory Committee, and continuously organize systematic training, learning and exchange activities in connection with national financial laws and regulations, latest financial regulatory policies' interpretation and financial knowledge. This will effectively enhance the pertinence and effectiveness of supervisory work, continuously advance the Supervisory Committee's performance to a higher level, and provide solid supervisory safeguards for the Company's healthy development.

**By Order of the Supervisory Committee**  
**An Tie**  
**Chairman of the Supervisory Committee**  
20 March 2025



# Directors, Supervisors, Senior Management and Staff

## I. BRIEFINGS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Set out below is the brief introduction of the Company's Directors, Supervisors and senior management as at the date of this Report:

1. Directors: the Board consists of nine members, including three executive Directors with Mr. Zhong Jinlong serving as the Chairman of the Board, Mr. Zhou Shunyuan serving as the general manager and Mr. Liang Zhongwei serving as a staff representative Director, and six non-executive Directors (including three independent non-executive Directors).
2. Supervisors: the Supervisory Committee consists of three members, including two Shareholder representative Supervisors (Mr. An Tie serving as the Chairman of the Supervisory Committee), one staff representative Supervisor.
3. Senior management: there are seven senior managers, including one general manager, three deputy general managers (among them, one deputy general manager also serves as general counsel), one chief risk officer, and one chief information officer.

### (I) The Board

#### Executive Directors

Mr. Zhong Jinlong (鐘金龍), aged 60, joined the Company in September 2019. At present, he is the secretary to the Party Committee, executive Director and the Chairman of the Board of the Company, the chief consultant of Zhongtai Securities Co., Ltd. He is also a member of the Council under Shandong Zhongtai Charity Foundation (山東中泰慈善基金會) and a director representative of the Sixth Council of China Futures Association, a member of the Special Talent Development Committee of the sixth Council of China Futures Association and President of Shandong Futures Association. Mr. Zhong Jinlong served as assistant engineer and engineer at the Electric Power Test and Research Institute of Shandong Electric Power Supply Bureau (山東省電力局電力試驗研究所) and Shenzhen Nuclear Power Engineering Company (深圳核電工程公司) from July 1986 to September 1993; served as the chief and director of the Administrative Office of Shandong International Trust and Investment Corporation (山東省國際信託投資公司) from August 1995 to June 2000; served in succession as director, vice general manager and general manager in Minsheng Securities Co., Ltd. (民生證券股份有限公司) (previously known as Yellow River Securities Co., Ltd. (黃河證券有限公司)) from June 2000 to January 2008; held various positions, such as compliance officer and deputy general manager of Zhongtai Securities Co., Ltd. (previously known as Qilu Securities Co., Ltd. (齊魯證券有限公司)) from January 2008 to March 2022; he serves as the chief consultant of Zhongtai Securities Co., Ltd. since March 2022; serves as the secretary to the Party Committee of the Company since September 2019, and serves as executive Director and the Chairman of the Board of the Company since December 2019; and serves as a member of the Council under Shandong Zhongtai Charity Foundation since June 2020, serves as the president of Shandong Futures Association since February 2023, and serves as the director representative of the Sixth Council of China Futures Association since September 2023 and serves as member of the Special Talent Development Committee of the Sixth Council of China Futures Association since July 2024. Mr. Zhong Jinlong graduated from Xi'an Jiaotong University with a bachelor's degree in power system and automation in July 1986; graduated from Shanghai University of International Business and Economics (previously known as Shanghai Institute of Foreign Trade (上海對外貿易學院)) with a bachelor's degree in international trade in July 1995; graduated from Peking University with a master's degree in EMBA in January 2005. Zhong Jinlong was awarded the professional qualification of the engineer in August 1987. He obtained the professional qualification of lawyer issued by the Ministry of Justice of the People's Republic of China in February 2005.

## Directors, Supervisors, Senior Management and Staff

Mr. Zhou Shunyuan (周順遠), aged 51, joined the Company in February 2025 and currently serves as the Deputy Secretary to the Party Committee, an executive Director and the General Manager of the Company. Mr. Zhou Shunyuan served as an employee of the Bayi Trading Hall of Shandong Securities Co., Ltd. (山東證券有限責任公司) from July 1996 to September 1998; the deputy manager of the Jinan Jiefangqiao Securities Sales Office of Shandong Securities Co., Ltd. from September 1998 to July 2001; the deputy manager of the Jinan Jiefangqiao Securities Sales Office of Tiantong Securities Co., Ltd. (天同證券有限責任公司) from July 2001 to May 2002; served as the deputy manager of the investment advisory department of the Jinan Central Sales Office of Tiantong Securities Co., Ltd. from May 2002 to March 2003; served as a business specialist of the brokerage business headquarters of Tiantong Securities Co., Ltd. from March 2003 to August 2003; served as the deputy general manager of the Zaozhuang Qingtan Middle Road Securities Sales Office of Tiantong Securities Co., Ltd. from August 2003 to March 2006; served as a team member of the brokerage business team of the custodian division of Tiantong Securities from March 2006 to January 2007; served as the temporary head of the Jinan Lishan Road Securities Sales Office of Qilu Securities Co., Ltd. (齊魯證券有限公司) from January 2007 to September 2007; served as the general manager of the Jinan Lishan Road Securities Sales Office of Qilu Securities Co., Ltd. from September 2007 to August 2010; served as the general manager of the Jinan No. 1 Avenue Securities Sales Office of Qilu Securities Co., Ltd. from September 2010 to December 2013; served as the general manager of the Jinan Jiefang Road Securities Sales Office of Qilu Securities Co., Ltd. from December 2013 to December 2014; served as the general manager of the Dezhou Branch of Qilu Securities Co., Ltd. from December 2014 to September 2015; served as the general manager of the Dezhou Branch of Zhongtai Securities Co., Ltd. from September 2015 to February 2021; served as the general manager of the Dongying Branch of Zhongtai Securities Co., Ltd. from February 2021 to February 2025; serves as the Deputy Secretary to the Party Committee, and an executive Director and general manager of the Company since February 2025. Mr. Zhou Shunyuan graduated from Shandong Institute of Economics with a bachelor's degree in industrial economics in July 1996; graduated from Shandong University (山東大學) with a master's degree in business administration in June 2006.

Mr. Liang Zhongwei (梁中偉), aged 51, joined the Company in March 2009. At present, he is a staff representative Director, secretary of the Board, a Joint Company Secretary, head of the Board Office, and a director and the general manager of LUZHENG INTERNATIONAL HOLDINGS CO., LTD. Mr. LIANG Zhongwei served as an employee in the commission business of Qilu Trust and Investment Co., Ltd. in Shandong Province from July 1997 to May 2001; held several positions in Qilu Securities Co., Ltd (now known as Zhongtai Securities Co., Ltd.), including assistant to the departmental general manager and departmental senior business manager in succession from May 2001 to March 2009; served as the director of the administrative office and the general manager of human resources department of the Company from March 2009 to September 2013; serves as staff representative Director of the Company since June 2012; served as the secretary general of Shandong Futures Association from September 2013 to July 2017; served as the director of the Organizational Department of the Party Committee in the Company from October 2017 to December 2020; served as the head of the Board Office of the Company from February 2018 to August 2022; serves as a director of LUZHENG INTERNATIONAL HOLDING LIMITED since April 2018; serves as a director of LUZHENG INTERNATIONAL FUTURES LIMITED from May 2018 to April 2021; served as a member of the Party Committee of the Company from August 2018 to July 2022; serves as the secretary to the Board and Joint Company Secretary of the Company since June 2019; served as a director of Jinova S.A. from July 2019 to October 2021; serves as the general manager of LUZHENG INTERNATIONAL HOLDING LIMITED since November 2020; serves as the head of the Board Office of the Company since January 2023. Mr. LIANG Zhongwei graduated from Shandong University with a bachelor's degree in international economics in July 1997. Mr. LIANG Zhongwei obtained the qualification of intermediate economist issued by the Ministry of Personnel of the PRC in November 2001.

### Non-executive Directors

Mr. Zheng Hanyin (鄭韓胤), aged 49, joined the Company in May 2022. At present, he is a non-executive Director of the Company, and serves as the executive president, the director of the wealth management committee, the general manager of the retail business department of Zhongtai Securities Co., Ltd. as well as a delegate of the 17th People's Congress of Yangpu District, Shanghai. Mr. Zheng Hanyin was an employee at the sales office and the headquarters of Caizheng Securities Company \* (財政證券公司) in Zhejiang Province from August 1996 to February 2003; served as the assistant to the general manager of the Taizhou sales office of Caitong Securities Co., Ltd. from February 2003 to June 2005; served as the deputy general manager of Lanxi sales office of Caitong Securities Co., Ltd. from June 2005 to February 2006; served as the deputy general manager of Wenzhou sales office of Caitong Securities Co., Ltd. from February 2006 to February 2007; served as the deputy general manager of Hangzhou Jiefang Road securities sales office of Caitong Securities Co., Ltd. from February 2007 to February 2008; served as the general manager of Hangzhou Gymnasium securities sales office of Caitong Securities Co., Ltd. from February 2008 to October 2012; served as the departmental general manager of the wealth management center of Shanghai Securities Co., Ltd. from November 2012 to June 2014; served as the departmental general manager of the asset management headquarters of Shanghai Securities Co., Ltd. from July 2014 to August 2014; he was an employee of the Shanghai Branch of Zhongtai Securities Co., Ltd. (previously known as Qilu Securities Co., Ltd.) from August 2014 to October 2014; served as the general manager of the Shanghai Branch of Zhongtai Securities Co., Ltd. from October 2014 to September 2015; served as the general manager of the Shanghai Branch of Zhongtai Securities Co., Ltd. from September 2015 to January 2022; served as a member of the brokerage management committee and member of the wealth management committee of Zhongtai Securities Co., Ltd. from December 2018 to March 2021; served as the assistant to the general manager of Zhongtai Securities Co., Ltd from March 2021 to August 2023; serves the director of the wealth management committee, the general manager of the retail business department of Zhongtai Securities Co., Ltd. since March 2021; serves as a delegate of the 17th People's Congress of Yangpu District, Shanghai since November 2021; and serves as a non-executive Director of the Company since May 2022; served as an executive president of Zhongtai Securities Co., Ltd since August 2023. Mr. Zheng Hanyin graduated from Zhejiang Banking School \* (浙江銀行學校), which is a secondary specialized school, in July 1996, majoring in financial accounting; graduated from Hangzhou Institute of Electronic Technology, which is a college for professional training, in July 1999, majoring in foreign-related accounting; graduated from China Agricultural University in January 2005 with a bachelor's degree in finance; graduated from Shanghai Jiaotong University with a master's degree in EMBA in June 2017.

\* For identification purpose only

## Directors, Supervisors, Senior Management and Staff

Mr. Ming Gang (明鋼), aged 51, joined the Company in December 2019. At present, he is a non-executive Director of the Company, as well as executive in charge of the supply and sales platform and the general manager of Integrated Service Center of Yongfeng Group Co., Ltd. (永鋒集團有限公司). Mr. Ming Gang served as a section member in Laiwu Steel Group Ltd. from October 1994 to August 2001; served as a section member and deputy section chief in Shandong Laiwu Steel International Corp. from August 2001 to October 2007. He served as deputy general manager of Shanghai Mingfuqin International Trade Co., Ltd\* (上海明賦勤國際貿易有限公司) from October 2007 to August 2008; served as the general manager of Shandong Yongfeng International Trade Co., Ltd. from August 2008 to May 2016; served in succession as deputy general manager and minister of trade of the marketing company, general manager of the supply and sales company and general manager of the international trading vehicle of Yongfeng Group Co., Ltd. from June 2016 to December 2024; serves as a non-executive Director of the Company since December 2019; serves as executive in charge of the supply and sales platform and the general manager of Integrated Service Center of Yongfeng Group Co., Ltd. (永鋒集團有限公司) since December 2024. Mr. Ming Gang graduated from Shandong Radio and TV University\* (山東廣播電視大學) with a bachelor's degree in foreign economics and foreign trade in July 1994; he graduated from Party School of the CPC Shandong Provincial Committee in 2001, majoring in economic management.

Ms. Wang Hui (王惠), aged 43, joined the Company in June 2024. At present, she is a non-executive Director of the Company, and a dedicated external director and supervisor of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司). Ms. Wang Hui served as a human resources officer of Dangdai Investment Group Co., Ltd. (當代投資集團有限公司) from July 2005 to July 2007; served as a human resources officer of AVIC First Group Finance Co., Ltd. (中航第一集團財務有限責任公司) from July 2007 to July 2008; served as a senior human resources officer of Jinan Zhonghai Land Property Co., Ltd. (濟南中海地產有限公司) from July 2008 to June 2009; served as the cadre management and training supervisor of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from June 2009 to June 2012; served as the senior business manager of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from June 2012 to December 2015; served as the deputy head of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from December 2015 to November 2018; served as the senior business manager of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from July 2018 to November 2018; served as the deputy general manager and senior business manager of the capital operation center of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from November 2018 to April 2020; served as the general manager of the capital operation center of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from April 2020 to May 2023; served as the deputy head (middle level official title) of the corporate management department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from June 2023 to March 2024; and serves as a dedicated external director and supervisor of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) since March 2024. Ms. Wang Hui graduated from Shandong Normal University with a bachelor's degree in applied psychology in July 2003 and graduated from Peking University with a master's degree in applied psychology in July 2005.

\* For identification purpose only

### Independent non-executive Directors

Mr. Zheng Jianping (鄭堅平), aged 61, joined the Company in December 2019. At present, he is an independent non-executive Director of the Company, and also serves as a director, executive vice president, managing director, and head of Investment Bank Department of Huizhi International Capital Holdings Co., Limited (匯智國際金融控股有限公司). Mr. Zheng Jianping served at London and Singapore as the executive officer of Investment Bank Department of Rothschild from September 1994 to February 2002; and was a director of Rothschild China and Rothschild Hong Kong Limited from February 2002 to May 2002; served as director of ICEA (工商東亞有限公司) from June 2002 to August 2003; he held various positions at Investment Banking division of HSBC (滙豐銀行), such as director, managing director, and head of Resources and Energy Group for Asia Pacific from September 2004 to September 2008; served as a partner, senior managing director, head of Greater China Advisory of the Blackstone Group from October 2008 to April 2011; served as managing director and head of China M&A at Investment Banking Division of Citigroup Group from July 2011 to April 2015; serves as a director, executive vice president, managing director and head of the Investment Bank Department of Huizhi International Capital Holdings Co., Limited since October 2015; and serves as an independent non-executive Director of the Company since December 2019. Mr. Zheng Jianping graduated from Shanghai Jiao Tong University with a bachelor's degree in computer science in July 1985; he graduated from Shanghai Jiao Tong University with a master's degree in computer science in January 1988.

## Directors, Supervisors, Senior Management and Staff

Mr. Chen Hua (陳華), aged 57, joined the Company in March 2022. At present, he is an independent non-executive Director of the Company, and serves as the director of the Modern Finance Research Institute of Shandong University of Finance and Economics\* (山東財經大學當代金融研究所), professor and doctoral supervisor of Shandong University of Finance and Economics (山東財經大學). He also serves as an independent non-executive director of Champion Alliance International Holdings Limited (Hong Kong Stock Exchange stock code: 01629), an independent non-executive director of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司), and serves as an independent non-executive director of Impulse (Qingdao) Health Technology Co., Ltd. (青島英派斯健康科技股份有限公司) (Shenzhen Stock Exchange stock code: 002899), an independent non-executive director of Bank of Rizhao Co., Ltd. (日照銀行股份有限公司) and an independent non-executive director of Nanjing Shenghang Shipping Co., Ltd (Shenzhen Stock Exchange Stock-code: 001205), a council member of the Insurance Society of China, an executive council member of the Shandong Provincial Economic Society and a council member of the Shandong Finance Society. Mr. Chen Hua served as the chief of planning section in Qufu Sub-branch (曲阜支行) and Jining Branch (濟寧分行) of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司) from July 1989 to December 1999; served as the deputy director of Wenshang County Sub-branch of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司汶上縣支行) from January 2000 to August 2001; served as the manager of the risk department in Jining Branch of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司濟寧分行) from August 2001 to August 2002; served as the director of the Institute of Finance and Taxation of Shandong School of Economics (山東經濟學院財稅金融研究所) from March 2005 to October 2011; served as the director of the Economic Research Center of Shandong University of Finance and Economics (山東財經大學經濟研究中心) from October 2011 to October 2014; serves as the director of the Institute of Contemporary Finance of Shandong University of Finance and Economics (山東財經大學當代金融研究所) since November 2014; served as an independent non-executive director of Bank of Qingdao Co., Ltd. (Hong Kong Stock Exchange stock code: 03866) from July 2015 to July 2021; serves as an independent non-executive director of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) since May 2018; serves as an independent non-executive director of Champion Alliance International Holdings Limited since May 2019; served as an independent non-executive director of Jining Hongrun Food Co., Ltd. (濟寧鴻潤食品股份有限公司) (NEEQ stock code:872568) from October 2020 to April 2023; serves as an independent non-executive director of Impulse (Qingdao) Health Tech Co., Ltd. (青島英派斯健康科技股份有限公司) since July 2021; and serves as an independent non-executive director of Bank of Rizhao Co., Ltd. (日照銀行股份有限公司) since July 2021; and serves as an independent non-executive Director of the Company since March 2022; and serves as an independent non-executive director of Nanjing Shenghang Shipping Co., Ltd since March 2025. Mr. Chen Hua graduated from Southwestern University of Finance and Economics (西南財經大學) with a bachelor's degree in statistics in July 1989; graduated from Shandong University (山東大學) with a master's degree in operational research and control sciences in December 2001; graduated from Soochow University (蘇州大學) with a doctorate degree in finance in June 2005; and studied at the Postdoctoral Station of Applied Economics of the Institute of Fiscal Science of the Ministry of Finance (財政部財政科學研究所應用經濟學博士後流動工作站) from November 2011 to April 2012 and successfully graduated from the station with passing grade.

\* For identification purpose only

## Directors, Supervisors, Senior Management and Staff

Mr. Luo Xinhua (羅新華), aged 59, joined the Company in June 2022. At present, he is an independent non-executive Director of the Company, and a professor in the accounting department, school of management, Shandong University, an independent non-executive director of Shandong Huapeng Glass Co., Ltd. (Shanghai Stock Exchange, stock code: 603021), an independent non-executive director of Jinlei Technology Co., Ltd. (Shenzhen Stock Exchange stock code: 300443), an independent non-executive director of Jinlei Technology Co., Ltd. (Shenzhen Stock Exchange stock code: 300443), an independent non-executive director of Sansec Technology Co., Ltd.\* (三未信安科技股份有限公司), an independent non-executive director of Shandong Boyuan Pharmaceutical Co., Ltd.\* (山東鉑源藥業股份有限公司), an independent non-executive director of Shandong Pengda Ecological Technology Co., Ltd.\* (山東鵬達生態科技股份有限公司). Mr. Luo Xinhua served as a teaching assistant at the department of economics of Shandong University from July 1986 to February 1989; served as a teaching assistant in the department of economics and management, school of economics, Shandong University from February 1989 to November 1992; served as a lecturer in the department of economics and management, school of economics, Shandong University from December 1992 to July 1994; served as a lecturer at the accounting department, school of business administration, Shandong University from August 1994 to August 1998; served as associate professor at the accounting department, school of business administration, Shandong University from September 1998 to July 2000; served as associate professor at the accounting department, school of management, Shandong University from August 2000 to August 2008; serves as professor at the accounting department, school of management, Shandong University since September 2008; served as an independent non-executive director of Shandong Huapeng Glass Co., Ltd. since January 2019; served as an independent non-executive director of Sansec Technology Co., Ltd.\* since October 2020; served as an independent non-executive director of Jinlei Technology Co., Ltd. since December 2021; served as an independent non-executive director of Shandong Boyuan Pharmaceutical Co., Ltd. since January 2022; he serves as an independent non-executive Director of the Company since June 2022; and served as an independent non-executive director of Shandong Pengda Ecological Technology Co., Ltd. since July 2022. Mr. Luo Xinhua graduated from Jiangxi University of Finance and Economics with a bachelor's degree in accounting in July 1986; he graduated from Shandong University with a master's degree in business management in June 2001; he graduated from Huazhong University of Science and Technology with a doctorate degree in business administration in December 2008.



## Directors, Supervisors, Senior Management and Staff

### (II) Supervisory Committee

Mr. An Tie (安鐵), aged 55, joined the Company in June 2020. At present, he is the chairman of the Supervisory Committee of the Company, as well as a staff representative supervisor, the general manager of the compliance management headquarters of Zhongtai Securities Co., Ltd.. Mr. An Tie served in succession as the director of the trust department and the deputy general manager of the securities clearing department of Qilu Trust and Investment Co., Ltd. in Shandong Province (山東省齊魯信託投資股份有限公司) from July 1997 to May 2001; served in succession as the person in charge of the clearing center and the general manager of the securities business department of Zhongtai Securities Co., Ltd. from May 2001 to December 2004; served as the general manager of the audit department of Zhongtai Securities Co., Ltd. from January 2005 to January 2010; served as a staff representative supervisor, the general manager of the audit department of Zhongtai Securities Co., Ltd. from January 2010 to May 2017; served as a member of the disciplinary committee of Zhongtai Securities Co., Ltd. from January 2010 to August 2020; serves as a staff representative supervisor, the general manager of the compliance management headquarters of Zhongtai Securities Co., Ltd. since May 2017; serves as a Supervisor of the Company since June 2020; and served as the chairman of the Supervisor Committee of the Company since November 2020. Mr. An Tie graduated from Shandong University (山東大學) majoring in archive management and obtained a college diploma in July 1989; graduated from Shandong Cadre Correspondence University (山東幹部函授大學) majoring in economic management, and obtained a diploma of bachelor's degree in June 1997; completed his courses majoring in monetary banking in Chinese Academy of Social Sciences (中國社會科學院) in July 1999; and graduated from Asia International Open University (Macau) (亞洲(澳門)國際公開大學) majoring in business management and obtained a master degree in April 2008.

Mr. Ding Jian (丁健), aged 51, joined the Company in February 2023. At present, he is a Supervisor of the Company, and serves as the manager of the asset operation department of Jinan Energy Investment Co., Ltd. Mr. Ding Jian served in session as an employee and vice departmental manager of the planning and finance of Jinan Energy Investment Co., Ltd. from July 1998 to September 2017; was temporarily transferred to the Seventh Inspection Team of Jinan Municipal Committee as a helper from September 2017 to August 2018; served as an employee of the asset department of Jinan Energy Investment Co., Ltd. from August 2018 to April 2022; serves as the departmental manager of the asset operation department of Jinan Energy Investment Co., Ltd since April 2022; and serves as a Supervisor of the Company since February 2023. Mr. Ding Jian graduated from Shandong School of Economics (山東經濟學院) with a bachelor degree in accounting in July 1998.

Mr. Liu Pu (劉普), aged 53, joined the Company in April 2007. At present, he is a staff representative Supervisor and the general manager of the Audit Department of the Company. Liu Pu served as an employee of the chain factory of Taian Automotive Hoisting Machinery Factory\* (泰安汽車起重機總廠鏈條廠) from July 1989 to November 1993; served in session as an employee of Taian Sales Office, financial officer of Shanghai Sales Office and chief accountant of Taian Sales Office of Taian Trust and Investment Corporation (泰安市信託投資公司) from November 1993 to May 2001; served as financial officer of Shanghai Sales Office and chief accountant of Shanghai accounting center of Zhongtai Securities Co., Ltd. (previously known as Qilu Securities Co., Ltd.) from May 2001 to April 2007; served as general manager of the Audit Department of the Company from April 2007 to May 2011; served as director of general office of the Company from June 2008 to March 2009; served as the secretary general of Shandong Futures Association from September 2010 to August 2013; served as the general manager of IB business service department of the Company from October 2013 to June 2016; served as administrative head of branch service department of headquarters of operation management of the Company from June 2016 to August 2019; serves as staff representative Supervisor of the Company since April 2019; served as an employee of the Board Office of the Company from August 2019 to December 2019; serves as general manager of the Audit Department of the Company since December 2019. Liu Pu graduated from Shandong University of Science and Technology majoring in accounting and obtained a bachelor degree in July 2004. Liu Pu obtained the qualification of intermediate economist issued by the Ministry of Personnel in November 1999; and obtained the qualification of intermediate accountant issued by Ministry of Finance in May 2005.

\* For identification purpose only

### (III) Senior management personnel

Mr. Zhou Shunyuan is currently the general manager of the Company. For Mr. Zhou Shunyuan's biography, please refer to "(1) The Board" in this section.

Mr. Liu Yunzhi (劉運之), aged 55, joined the Company in January 2007. At present, he is a member of the Party Committee, a deputy general manager, the person in charge of financial affairs and chairman of the labour union of the Company, general manager of Industrial Development Department I as well as the chairman of the board of directors of LUZHENG INTERNATIONAL HOLDING LIMITED, a representative council member of China Starch Industry Association, a representative council member of the corn starch branch of China Starch Industry Association, a representative council member of Yongxing County Gold and Silver Association, and a representative council member of Shandong Chlor-alkali Industry Association. Mr. Liu Yunzhi served as a head of the Securities Audit of the Auditing Firm of the Audit Office of Shandong Province (山東省審計廳審計師事務所) from July 1993 to December 1999; served as a director and the manager of the Securities Audit in Shandong Shenyuan CPA LLP (山東申元有限責任會計師事務所) from January 2000 to May 2001; served as the deputy senior accountant and the manager of the Securities Audit of Shandong Zhengyuan Hexin (Limited) Certified Public Accountants (山東正源和信有限責任會計師事務所) from June 2001 to January 2002; served as the deputy general manager of the planning and finance department of Qilu Securities Co., Ltd. (now known as Zhongtai Securities Co., Ltd.) from January 2002 to January 2007; worked in the Company as a proposed leader from January 2007 to October 2007; served as the general manager of the Company's Jinan sales office from October 2007 to July 2008; serves as a deputy general manager of the Company since January 2008, and serves as the person in charge of financial affairs of the Company since December 2008, serves as a member of the Party Committee and chairman of the labour union of the Company since December 2009; served as a director of Luzheng Trading Co., Ltd. from April 2013 to August 2019; served as secretary of the Board of Directors and joint company secretary of the Company from January 2018 to June 2019; served as a director of Jinova S. A from July 2019 to October 2021; serves as a director of LUZHENG INTERNATIONAL HOLDINGS LIMITED since August 2019, and serves as the chairman of the board of directors of LUZHENG INTERNATIONAL HOLDINGS LIMITED since September 2019; serves as a representative council member of Yongxing County Gold and Silver Association since January 2021; serves as a representative council member of China Starch Industry Association and a representative council member of the corn starch branch of China Starch Industry Association since June 2021, and serves as a representative council member of Shandong Chlor-alkali Industry Association since March 2022; serves as the general manager of the Industrial Development Department I of the Company since April 2024; performed the duties of general manager of the Company from November 2024 to February 2025. Mr. Liu Yunzhi graduated from Jiangxi College of Finance and Economics (江西財經學院) majoring in auditing and obtained a bachelor degree in July 1993; and graduated from Asia International Open University (Macau) with a master degree majoring in business administration in April 2008. Mr. Liu Yunzhi obtained the qualification of senior auditor issued by the High Review Commission of Professional Title in Auditing of Shandong Province (山東省審計專業資格高級評審委員會) in May 2002; obtained the qualification of certified public account issued by the Institute of Certified Public Accountants of Shandong Province in December 2009; and obtained the qualification of asset valuer issued by the Ministry of Finance in October 1999.

## Directors, Supervisors, Senior Management and Staff

Mr. Meng Xiancheng (孟現成), aged 48, joined the Company in December 2021. At present, he is a deputy general manager, general counsel of the Company, and serves as chairman of the board of Zhongtai Huirong Capital Investment Co., Ltd, chairman of the board of directors of ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED. and a member of the Special Risk Management Committee of the sixth Council of China Futures Association. Mr. Meng Xiancheng served as a trainee lawyer in Shandong Luzhong Law Firm (山東魯中律師事務所) from December 1998 to November 2003; served as a practicing lawyer in Beijing Tianduo Law Firm (北京天鐸律師事務所) from November 2003 to August 2009; served as a senior manager in Qilu Securities Co., Ltd. (now known as Zhongtai Securities Co., Ltd.) from August 2009 to September 2015; served as a senior manager in the Risk Control and Compliance Department of Zhongtai Securities Co., Ltd. from September 2015 to December 2016; served as senior deputy manager, assistant to the general manager and deputy general manager in the compliance management headquarters of Zhongtai Securities Co., Ltd. from December 2016 to December 2021; serves as the general counsel of the Company since December 2021, and served as the general manager of the compliance and risk control department from January 2022 to March 2024; served as a director of Zhongtai Huirong Capital Investment Co., Ltd. from January 2022 to April 2023; served as the chief risk officer of the Company from February 2023 to March 2024; served as the chairman of the supervisory committee of Zhongtai Huirong Capital Investment Co., Ltd from April 2023 to March 2024.; serves as the chairman of the board of Zhongtai Huirong Capital since March 2024; serves as a deputy general manager of the Company since March 2024; serves as the chairman of the board of directors of ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED. since April 2024; serves as a member of the Special Risk Management Committee of the Sixth Council of China Futures Association since July 2024. Mr. Meng Xiancheng graduated from Shandong University in October 1998 with a junior college degree in laws. He graduated from Shandong University with a bachelor's degree in law in December 2004. Mr. Meng Xiancheng obtained the lawyer qualification certificate issued by the Ministry of Justice in July 2001.

Mr. Liu Tong (劉通), aged 45, joined the Company in November 2007, and now is a deputy general manager of the Company, and a director of Zhongtai Huirong Capital Investment Co., Ltd and a member of the Special Committee of Trader Service and Protection of the Sixth Council of China Futures Association. Mr. Liu Tong served as a project manager in Inspur Software Co., Ltd.\* (浪潮軟件股份有限公司) from July 2002 to June 2005; served as a project manager in Beijing ChinaSoft Century Software Technology Co., Ltd from September 2005 to July 2007; served as an employee, supervisor and deputy general manager in the information technology department of the Company from November 2007 to July 2013; served as the deputy general manager of the risk control and settlement department (in charge of work) from July 2013 to April 2015; served as the general manager of the risk control and settlement department from April 2015 to June 2016, and served as the general manager of the retail business department from November 2015 to June 2016; served as the administrative head of the operation management headquarters from June 2016 to September 2021, and served as the general manager of the marketing management department from March 2021 to July 2021, and served as the general manager of the wealth management department of the Company from July 2021 to May 2024; served as assistant to the general manager of the Company from September 2021 to February 2023; serves as a director of Zhongtai Huirong Capital Investment Co., Ltd. since March 2020; serves as a deputy general manager of the Company since February 2023; served as the general manager of the Strategic Customer and Business Collaboration Department of the Company from September 2023 to March 2024; serves as member of the Special Committee of Trader Service and Protection of the Sixth Council of China Futures Association since July 2024. Mr. Liu Tong graduated from Shandong University with a bachelor's degree in Automation of the School of Control Science and Engineering in July 2002. In January 2004, Mr. Liu Tong obtained the title of assistant engineer by the preliminary engineering technical evaluation committee of Inspur Group Co., Ltd.

## Directors, Supervisors, Senior Management and Staff

Mr. Zhao Dong (趙東), aged 38, joined the Company in September 2010. At present, he is a deputy general manager of the Company and vice chairman and general manager of Zhongtai Huirong Capital Investment Co., Ltd, a director of ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED. and a member of the Special Trading Consulting Service Committee of the sixth Council of China Futures Association. Mr. Zhao Dong served as an intermediary in Qilu Futures Brokerage Co., Ltd. from May 2005 to April 2007; served as an intermediary in Jinan Sales Office of the Company from April 2007 to September 2010; served as an employee of Jinan Sales Office from September 2010 to August 2011; served as an employee of Guangzhou Sales Office and Jinan Sales Office of the Company from April 2012 to June 2017; served as the general manager of Jinan Sales Office of the Company from June 2017 to February 2020; served as the general manager of Jinan Branch of the Company from February 2020 to April 2023; served as the assistant to the general manager of the Company from September 2021 to February 2023; serves as a deputy general manager of the Company since February 2023; serves as a director of Zhongtai Huirong Capital Investment Co., Ltd. since April 2023, and serves as vice chairman and general manager of Zhongtai Huirong Capital Investment Co., Ltd. since March 2024; serves as a director of ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED since April 2024; serves as a member of the Special Trading Consulting Service Committee of the Sixth Council of China Futures Association since July 2024. Mr. Zhao Dong graduated from Shandong Radio and TV University in January 2014 with a junior college degree in business management, and graduated from Henan Normal University with a bachelor's degree in exhibition management in June 2015.

## Directors, Supervisors, Senior Management and Staff

Ms. Ji Qihong (季秋紅), aged 52, joined the Company in February 2014. At present, she is Chief Risk Officer of the Company and the chairman of the supervisory committee of Zhongtai Huirong Capital Investment Co., Ltd. Ms. Ji Qihong served as a technician in the transportation and marketing company of Jinan Headquarters of Shandong Petroleum Group from July 1992 to July 1995; served as an assistant engineer in the transportation and marketing company of Jinan Headquarters of Shandong Petroleum Group from July 1995 to June 1998; served as a clerk in Shandong Securities Management Office from June 1998 to October 1999; served as a clerk in the inspection office of Jinan Securities Regulatory Office of China Securities Regulatory Commission from October 1999 to February 2000; served as the deputy director of the inspection office of Jinan Securities Regulatory Office of China Securities Regulatory Commission from February 2000 to August 2001; served as the deputy director of the Institutional Supervision Department of Jinan Securities Regulatory Office of China Securities Regulatory Commission from August 2001 to May 2002; served as the chief director in the Institutional Supervision Department of Jinan Securities Regulatory Office of China Securities Regulatory Commission from May 2002 to March 2004; served as the chief director in the Institutional Supervision Department of Shandong Regulatory Bureau of China Securities Regulatory Commission from March 2004 to July 2006; served as an assistant researcher in the Institutional Supervision Department of Shandong Regulatory Bureau of China Securities Regulatory Commission from July 2006 to November 2006; served as deputy director of the Institutional Supervision Department of Shandong Regulatory Bureau of China Securities Regulatory Commission from November 2006 to August 2008; served as deputy director of the futures supervision department of Shandong Regulatory Bureau of China Securities Regulatory Commission from August 2008 to February 2013; served as an investigator in the Futures Supervision Department of Shandong Regulatory Bureau of China Securities Regulatory Commission from February 2013 to July 2013; served as an investigator in the Institutional Supervision Department of Shandong Regulatory Bureau of China Securities Regulatory Commission from July 2013 to September 2013; served as an investigator in the Party Affairs Office (Discipline Inspection and Supervision Office) of Shandong Regulatory Bureau of China Securities Regulatory Commission from September 2013 to February 2014; served as an employee of the Company from February 2014 to September 2014; served as the chief risk officer of the Company from September 2014 to September 2018, while serving as the general manager of the Audit Department from September 2014 to July 2016 and the general counsel of the Company from December 2014 to July 2018; upon recommendation of the Company, worked for the Shandong Futures Association and was a candidate for the vice-chairman (full-time) of the Shandong Futures Association from September 2018 to December 2018; served as the vice chairman (full-time) of Shandong Futures Association from December 2018 to February 2023; served as the deputy general manager of the Company from January 2023 to March 2024, served as the general manager of Industrial Development Department I of the Company from July 2023 to March 2024 and serves as the chief risk officer of the Company since March 2024; serves as the chairman of the supervisory committee of Zhongtai Huirong Capital Investment Co., Ltd. since March 2024. Ms. Ji Qihong graduated from Shandong University in July 1992, majoring in applied chemistry, with a junior college degree. She graduated from Shandong University with a bachelor's degree in chemistry in July 1996; graduated from Shandong University with a master's degree in civil and commercial law in December 2008. She obtained the qualification of a senior economist issued by Shandong Economic Professional Post Senior Appraisal Committee in December 2004, and obtained the qualification of CPA issued by Shandong Institute of Certified Public Accountants in December 2009.

## Directors, Supervisors, Senior Management and Staff

Mr. Pei Yingjian (裴英劍), aged 51, joined the Company in November 2006. At present, he is the chief information officer and information technology director of the Company, and serves as an executive director of Luzheng Information Technology Co., Ltd. He is a member of the Special Information Technology Committee of the Sixth Council of China Futures Association, vice president of Shandong Big Data Research Association. Mr. Pei Yingjian served in succession as an employee, and manager of the technology department of Tianjin securities department of Yingda Trust Co., Ltd. (英大信託有限公司) from September 1994 to August 1998; served as the director of the securities department of Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司) from August 1998 to May 2001; served as the director of information technology department of Qilu Securities Co., Ltd. (now known as Zhongtai Securities Co., Ltd.) from May 2001 to November 2006; held several positions in succession in the Company from November 2006 to April 2015, including an employee of the information technology department and general manager of the information technology department; serves as the information technology director of the Company since July 2010, and served as a deputy general manager of the Company from July 2012 to February 2023; serves as an executive director of Luzheng Information Technology Co., Ltd. since February 2015; served as the chairman of the supervisory committee of Shandong Exchange Markets Clearing House Co., Ltd. from September 2016 to November 2022; serves as the vice president of Shandong Big Data Research Association since October 2017; a member of the Information Technology Committee of China Futures Association from February 2019 to July 2024; serves as the chief information officer of the Company since February 2023; serves as a member of the Special Information Technology Committee of the Sixth Council of China Futures Association since July 2024. Mr. Pei Yingjian graduated from Jinan Machinery University for Employees (濟南機械職工大學) majoring in foreign trade and economy, and obtained the college diploma in July 1994; and graduated from the School of Continuing Education (online education) of China Renmin University with a bachelor's degree in finance in July 2014. Mr. Pei Yingjian obtained the qualification of engineer issued by Intermediate Review Committee of Shandong Provincial Economic and Trade Commission for Engineering Technology Titles (山東省經濟貿易委員會工程技術職務中級評審委員會) in November 2005.

### (IV) Joint Company Secretaries

As at the date of this Report, Mr. Liang Zhongwei and Ms. Ng Sau Mei are the joint company secretaries of the Company. For the biography of Mr. Liang Zhongwei, please refer to "(I) The Board" in this section.

Ms. Ng Sau Mei, a joint company secretary of the Company, is currently a director and head of Listing Services Department of TMF Hong Kong Limited. Ms. Ng Sau Mei has more than 20 years of professional practice experience and serves as the company secretary/joint company secretary of several H-share listed companies.

Ms. Ng Sau Mei is a fellow of the Hong Kong Chartered Governance Institute and a fellow of the Chartered Governance Institute in the United Kingdom.

Ms. Ng Sau Mei holds a Bachelor's Degree in Law from City University of Hong Kong and a Master's Degree in Law from the University of London.

## Directors, Supervisors, Senior Management and Staff

### II. CHANGES IN DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

During the Reporting Period, Mr. Liu Qingbin was appointed as an executive Director of the Company with effect from 22 February 2024; Mr. Hu Kainan ceased to be a non-executive Director of the Company with effect from 22 February 2024; Ms. Wang Hui was appointed as a non-executive Director of the Company with effect from 27 June 2024; Mr. Liu Feng ceased to be a non-executive Director of the Company with effect from 27 June 2024; Mr. Liu Qingbin ceased to be an executive Director of the Company with effect from 28 November 2024.

During the Reporting Period, there was no change in the supervisors of the Company.

During the Reporting Period, Ms. Ji Qihong was appointed as the Chief Risk Officer of the Company with effect from 13 March 2024, and ceased to be a deputy general manager of the Company; Mr. Meng Xiancheng was appointed as a deputy general manager of the Company with effect from 13 March 2024, and ceased to be the Chief Risk Officer; Mr. Wang Hongkan ceased to be a deputy general manager of the Company with effect from 25 September 2024; Mr. Liu Qingbin ceased to be the general manager of the Company with effect from 28 November 2024; Mr. Liu Yunzhi has been acting as the general manager since 28 November 2024.

### III. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (I) Remuneration system and decision-making process of Directors, Supervisors and senior management

The remuneration of staff representative Directors and Supervisors of the Company shall be determined according to the relevant internal remuneration management system of the Company, and decided by the senior management of the Company; the remuneration plan of external Directors and Supervisors shall be proposed by the Remuneration and Appraisal Committee, and be reviewed and decided by the general meetings of the Company; the remuneration plan of the senior management shall be proposed by the Remuneration and Appraisal Committee, and decided by the Board of Directors; Directors who are concurrently held by senior management personnel of the Company are not eligible for director compensation.

#### (II) Basis for confirmation of remuneration of Directors, Supervisors and senior management

The remuneration of staff representative Directors and Supervisors of the Company shall be determined according to their labor contract with the Company, as well as the combination of the Company's business performance, job responsibilities, job performance and market environment and other factors.

The remuneration of the external Directors and Supervisors of the Company shall be proposed by the Remuneration and Appraisal Committee according to the prevailing market rates in the industry, and shall be implemented after approval by the general meetings of the Company. During the Reporting Period, the allowance standards of independent non-executive Directors and other external Directors and Supervisors of the Company shall be RMB100,000/year (after tax), and RMB40,000/year (after tax), respectively.

The remuneration, rewards and punishments of the senior management of the Company shall be determined pursuant to the resolution of the Board of Directors and based on the assessment and award colligation mechanism plan of the Company.

## Directors, Supervisors, Senior Management and Staff

### **(III) Long-term incentive scheme or share scheme**

At present, the Company has no implementation of any long-term incentive scheme or share scheme.

### **(IV) Remuneration information of Directors, Supervisors and senior management**

#### **1. Remuneration information of Directors and Supervisors**

Please refer to Note XVII of the consolidated financial statements of this Report for details.

#### **2. Remuneration information of senior management**

Please refer to “IX. Other Relevant Matters (8) Remuneration of the Senior Management” of Chapter XI of this Report for details.

### **IV. STAFF AND REMUNERATION**

Please refer to “VI. Employees Structure, Remuneration and Training” of Chapter VI of this Report for details.



# Significant Events

## I. MATERIAL LITIGATIONS AND ARBITRATIONS

During the Reporting Period, the Company was not involved in any material legal litigations and arbitrations.

## II. SIGNIFICANT ACQUISITIONS, REORGANISATIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group was not engaged in any material acquisitions, reorganisations or disposals of subsidiaries, associates and joint ventures.

## III. CONNECTED TRANSACTIONS

### (I) Connected transactions

During the Reporting Period, transactions between the Company and our connected persons constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

### (II) Connected persons

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

- **Zhongtai Securities**

Zhongtai Securities was established under the laws of the PRC in May 2001 with a registered capital of approximately RMB6.9686258 billion. Its principal businesses include securities business, securities investment fund custody and etc. As at the end of the Reporting Period, Zhongtai Securities owned approximately 63.10% of the total issued share capital of the Company, and is therefore a Controlling Shareholder and a connected person of the Company.

- **Associates of Zhongtai Securities (excluding the Group)**

As associates of Zhongtai Securities (excluding the Group), including the subsidiaries of Zhongtai Securities and the companies in which Zhongtai Securities holds 30% or more of the equity interest (for instance, Zhongtai Securities (Shanghai) Asset Management Co., Ltd., Wanjia Funds Management Co., Ltd. and Zhongtai International Finance Limited), are associates of Zhongtai Securities as defined under Chapter 14A of the Listing Rules, they are connected persons of the Company.

- **Shandong Energy**

Shandong Energy was incorporated in the PRC on 16 December 2010, and mainly engages in coal, coal electricity, coal chemical industry, high-end equipment manufacturing, new energy and new materials, modern logistics trade and other businesses. As at the end of the Reporting Period, Shandong Energy was the controlling shareholder of Zhongtai Securities, indirectly holding approximately 63.10% of the shares in the Company, and therefore is a Controlling Shareholder and a Connected Person of the Company.

- **Associates of Shandong Energy (excluding the Group)**

Associates of Shandong Energy (excluding the Group), including the subsidiaries of Shandong Energy and the companies in which Shandong Energy holds 30% or more of the equity interest, are associates of Shandong Energy as defined under Chapter 14A of the Listing Rules, they are connected persons of the Company.

The following transactions between each of the connected persons and the Company, which have been entered into in the ordinary and usual course of business on a continuing basis, will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### (III) Continuing connected transactions

#### 1. Continuing connected transactions relating to Zhongtai Securities and/or its associates

##### ***Financial Services Framework Agreement***

The Company entered into the Financial Services Framework Agreement with Zhongtai Securities on 10 May 2021 (after trading hours) and proposed the annual caps for 2022, 2023 and 2024 under the Financial Services Framework Agreement. Pursuant to the agreement, Zhongtai Securities and/or its associates will regularly provide various financial services to the Group, mainly including the IB services, asset management schemes, securities brokerage and other financial services. The term of the Financial Services Framework Agreement is three years with effect from 1 January 2022 and will expire on 31 December 2024. The Company will comply with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions over the next three years. For details, please refer to the circular of the Company dated 28 May 2021.

- A. Acceptance of IB services provided by Zhongtai Securities and/or its associates: Zhongtai Securities and/or its associates will provide IB services to the Company in the ordinary and usual course of business of the Company to introduce potential customers to the Company's futures brokerage business;
- B. Purchase of the Asset Management Schemes in which Zhongtai Securities and/or its associates act as the manager: The Company will purchase the asset management schemes in which Zhongtai Securities and/or its associates act as the manager in the ordinary and usual course of business on a continuing basis; and
- C. Acceptance of Securities Brokerage and other Financial Services provided by Zhongtai Securities and/or its associates: Zhongtai Securities and/or its associates will provide securities brokerage and other financial services to the Company in the ordinary and usual course of business of the Company on a continuing basis.

## Significant Events

The summary of the transactions conducted with Zhongtai Securities and/or its associates under the Financial Services Framework Agreement as at the end of the Reporting Period are set out in the following table:

Nature of transaction	Amounts for the year ended 31 December 2024 (RMB' 000)	Proposed annual caps for the year ended 31 December 2024 (RMB' 000)
<b>A. Acceptance of IB Services Provided by Zhongtai Securities and/or its associates</b> Commissions charged by Zhongtai Securities and/or its associates for provision of IB services to the Group	12,898.2	37,500
<b>B. Purchase of Asset Management Schemes from Zhongtai Securities and/or its associates</b> Maximum daily amount invested	155,430	250,000
Asset Management Fees charged by Zhongtai Securities and/or its associates	493.2	3,750
<b>C. Acceptance of Securities Brokerage and other Financial Services provided by Zhongtai Securities and/or its associates</b> Commissions charged by Zhongtai Securities and/or its associates	148.8	1,340
<b>Total Commissions charged by Zhongtai Securities and/or its associates on the Group</b>	<b>13,540.2</b>	<b>42,590</b>

### **A. Acceptance of IB services provided by Zhongtai Securities and/or its associates**

#### *Principal terms:*

In the Company's ordinary and usual course of business, Zhongtai Securities and/or its associates provide IB services to the Company, and introduces potential clients to the Company for participation in the Company's futures brokerage businesses. In addition, Zhongtai Securities and/or its associates will also provide the following services to such clients introduced to the Company: (i) assisting such clients in opening accounts; (ii) the provision of latest market information about futures, option and other derivative markets as well as trading facilities to such clients; (iii) assisting such clients in risk control and management; and (iv) other related financial services. Zhongtai Securities and/or its associates will charge commissions on the Company for the provision of such IB services.

### *Reasons for the transaction:*

The Company (as a futures company) could effectively share the relatively abundant customer resources of Zhongtai Securities and/or its associates through the acceptance of IB services provided by Zhongtai Securities (as a securities company). Besides, both Zhongtai Securities and the Company could effectively achieve synergies while enhancing the Company's customer service capabilities as well as increasing operating income. In addition, Zhongtai Securities and/or its associates have been providing IB services to the Company for consecutive years and have developed a deep understanding of the Company's business needs. As such, the continuous provision of such services by Zhongtai Securities and/or its associates to the Company will foster the development of the Company's futures brokerage business.

### *Pricing terms:*

- (1) The commission charged by Zhongtai Securities and/or its associates for the provision of IB services to the Company will be 60% of the handling fee income generated from such clients introduced by Zhongtai Securities and/or its associates (the "Commission Split"). Based on the enquires on futures commission splits made to other futures companies which conduct IB services with securities companies, the Company is of the opinion that the Commission Split of 60% falls within the reasonable market range and is in line with market practice;
- (2) The handling fee income equals the handling fee received from such clients, with deduction of the trading and clearing fees paid to the futures exchanges in the PRC, including but not limited to, Shanghai Futures Exchange, Zhengzhou Commodity Exchange, Dalian Commodity Exchange, China Financial Futures Exchange and Shanghai International Energy Exchange; and
- (3) The Commission Split of 60% has been determined based on arm's-length negotiation between Zhongtai Securities and the Company with reference to the prevailing market commission rates for similar IB businesses and on normal commercial terms, and is in line with market practice.

### ***B. Purchase of the Asset Management Schemes in which Zhongtai Securities and/or its associates act as the manager***

#### *Principal terms:*

The Company purchases asset management schemes, in which Zhongtai Securities and/or its associates act as the manager in the ordinary and usual course of business of the Group. Zhongtai Securities and/or its associates, as the manager, will invest in a certain scope of financial products with such asset management schemes. In this regard, the Company will pay management fees, subscription fees and redemption fees (as the case may be, and collectively, the "Asset Management Fees") to Zhongtai Securities and/or its associates.

## Significant Events

### *Reasons for the transaction:*

Investment in asset management schemes could enhance the Group's investment return and, as compared with other investment products, the return on investment in asset management schemes is relatively more stable and thus in line with the Group's risk control requirements. In addition, the Group has invested in various asset management schemes managed by Zhongtai Securities and/or its associates for certain consecutive years and thus has developed a better understanding of their investment strategy and performance, which could effectively foster the business cooperation between both parties and improve return on assets of the Group.

### *Pricing terms:*

- (1) The Asset Management Fees charged by Zhongtai Securities and/or its associates as the manager of the asset management schemes are calculated by multiplying the Group's investment amounts with the Asset Management Fees rate. According to the similar transactions entered into by the Group with independent third parties in the past, the asset management fee rate is approximately 1.5%;
- (2) For collective asset management schemes, the Asset Management Fees rate as stipulated in the collective asset management contracts is applicable to all investors participating in such plans equally and evenly, including the Group and any other independent third party investor participants. Such Asset Management Fees rate is also comparable to the prevailing market rate for collective asset management schemes issued by any other independent third parties with similar size of investment; and
- (3) For targeted asset management schemes, (a) the Asset Management Fees rate charged by Zhongtai Securities and/or its associates as the manager is comparable to, or no less favorable than, those charged by Zhongtai Securities and/or its associates on any other independent third parties for similar targeted asset management schemes; (b) such Asset Management Fees rate charged on the Group is also comparable to, or no less favorable than, the Asset Management Fees rate charged by any other independent third party managers on the Group for other similar targeted asset management schemes the Group participated in; and (c) the Asset Management Fees rate has been determined based on arm's length negotiation between Zhongtai Securities and/or its associates and the Group with reference to the prevailing market commission rates for similar targeted management schemes, on normal commercial terms, and is consistent with market practice.

### **C. Acceptance of securities brokerage and other financial services provided by Zhongtai Securities and/or its associates**

#### *Principal terms:*

As part of treasury management activities, Zhongtai Securities and/or its associates provide securities brokerage services to the Company in the ordinary and usual course of business of the Group, including but not limited to trading in securities, trading in bonds and funds, application for shares in initial public offerings and reverse repo of treasury bonds, as well as other financial services, for which Zhongtai Securities and/or its associates charge commissions on the Group.

### *Reasons for the transaction:*

Since the Group needs to increase its return on capital through securities investment in its wealth management activities, the Group needs to conduct securities investment and other financial businesses through companies who have the necessary qualifications for engaging in securities brokerage business. The Group has cooperated with Zhongtai Securities and/or its associates for securities brokerage and other financial services for several consecutive years. Zhongtai Securities and/or its associates have developed a good understanding of the Group's needs. The Group deems it a key factor in selecting a provider of securities brokerage and other financial services.

### *Pricing terms:*

- (1) The commissions fee rate charged by Zhongtai Securities and/or its associates for provision of securities brokerage and other financial services will be determined based on arm's length negotiation between Zhongtai Securities and/or its associates and us with reference to the prevailing market commission fee rate for similar business, and is consistent with the market practice. The average commission rate of the stock brokerage business is 0.03% (each transaction conducted will be charged a minimum commission fee of RMB5, and when the commission fee exceeds RMB5 through calculation by transaction amount times the 0.03% of commission rate, the transaction will be charged at the commission fee rate of 0.03%). Different commission fee rates are applied to the bond brokerage business provided to us by Zhongtai Securities and/or its associates, ranging from 0.001% to 0.03%, depending on different types of bonds (such as reverse repo of bonds with the term of one day or over 28 days). Such commission fee rates are also applied to independent third parties; and
- (2) The commissions fee rate charged by Zhongtai Securities and/or its associates for its provision of securities brokerage and other financial services to the Group is comparable to, or no less favorable than, the average commission fee rates on the market, and the corresponding commission fee rates are also within the range specified by respective stock exchanges in China, namely Shanghai Stock Exchange and Shenzhen Stock Exchange.

## **2. Continuing connected transactions with Shandong Energy and/or its associates**

### **A. Futures Brokerage Services Framework Agreement**

On 30 March 2023, the Company entered into a Futures Brokerage Service Framework Agreement with Shandong Energy, and proposed the annual caps for 2023, 2024 and 2025 under the Futures Brokerage Services Framework Agreement. The agreement is for a period of three years, effective from 1 January 2023, and will expire on 31 December 2025. The Company has complied with the reporting and announcement requirements under Chapter 14A of the Listing Rules in respect of these continuing connected transactions, but it is exempt from the requirement of Independent Shareholders' approval. For details, please refer to the Company's announcement dated 30 March 2023.

## Significant Events

The summary of commissions charged by the Group on Shandong Energy and/or its associates for provision of futures brokerage services and other relevant financial services under the Futures Brokerage Services Framework Agreement as at the end of the Reporting Period are set out in the following table:

Nature of transaction	Amounts for the year ended 31 December 2024 (RMB' 000)	Proposed annual caps for the year ended 31 December 2024 (RMB' 000)
Commissions charged by the Group for provision of futures, options and other derivatives brokerage services to Shandong Energy and/or its associates	2,814.7	7,000

### *Principal terms:*

In its ordinary and usual course of business, the Group provides Shandong Energy and/or its associates with futures brokerage services and other related financial services according to agreement. That is to provide access and related services to Shandong Energy and/or its associates upon their request so that they may engage in trading of futures, options and other derivatives. The outcome of transaction will be born by Shandong Energy and/or its associates while the Group receives commissions for such services.

### *Reasons for the transaction:*

With the increasing varieties in China's futures market, the accelerating opening up to the outside world, and the growing market scale, the futures market will play a bigger role. Thus, more frequent futures transactions are anticipated. Shandong Energy needs hedging its business through futures transactions, and the Company has extensive experiences in the futures industry. Therefore, Shandong Energy entrusts the Company to provide futures brokerage services to them. In addition, the Company has been providing futures brokerage services to Shandong Energy for consecutive years and developed a better understanding of the trading habits and personalized needs of Shandong Energy, and is able to provide high-quality services.

### *Pricing terms:*

The fees charged by the Company for providing futures, options and other derivative brokerage services to Shandong Energy and/or its associates shall comply with the fee standards and policies (if applicable) promulgated from time to time by the CSRC, two stock exchanges and six futures exchanges for similar services, and with reference to the prevailing futures commission rates on the market and shall be determined according to fee policies plus a certain commission, and in line with market practices.

### **B. Asset Management Service Framework Agreement**

The Company entered into the Asset Management Service Framework Agreement with Shandong Energy on 30 March 2023 (after trading hours), and proposed the annual caps for 2023, 2024 and 2025 under the Asset Management Services Framework Agreement. The Asset Management Service Framework is for a term of three years, valid from 1 January 2023 to 31 December 2025. The continuing transactions thereunder are subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of Listing Rules, and the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of Listing Rules. For details, please refer to the circular of the Company dated 25 May 2023.

The summary of asset management services provided by the Group to Shandong Energy and/or its associates under the Asset Management Service Framework Agreement as at the end of the Reporting Period is set out in the following table:

Nature of transaction	Amounts for the year ended 31 December 2024 (RMB' 000)	Proposed annual caps for the year ended 31 December 2024 (RMB' 000)
Maximum daily amount invested by Shandong Energy and/or its associates for purchase of collective asset management schemes	0	1,000,000
Asset management fees charged on Shandong Energy and/or its associates	0	15,000

#### *Principal terms:*

In the ordinary and usual course of business, Shandong Energy and/or its associates continuously purchase collective asset management schemes in which the Group acts as the manager. Being the asset manager, the Group invests in a certain scope of financial products with the collective asset management schemes. As such, Shandong Energy and/or its associates shall pay Assets Management Fees to the Company.

#### *Reasons for the transaction:*

China's futures asset management business has developed rapidly, with an average annual growth rate of approximately 13% in the past five years; after a reshuffle in recent years, the Company has an improved internal control system for asset management, a group of high-quality asset management professionals, and a number of investment and research teams. Considering that Shandong Energy has real need for purchasing asset management products, while the Company also has a better understanding of the investment needs of Shandong Energy, the mutual cooperation will increase the return on assets for Shandong Energy Group and the income from asset management business for the Company.



## Significant Events

### *Pricing terms:*

(1) As the manager of the collective asset management schemes, the Group charges Asset Management Fees based on the calculation of the investment amounts in the collective asset management schemes by Shandong Energy and/or its associates times the Asset Management Fees rate; and (2) For collective asset management schemes, the Asset Management Fees rate as stipulated in the collective asset management contracts is applicable to other investors participating in such plan, including Shandong Energy and/or its associates and any other independent third party investor participants. Such Asset Management Fees rate is also comparable to, or no less favorable than, the rates the Group charged any other independent third parties for comparable collective asset management schemes.

### **C. Bulk Commodities Sale and Purchase Framework Agreement**

The Company entered into the Bulk Commodities Sale and Purchase Framework Agreement with Shandong Energy on 30 March 2023 (after trading hours), and proposed the annual caps for 2023, 2024 and 2025 under the Bulk Commodities Sale and Purchase Framework Agreement. The Bulk Commodities Sale and Purchase Framework Agreement is for a term of three years, valid from 1 January 2023 to 31 December 2025. The continuing transactions thereunder are subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of Listing Rules, and the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of Listing Rules. For details, please refer to the circular of the Company dated 25 May 2023.

The summary of transactions conducted between the Group and Shandong Energy and/or its associates under the Bulk Commodities Sale and Purchase Framework Agreement as at the end of the Reporting Period is set out in the following table:

Nature of transaction	Amounts for	Proposed
	the year ended 31 December 2024 (RMB' 000)	annual caps for the year ended 31 December 2024 (RMB' 000)
Transaction amount of sales of bulk commodities by Shandong Energy and/or its associates to the Group	24,177.7	240,000
Transaction amount of purchases of bulk commodities by Shandong Energy and/or its associates from the Group	52,521	375,000

### *Principal terms:*

In the ordinary and usual course of business of both parties, Shandong Energy and/or its associates agreed to sell and deliver bulk commodities such as coke and coal chemical related products, steel products, rubber products to the Company and its subsidiaries for a consideration pursuant to the agreement. Shandong Energy and/or its associates agreed to purchase and receive bulk commodities such as coke and coal chemical related products, steel products to the Company and its subsidiaries at a consideration pursuant to the agreement.

### *Reasons for the transaction:*

Coal, steel and rubber are the priority bulk commodities in the futures and spot trading business of Zhongtai Huirong Capital. In addition, it plans to undertake the sale and purchase of bulk commodities related to coal chemical industry in the future. As a large-size state-owned energy enterprise, Shandong Energy is powerful with good credit standing and solid track record of contract performance, which will enable the Company to lower purchase cost and realize constant profits.

### *Pricing terms:*

For the sale and purchase of bulk commodities between the Company and Shandong Energy and/or its associates, the prices are arrived at based on the fair value in the market after arm's length negotiation with reference to comparable prices of similar products sold by independent third parties in the local market in order to ensure that the prices and terms are fair and reasonable.

### **D. Risk Management Services Framework Agreement**

The Company entered into the Risk Management Services Framework Agreement with Shandong Energy on 30 March 2023 (after trading hours), and proposed the annual caps for 2023, 2024 and 2025 under the Risk Management Services Framework Agreement. The Risk Management Services Framework is for a term of three years, valid from 1 January 2023 to 31 December 2025. The continuing transactions are subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules, and the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the circular of the Company dated 25 May 2023.

The summary of transactions conducted between the Group and Shandong Energy and/or its associates under the Risk Management Services Framework Agreement as at the end of the Reporting Period is set out in the following table:

Nature of transaction	Amounts for the year ended 31 December 2024 (RMB' 000)	Proposed annual caps for the year ended 31 December 2024 (RMB' 000)
Nominal principal of derivatives traded between the Group and Shandong Energy and/or its associates	1,610,800.6	8,000,000

## Significant Events

### *Principal terms:*

Providing risk management services by the Group to Shandong Energy and/or its associates refers to those trading activities, the subject of which include OTC options, derivative trading activities (other than futures trading), forward transactions and their portfolio in the ordinary and usual course of business of both parties. In particular, trading OTC options between Shandong Energy and/or its associates and the Company and/or its associates, refers to a transaction where a party as an option buyer is entitled to buy or sell the underlying asset under an agreement at a specified price at a point of time in the future. Trading in swaps between Shandong Energy and/or its associates and the Group refers to a transaction where a party pays the fixed/floating price (income) of the underlying asset under an agreement to the other party, who in exchange will pay fixed/floating price (income) to the former. Swap transactions by common types are classified into exchange of fixed income for floating income and exchange of floating income for floating income. Currently, exchange of fixed income for floating income is the prevailing transaction type. Forward trading between Shandong Energy and/or its associates and the Group refers to a transaction where both parties buy and sell the underlying assets at a forward price and quantity on the delivery date according to the agreement, or settle in cash based on the settlement amount of the forward transaction on the settlement date.

### *Reasons for the transactions:*

Shandong Energy has a large production capacity and asset scale, and needs to use derivatives to hedge against the risk of price fluctuation of raw materials and equity assets. Zhongtai Huirong Capital has a strong expertise in derivatives. As a futures derivatives service provider within Shandong Energy, the Company is in a good place to communicate with Shandong Energy and understand its needs better. The derivative transactions between the Company and Shandong Energy can not only meet the risk management needs of Shandong Energy, but also foster the development of the Company's derivative business and increase the Company's business income.

### *Pricing terms:*

Shandong Energy and/or its associates enter(s) into derivative transactions with the Group. As a derivative dealer, the Group adheres to the principle of fairness and justice, and tries to ensure the terms and prices of derivative transactions are fair and reasonable, based on fair market value and through arms' length negotiation with Shandong Energy and/or its associates and with reference to the same type of transactions in the derivative market. Among them: (i) in OTC option transactions, the premium is determined based on the market conditions and liquidity level, with reference to the prices quoted by our peers and the market volatility parameters provided by third-party information providers; (ii) in swap transactions and forward transactions, fixed/floating prices (income) and forward transaction prices are determined based on factors such as fair market value of the underlying asset and market costs, etc.

### 3. Our independent non-executive Directors' and auditors' confirmation

In respect of the aforesaid continuing connected transactions, the Company confirms that they have been in compliance with the requirements of Chapter 14A of the Listing Rules as amended from time to time or applied for relevant exemption. Our independent non-executive Directors have reviewed and confirmed that the continuing connected transactions described in the subsection headed "Continuing Connected Transactions" above have been and will continue to be conducted in our ordinary and usual course of business pursuant to the relevant continuing connected transaction agreements governing them on normal commercial terms (as defined in the Listing Rules), are fair and reasonable and in the interest of the Company and Shareholders as a whole, and that the proposed annual caps for these transactions are fair and reasonable and in the interest of the Company and Shareholders as a whole.

The Board of the Company has received a confirmation letter regarding the aforesaid continuing connected transactions from the auditors of the Company, and the auditors presented the following conclusions in respect of the disclosed continuing connected transactions according to their implemented work, including:

In respect of the continuing connected transactions disclosed:

- (1) nothing has come to our attention that causes us to believe that such continuing connected transactions as disclosed were not approved by the Board of the Company;
- (2) for the transactions involving the provision of products or services by the Group, nothing has come to our attention that causes us to believe that such transactions were not entered into, in all material respects, according to the pricing policy of the Company in all material respects;
- (3) nothing has come to our attention that causes us to believe that such transactions have not complied with the relevant agreements governing such transactions in all material respects;
- (4) for the purpose of the total amount of every continuing connected transaction as set out in the attached tables (see note below), nothing has come to our attention that causes us to believe that the amount of such continuing connected transactions had exceeded the total annual caps as disclosed in the previous announcements published by the Company on the relevant dates in relation to such continuing connected transactions disclosed.

Note: The attached tables refer to the tables set out in "III. Connected Transactions" of Chapter X of this report.

## Significant Events

### 4. Confirmation on related party transactions

Details of the Group's related party transactions are set out in the consolidated financial statements and note X. Except for the connected transactions and the continuing connected transactions disclosed in this Report, no related party transaction or continuing related party transaction constitutes a connected transaction or a continuing connected transaction for the Company and is subject to announcement, independent Shareholder approval under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules for connected transactions and continuing connected transactions as set out in this Report.

## IV. MAJOR CONTRACTS AND THEIR PERFORMANCE

There was no major contract signed by the Company during the Reporting Period.

## V. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company during the Reporting Period (including sale of treasury shares).

As at the end of the Reporting Period, the Company did not hold any treasury shares.

## VI. UNDERTAKINGS OF THE CONTROLLING SHAREHOLDERS AND THEIR PERFORMANCE

The Company has received confirmation letters from each of Zhongtai Securities, confirming that during the Reporting Period, they had been in compliance with all the undertakings made under the Non-Competition Undertaking as well as all its requirements (including but not limited to matters relating to the options for new business opportunities, pre-emptive rights, option for purchase, etc.).

The independent non-executive Directors of the Company have reviewed the compliance with the Non-Competition Undertaking of the Controlling Shareholders during the Reporting Period, and signed an annual confirmation letter concerning the Controlling Shareholders being in compliance with the Non-Competition Undertaking. The summary of the annual confirmation letter is as follows:

"We hereby confirm that:

We have reviewed the compliance with the Non-Competition Undertaking (the "Non-Competition Undertaking") dated 15 June 2015 granted by Zhongtai Securities Co., Ltd. (previously known as Qilu Securities Co., Ltd.) to the Company;

We did not find that the Covenantors were in breach of the undertakings made under the Non-Competition Undertaking as well as all its requirements (including but not limited to the options for new business opportunities, pre-emptive rights and option for purchase, etc.); and

We agree that the Company can disclose the content of this letter, including adding the content of this letter into the 2024 annual report of the Company."

Save as disclosed above, during the Reporting Period, none of the independent non-executive Directors of the Company made any decision concerning whether to exercise options for new business opportunities, pre-emptive rights, option for purchase, etc.

## VII. APPOINTMENT, CHANGE AND DISMISSAL OF THE ACCOUNTING FIRMS

### 1. Change of auditors of the Company in the past three years

In 2021, the Company appointed PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as its domestic and international auditors, and in 2022, it changed its auditors, and in 2022, 2023 and 2024, appointed ShineWing Certified Public Accountants LLP as the sole auditor of the Company.

Save as disclosed above, there was no other changes in the auditors of the Company in the past three years (including the Reporting Period).

### 2. Auditors' Remuneration

For the year ended 31 December 2024, the total auditor's remuneration paid by the Group to ShineWing Certified Public Accountants LLP amounted to RMB1.3163 million. Among them, the annual audit service fee is RMB1.3063 million, and fees for other assurance service amounted to RMB10,000. The total remuneration paid by the Group to other auditors amounted to RMB12,800, representing the annual audit service fee paid to Confucius International CPA Limited by LUZHENG INTERNATIONAL HOLDING LIMITED, a wholly-owned subsidiary of our Company.

Except for the contents mentioned in the preceding paragraph, the Group did not pay any other audit or non-audit remuneration to auditors during the year ended 31 December 2024.

## VIII. MAJOR EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 25 February 2025, Mr. Zhou Shunyuan was elected as an executive Director of the Company's fourth session of the Board of Directors at the Company's First Extraordinary General Meeting in 2025. On 27 February 2025, Mr. Zhou Shunyuan was appointed as the general manager of the Company at the 30th Meeting of the Company's fourth session of the Board of Directors; Mr. Liu Yunzhi ceased to perform duties of the general manager of the Company.

# Corporate Governance Report

## I. OVERVIEW OF CORPORATE GOVERNANCE

The Company has been committed to improving its corporate governance level, and views corporate governance as an integral part of creating value for the Shareholders. The Company has established a modern corporate governance structure which comprises of a number of independently operated and effectively balanced bodies including general meetings, the Board of Directors, the Supervisory Committee and the senior management with reference to the code provisions as set out in the CG Code. This allows each level to discharge duties within their respective responsibility and authority, and ensures standardized operation of the Company. The Company has also adopted the CG Code as its own corporate governance practices.

During the Reporting Period, the Company has been in strict compliance with all the code provisions as set out in the CG Code, and also met the requirements of the majority of the recommended best practices therein.

During the Reporting Period, the Company convened a total of 40 meetings, of which there were two general meetings, 16 Board meetings, two Supervisory Committee meetings, four Strategic Development Committee meetings, four Risk Control Committee meetings, five Audit Committee meetings, four Nomination Committee meetings and three Remuneration and Appraisal Committee meetings.

The Company has earnestly studied President Xi Jinping's important exposition on cultural construction and thoroughly implemented the futures industry's core values of "compliance, integrity, professionalism, steadiness and responsibility" advocated by the China Securities Regulatory Commission and the China Futures Association. The Company has adhered to the business philosophy of "compliance and risk control first, customer interests first, talent value first, and innovation and development first". Guided by the corporate spirit of "making all-out efforts, wholeheartedly-operating, fully innovating, and comprehensively enhancing", the Company is fully committed to building a modern and first-class futures company characterized by "loyalty, compliance, innovation and mutual benefits."

Our mission is to leverage on futures and derivatives tools to provide competitive professional services and risk management solutions and to continuously create value for customers, and realize the Chinese Dream in the capital market. To fulfill our mission and turn the Company into a first-class futures company with sound governance, adequate capital, comprehensive functions, strong innovation capabilities, and stringent internal controls, the Company has formulated a cultural construction mechanism featuring unified leadership of the Company's Party Committee, mobilized by the senior management, overall coordination by the Party-Masses Work Department, with collaborative involvement of relevant departments, and full participation by all employees. This mechanism integrates cultural construction with the Company's development strategies and governance, deepening the cultural system with involvement of all employees.

### II. GENERAL MEETINGS

During the Reporting Period, the Company convened two general meetings, the details and resolutions of which are as follows:

#### 1. The first extraordinary general meeting of 2024

On 22 February 2024, the Company convened the first extraordinary general meeting of 2024 by voting on site, at which the following resolutions were approved:

- (1) Proposal on the Election of Mr. LIU Qingbin as an Executive Director of the Company;
- (2) Proposal on Amendments to the Connected Transaction Management Rules.

#### 2. The 2023 annual general meeting

On 27 June 2024, the Company convened the 2023 annual general meeting by voting on site, at which the following resolutions were approved:

- (1) Proposal on the Work Report of the Board of Directors for the Year 2023;
- (2) Proposal on the Work Report of the Supervisory Committee for the Year 2023;
- (3) Proposal on the Annual Report for the Year 2023;
- (4) Proposal on the Final Financial Accounts for the Year 2023;
- (5) Proposal on the Profit Distribution Plan for the Year 2023;
- (6) Proposal on the Financial Budgets for the Year 2024;
- (7) Proposal on the Appointment of the Accounting Firm for the Year 2024;
- (8) Proposal on Election of Ms. Wang Hui as a Non-executive Director of the Company.



## Corporate Governance Report

### III. PERFORMANCE OF DUTY BY THE DIRECTORS

#### (1) Summary of the duty performance of the Directors

The Directors shall perform their duties in accordance with the Articles of Association and in the best interest of the Company and the Shareholders, report work to the general meetings, execute the resolutions of the general meetings and be accountable to the general meetings.

For the profiles of the Directors, please refer to the section headed “I. Briefings of the Directors, Supervisors and Senior Management (1) The Board” of Chapter IX in this Report. There are no relationships (including financial, business, family and other material or relevant relations) between the Directors, Supervisors or members of the senior management. The composition of the Board of Directors is reasonable with each Director having extensive knowledge, experience and expertise relevant to the business operation and development of the Company. All Directors are aware of their joint and several responsibilities to the Shareholders.

#### (2) Attendance of the Directors at Board meetings and general meetings

Pursuant to the Articles of Association, the Board of Directors is required to hold at least four regular Board meetings each year and such meetings shall be convened by the Chairman of the Board of Directors. A notice of the Board meeting shall stipulate the date and venue of the meeting, the period, purposes, agenda and the date of the notice.

A Board meeting shall be held only when it is attended by more than half of the Directors. Unless otherwise stipulated by the Articles of Association, all resolutions of the Board of Directors shall be passed by more than half of all the Directors. The Board meetings shall be attended by a Director in person. If a Director is unable to attend for any reason, he/she may authorize another Director in writing to attend the Board meeting on behalf of him/her. If a Director had a connected relationship with the entity involved in the matter to be resolved at a Board meeting, he/she shall abstain from voting on the resolution for himself/herself or on behalf of any other Director. The relevant Board meeting may proceed with the presence of more than half of the unconnected Directors, and the resolution of that Board meeting shall be passed by over half of the unconnected Directors. If the number of unconnected Directors present at the Board meeting is less than three, the matter shall be submitted to the general meetings for consideration. In principle, Board meetings shall be held at the legal address of the Company, but they can also be held by way of teleconference or similar means of correspondence.

## Corporate Governance Report

During the Reporting Period, attendance of the Directors at Board meetings and general meetings is as follows :

Name of Directors	Attendance at Board meetings						Attendance at general meeting
	Number of Board meetings attended	Number of meetings attended in person	Attended by means of correspondence	Number of meetings attended by a proxy	Number of meetings not attended	Are there two consecutive meetings not attended in person	Number of general meetings attended
<b>Executive Directors</b>							
ZHONG Jinlong	16	5	11	0	0	Nil	2
LIU Qingbin (appointed on 22 February 2024; resigned on 28 November 2024)	10	4	6	0	0	Nil	1
LIANG Zhongwei	16	5	11	0	0	Nil	2
<b>Non-executive Directors</b>							
HU Kainan (resigned on 22 February 2024)	3	0	3	0	0	Nil	0
ZHENG Hanyin	16	5	11	0	0	Nil	2
MING Gang	16	5	11	0	0	Nil	2
LIU Feng (resigned on 27 June 2024)	8	2	4	2	0	Nil	0
WANG Hui (appointed on 27 June 2024)	8	1	6	1	0	Nil	0
<b>Independent non-executive Directors</b>							
ZHENG Jianping	16	5	11	0	0	Nil	2
CHEN Hua	16	4	11	1	0	Nil	1
LUO Xinhua	16	4	11	1	0	Nil	2
<hr/>							
Number of Board meetings held during the Reporting Period							16
In which: Number of meetings held by voting on site							5
Number of meetings held by means of voting through correspondence							11
Number of general meetings held during the Reporting Period							2

## Corporate Governance Report

### (3) Board meetings and resolutions during the Reporting Period

During the Reporting Period, the Company held 16 Board meetings, with details and resolutions as follows:

#### 1. The 11th Meeting of the fourth session of the Board of Directors

On 8 January 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on Convening the First Extraordinary General Meeting of ZHONGTAI FUTURES Company Limited for the Year 2024;
- (2) Proposal on Performance Appraisal of Senior Management of ZHONGTAI FUTURES Company Limited for the Year 2022 and their terms of office.

#### 2. The 12th meeting of the fourth session of the Board of Directors

On 5 February 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on Amendments to the Finance Rules of ZHONGTAI FUTURES Company Limited;
- (2) Proposal on Amendments to the Connected Transaction Management Rules of ZHONGTAI FUTURES Company Limited.

#### 3. The 13th Meeting of the fourth session of the Board of Directors

On 9 February 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on Changing Duties of Certain Departments of ZHONGTAI FUTURES Company Limited;
- (2) Proposal on Removing Certain Functional Divisions of Headquarters of ZHONGTAI FUTURES Company Limited.

#### **4. The 14th meeting of the fourth session of the Board of Directors**

On 22 February 2024 the meeting was held through voting on-site and through video, at which the Proposal on Election of Mr. Liu Qingbin as Chairman and Member of the Risk Control Committee of the Board of Directors was considered and approved.

#### **5. The 15th meeting of the fourth session of the Board of Directors**

On 13 March 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on Appointment of Mr. Meng Xiancheng as a Deputy General Manager of ZHONGTAI FUTURES Company Limited;
- (2) Proposal on Appointment of Ms. Ji Qihong as the Chief Risk Officer of ZHONGTAI FUTURES Company Limited.

#### **6. The 16th meeting of the fourth session of the Board of Directors**

On 26 March 2024, the meeting was held through voting on-site and through video, at which the following proposals were considered and approved:

- (1) Proposal on the Work Report of the General Manager of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (2) Proposal on the Work Report of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (3) Proposal on the Internal Control Evaluation Report of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (4) Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2023 (Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited);
- (5) Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2023 (Guidelines of the CSRC Regarding the Contents and Formats of Annual Reports of Futures Companies);
- (6) Proposal on the Final Financial Accounts of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (7) Proposal on the Profit Distribution Plan of ZHONGTAI FUTURES Company Limited for the Year 2023;

## Corporate Governance Report

- (8) Proposal on the Regulatory Risk Indicators of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (9) Proposal on the Financial Budget of ZHONGTAI FUTURES Company Limited for the Year 2024;
- (10) Proposal on Appointment of the Accounting Firm of ZHONGTAI FUTURES Company Limited for the Year 2024;
- (11) Proposal on Delegation Given by the Board of Directors of ZHONGTAI FUTURES Company Limited to the Senior Management for Establishing Branches;
- (12) Proposal on Changing the Depreciation Period of Some Fixed Assets of ZHONGTAI FUTURES Company Limited;
- (13) Proposal on Amendments to the Accounting Rules of ZHONGTAI FUTURES Company Limited;
- (14) Proposal on Convening the General Meeting of ZHONGTAI FUTURES Company Limited for the Year 2023.

### **7. The 17th meeting of the fourth session of the Board of Directors**

On 30 April 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on the Special Report on the Information Technology Management of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (2) Proposal on Determining the Company's Risk Preference, Risk Tolerance and Major Risk Limit for the Year 2024;
- (3) Proposal on the Total Amount of Self-owned Funds Available for Investment of ZHONGTAI FUTURES Company Limited for the Year 2024;
- (4) Proposal on Amendments to the Rules of Procedure for the General Manager of ZHONGTAI FUTURES Company Limited;
- (5) Proposal on the Environmental, Social and Corporate Governance Report of ZHONGTAI FUTURES Company Limited for the Year 2023.

### **8. The 18th meeting of the fourth session of the Board of Directors**

On 27 May 2024, the meeting was held by voting through correspondence, at which the Proposal on Election of Ms Wang Hui as a Non-staff Representative Director of ZHONGTAI FUTURES Company Limited was considered and approved.

### **9. The 19th meeting of the fourth session of the Board of Directors**

On 27 June 2024, the meeting was held through voting on-site and through video, at which the following proposals were considered and approved:

- (1) Proposal on Election of Ms Wang Hui as a Member of Each of the Strategic Development Committee and the Audit Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited;
- (2) Proposal on the Performance Report of the Strategic Development Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (3) Proposal on the Performance Report of the Risk Control Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (4) Proposal on the Performance Report of the Audit Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (5) Proposal on the Performance Report of the Remuneration and Appraisal Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (6) Proposal on the Performance Report of the Nomination Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (7) Proposal on the Performance Report of the Independent Non-Executive Directors of ZHONGTAI FUTURES Company Limited for the Year 2023.

## Corporate Governance Report

### **10. The 20th meeting of the fourth session of the Board of Directors**

On 28 August 2024, the meeting was held through voting on-site and through video, at which the following proposals were considered and approved:

- (1) Proposal on the Work Report of the General Manager of ZHONGTAI FUTURES Company Limited for the First Half of 2024;
- (2) Proposal on the Interim Report of ZHONGTAI FUTURES Company Limited for the Year 2024;
- (3) Proposal on the Regulatory Risk Indicators of ZHONGTAI FUTURES Company Limited for the First Half of 2024;
- (4) Proposal on Formulating A Three-Year Capital Replenishment Plan of ZHONGTAI FUTURES Company Limited (2024-2026);
- (5) Proposal on Amendments to the Measures for Investment of Self-owned Funds of ZHONGTAI FUTURES Company Limited.

### **11. The 21st meeting of the fourth session of the Board of Directors**

On 9 September 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on Amendments to the Internal Audit Rules of ZHONGTAI FUTURES Company Limited;
- (2) Proposal on Setting up a Wealth Management Committee of ZHONGTAI FUTURES Company Limited.

### **12. The 22nd meeting of the fourth session of the Board of Directors**

On 8 October 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on Removing the Institutional Business Development 3 of ZHONGTAI FUTURES Company Limited;
- (2) Proposal on Amendments to the Measures for the Honest and Clean Practices of ZHONGTAI FUTURES Company Limited.

### **13. The 23rd Meeting of the fourth session of the Board of Directors**

On 9 December 2024, the meeting was held through voting on-site and through video, at which the following proposals were considered and approved:

- (1) Proposal on the Medium-term Adjustment Plan of ZHONGTAI FUTURES Company Limited for 14th Five-year Plan;
- (2) Proposal on Change of A Joint Company Secretary of ZHONGTAI FUTURES Company Limited.

### **14. The 24th meeting of the fourth session of the Board of Directors**

On 28 November 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on Mr. LIU Yunzhi to Perform the Duties on behalf of the General Manager of ZHONGTAI FUTURES Company Limited;
- (2) Proposal on Convening the First Extraordinary General Meeting of ZHONGTAI FUTURES Company Limited for the Year 2025.

### **15. The 25th meeting of the fourth session of the Board of Directors**

On 30 December 2024, the meeting was held by voting through correspondence, at which the Proposal on the Internal Audit Work Plan of ZHONGTAI FUTURES Company Limited for the Year 2025 was considered and approved.

### **16. The 26th meeting of the fourth session of the Board of Directors**

On 31 December 2024, the meeting was held by voting through correspondence, at which the following proposals were considered and approved:

- (1) Proposal on the Performance Appraisal of Senior Management of ZHONGTAI FUTURES Company Limited for the Year 2023;
- (2) Proposal on Amendments to the Interim Measures for Remuneration Management and Performance Appraisal for Senior Management of ZHONGTAI FUTURES Company Limited.



## Corporate Governance Report

### **(4) Appointment, Reappointment and Removal of Directors**

The Articles of Association contains specific provisions on such matters. Pursuant to the Articles of Association, Directors who are non-staff representatives shall be elected and removed at the general meetings, while directors who are staff representatives shall be elected and removed through democratic means by the staff of the Company, with a term of three years. Upon the expiration of the term of office, a Director shall be eligible for re-election and re-appointment. Candidates for Directors shall be nominated by such Shareholders who individually or jointly holding three percent or more of the Company's issued Shares with voting rights. Any person appointed by the Board of Directors to fill up a casual vacancy or as an additional member to the Board of Directors shall hold office only until the next annual general meeting of the Company, and shall be eligible for re-election and re-appointment at that time.

### **(5) Training for Directors**

The Company places high importance on continual training of Directors to ensure that they have appropriate understanding of the operations and business of the Company and the duties of a Director under the relevant legal and regulatory requirements of the CSRC and the Hong Kong Stock Exchange, Hong Kong Companies Ordinance, Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association, etc.. During the Reporting Period, the Company has established a multi-level information communication mechanism and an information exchange platform to increase information sharing and exchanges among Directors, Supervisors and the senior management, enhancing the Directors' ability to fulfill their duties.

Details of the training for the Directors of the Company during the Reporting Period are as follows:

Name of Directors	Date	Duration	Organizer	Content
ZHONG Jinlong	22 January 2024	4 hours	The Company	Interpretation of the revised Company Law
	27 March 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	26 September 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	23 December 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
ZHENG Hanyin	22 January 2024	4 hours	The Company	Interpretation of the revised Company Law
	27 March 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	26 September 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	23 December 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
MING Gang	22 January 2024	4 hours	The Company	Interpretation of the revised Company Law
	27 March 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	31 May 2024	1 day	McKinsey	Strategic Formulation, Digital Transformation, Revolutionary Thinking, etc
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	26 September 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	23 December 2024	4 hours	The Company	Interpretation of latest policies and regulations, industry and regulatory developments in and outside China

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Name of Directors	Date	Duration	Organizer	Content
WANG Hui	June 2024	0.5 hour	Clifford Chance LLP	Directors' Responsibilities, Information Disclosure, and Regulatory Approaches for Listed Companies in Hong Kong
	June 2024	2 hours	China Center for Financial Training	The Financial Industry's Fourth Anti-money Laundering Training in 2024
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	26 September 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	23 December 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
ZHENG Jianping	8 January 2024	1 hour	KPMG	"Upgrading" Leads to Burgeoning – Seminar Series On Urban Renewal in The Existing Market Age
	22 January 2024	4 hours	The Company	Interpretation of the revised Company Law
	6 March 2024	1 hour	LSEG	Meet the Experts: Compliance Workflows, Data Analytics and Reputational Risk Data
	20 March 2024	1 hour	KPMG	Demystifying the Financial Resources Rules on Wednesday, 20 March 2024
	27 March 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	20 June 2024	1 hour	KPMG	Enabling Agile Risk and Compliance Management through Digital Transformation
	27 June 2024	1 hour	KPMG	Advancing ESG: Enhancing Governance Frameworks and Data Integrity
	28 June 2024	1 hour	KPMG	Inquiry into Hong Kong's "Patent Box" Regime

## Corporate Governance Report

Name of Directors	Date	Duration	Organizer	Content
	3 July 2024	1 hour	KPMG	Hong Kong Banking Forum 2024
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	26 September 2024	4 hours	The Company	Interpretation of latest policies and regulations, industry and regulatory developments in and outside China
	18 October 2024	2 hours	KPMG	APAC Asset Management and Private Equity Key Markets and Tax Updates
	8 November 2024	2 hours	KPMG	Navigating ESG Assurance: Unlocking Value and Trust
	21 November 2024	1 hour	Mercer (Hong Kong) Limited	Retirement Lifestyle Considerations: Cost and Planning
	21 November 2024	1 hour	Deacons	Ongoing Compliance for Private OFCs and Introduction to e-IP systems
	11 December 2024	1 hour	HKRSA	Beyond the Ballot: Capital Markets Outlook in the Post-Election Markets
	23 December 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
CHEN Hua	22 January 2024	4 hours	The Company	Interpretation of the revised Company Law
	27 March 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	1 August 2024 to 30 September 2024	2 months	Shenzhen Stock Exchange	The 142th Training Session for Independent Directors of Listed Companies (follow-up)
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	26 September 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	23 December 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China

## Corporate Governance Report

Name of Directors	Date	Duration	Organizer	Content
LUO Xinhua	22 January 2024	4 hours	The Company	Interpretation of the revised Company Law
	27 March 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	19 April 2024	2 hours	Shandong Listed Companies Association	Special Training on the Reform of Independent Director System of Listed Companies
	26 September 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	22 August 2024	3 hours	Beijing Association for Public Companies	Special Training for Independent Directors of Listed Companies
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	23 December 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	16 December 2024 to 31 December 2024	16 days	Shanghai Stock Exchange	Key Points and Suggestions for Independent Directors of Listed Companies to Perform Duties Without Fraud
LIANG Zhongwei	22 January 2024	4 hours	The Company	Interpretation of the revised Company Law
	27 March 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	28 August 2024	1 hour	The Company	Sharing of Laws, Regulations and Regulatory Cases for Directors and Supervisors
	26 September 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China
	23 December 2024	4 hours	The Company	Interpretation of Latest Policies and Regulations, Industry and Regulatory Developments in and outside China

## IV. PERFORMANCE OF DUTY BY THE BOARD OF DIRECTORS AND ITS SPECIAL COMMITTEES

### (1) Composition and main responsibilities of the Board of Directors during the Reporting Period

As at the end of the Reporting Period, the Board comprised of eight Directors: Mr. Zhong Jinlong as Chairman of the Board and an executive Director, Mr. Liang Zhongwei as an executive Director, Mr. Zheng Hanyin, Mr. Ming Gang and Ms. Wang Hui as non-executive Directors, and Mr. Zheng Jianping, Mr. Chen Hua and Mr. Luo Xinhua as independent non-executive Directors.

The Board of Directors shall be accountable to the general meetings and exercise the following functions and powers:

- (1) to convene the general meetings and report its work to the general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to consider the Company's development strategy, medium and long-term development plan; the Company's business layout and planning and structural adjustment plan, business plans and investment plans, specific annual business objectives and financing plans other than the issuance of corporate debentures or other securities, and listings;
- (4) to determine on the establishment of the Company's internal management departments and on the establishment or closing of the Company's sub-branches or representative offices;
- (5) to consider and approve the report on the Company's annual asset loss written-off; to consider and decide on a single asset loss written-off exceeding RMB1 million (inclusive);
- (6) to elect a chairman and vice-chairman of the Board of Directors of the Company;
- (7) to appoint or dismiss the general manager, secretary to the Board of Directors and chief risk officer of the Company; to appoint or dismiss senior management such as a deputy general manager and the person in charge of financial affairs of the Company pursuant to the general manager's nomination, and fix their remuneration and bonus and punishment, such as the administrative measures for the remuneration and performance appraisal, annual performance appraisal results and the total remuneration package;

## Corporate Governance Report

- (8) the tenure system and contractual management system for the Company's senior management, and the administrative measures for the Company's professional managers;
- (9) the Company's payroll management system, annual payroll budget plan and Final Financial Accounts;
- (10) to formulate the Company's basic management system;
- (11) to manage the information disclosure of the Company;
- (12) to consider and approve the Company's interim reports and ESG reports, and the Company's annual report prepared in accordance with the requirements of China Securities Regulatory Commission;
- (13) to determine on the establishment of special committees under the Board of Directors and to appoint and dismiss the chairmen (chairwomen) of these committees;
- (14) to decide on the rules of procedure for the senior management; hear the regular or non-regular work reports from the general manager of the Company or Senior Management appointed by the general manager and to approve the work reports of the general manager;
- (15) to consider and decide on the safe depository system for customer margins to ensure that the depositing of customer margins is in compliance with the requirements for protecting customer assets as well as the safe depositing and monitoring of futures margins;
- (16) to consider and decide on the proposals concerning the Company's risk culture construction, to review and approve the Company's compliance and risk control basic system and the work report on annual compliance and risk control, to consider and approve the Company's risk appetite, risk tolerance, major risk limit and basic internal control system;
- (17) to consider the Company's compliance and risk control management objectives;
- (18) to establish a mechanism for direct communication with the chief risk officer; evaluate the effectiveness of compliance and risk control management, and urge the resolution of existing problems in compliance and risk control management;
- (19) to decide on the venture capital investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management and connected transactions of the Company within the authorization given by the shareholders' general meeting;

- (20) to consider and approve the caps of the Company's own capital investment and asset management business;
- (21) to consider and approve the reports on semi-annual and annual regulatory risk indicators;
- (22) to consider the strategic plans for corporate culture construction, push forward and give direction on corporate culture construction;
- (23) to consider and approve anti-money laundering internal control system, and to review work reports on anti-money laundering;
- (24) to consider the Company's goal on IT management; to consider its IT strategy; to consider its plans for IT manpower and capital security; cyber security plans; to consider the overall effectiveness and efficiency of its annual IT management work;
- (25) to consider and approve the external guarantees which are not subject to the approval of the shareholders' general meeting (including subsidiaries' external guarantees);
- (26) to consider and approve the guarantees provided by a subsidiary to a member of the Group in respect of which the ratios tested under the Hong Kong Listing Rules are lower than 25%; to consider and approve the annual cap of internal guarantees provided by a subsidiary;
- (27) to consider the Company's annual internal control evaluation report; and
- (28) Other matters to be resolved by the Board of Directors as required by laws, regulations, regulatory rules and the listing rules of the stock exchange on which the Company's shares are listed and the Articles of Association and authorized by shareholders' general meetings.



## Corporate Governance Report

### **(2) Duties of the Board concerning corporate governance**

The Board shall also be responsible for corporate governance functions including:

- (1) formulating and reviewing the Company's policies and practices on corporate governance;
- (2) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (3) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) formulating, reviewing and monitoring the code of conduct and compliance manual applicable to the staff and Directors; and
- (5) reviewing the Company's compliance with the CG Code and the disclosure in the corporate governance report.

The Company shall formulate corporate governance policies in strict compliance with all the principles as set out in the Listing Rules and the principles as set out in the CG Code.

During the Reporting Period, the Board of Directors of the Company reviewed and supervised the training of the Directors and the senior management to ensure their continuous professional development; reviewed and supervised the rules established by the Company according to the laws and the related requirements from the securities regulatory authorities in Hong Kong and its compliance with such rules, and relevant disclosure; formulated, reviewed and supervised the code of conduct and the relevant compliance manual of the Company's employees and Directors; reviewed the Company's compliance with the CG Code and the disclosure in the corporate governance report.

### **(3) Duties of the Board of Directors and the senior management**

The powers and duties of the Board and the senior management are clearly set out in the Articles of Association, which provides an adequate check and balance mechanism to ensure good corporate governance and internal control.

The duties of the Board include determining the business plans and investment plans of the Company, determining the establishment of internal management departments, establishing the basic management systems of the Company, making decisions on other significant businesses and administrative matters of the Company and supervising the senior management.

The senior management of the Company, under the leadership of the general manager, is responsible for implementing the resolutions of the Board and organizing the daily operation and management of the Company.

### (4) Composition and main duties of special committees

There are five special committees under the Board of Directors of the Company, namely the Strategic Development Committee, the Risk Control Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

1. As at the end of the Reporting Period, the Strategic Development Committee comprised five members: Mr. Zhong Jinlong as an executive Director, Mr. Zheng Jianping and Mr. Chen Hua as independent non-executive Directors, and Mr. Ming Gang and Ms. Wang Hui as non-executive Directors. Mr. Zhong Jinlong, an executive Director, is currently the chairman of the Strategic Development Committee. The main duties of the Strategic Development Committee of the Company are as follows:
  - (1) to study and make recommendations on the strategic plans for the long-term development of the Company;
  - (2) to study and make recommendations on significant investment and financing plans which are subject to approval of the Board of Directors as required in the Articles of Association;
  - (3) to study the Company's ESG governance vision, objectives, policies, etc.;
  - (4) to study and make recommendations on significant capital operation and asset management projects which are subject to approval of the Board of Directors as required in the Articles of Association;
  - (5) to study and make recommendations on other significant matters that affect the development of the Company;
  - (6) to examine the implementation of the foregoing; and
  - (7) other duties as assigned by the Board of Directors.

## Corporate Governance Report

2. As at the end of the Reporting Period, the Risk Control Committee comprised four members: Mr. Liang Zhongwei as an executive Director, Mr. Zheng Jianping and Mr. Chen Hua as independent non-executive Directors, and Mr. Ming Gang as a non-executive Director. The main duties of the Risk Control Committee of the Company are:
- (1) to consider and make recommendations on overall objectives and basic policies of compliance management and risk management;
  - (2) to consider and make recommendations on the establishment of functional departments of compliance management and risk management and their duties;
  - (3) to assess and make recommendations on the risk of major decisions which are subject to approval of the Board of Directors and solutions to eliminating such major risk;
  - (4) to consider and make recommendations on compliance reports and risk evaluation reports subject to approval of the Board of Directors; to consider and put forward proposals on the system governing the Company's operational risks;
  - (5) to promote the corporate governance according to law;
  - (6) to examine or monitor the existing or potential risks of the Company;
  - (7) to perform the risk management duties stipulated in the applicable laws and regulations of the state and the Listing Rules of the Stock Exchange; and
  - (8) other duties as assigned by the Board of Directors.

3. As at the end of the Reporting Period, the Audit Committee comprised four members: Mr. Zheng Jianping, Mr. Chen Hua and Mr. Luo Xinhua as independent non-executive Directors, and Ms. Wang Hui as a non-executive Director. Mr. Luo Xinhua, an independent non-executive Director, is the chairman of the Audit Committee. The main duties of the Audit Committee of the Company are:
- (1) to oversee and evaluate the work performed by the external auditor;
  - (2) to direct the work of the internal auditor;
  - (3) to review and express opinions on the Company's financial report;
  - (4) to evaluate the effectiveness of the internal controls;
  - (5) to coordinate the communication between the senior management, internal auditor and related departments and the external auditor;
  - (6) to perform the duties of control and routine management of connected transactions of the Company;
  - (7) other duties as assigned by the Board of Directors and other things as required by the relevant laws and regulations.

## Corporate Governance Report

4. As at the end of the Reporting Period, the Remuneration and Appraisal Committee comprised five members: Mr. Liang Zhongwei as an executive Director; Mr. Zheng Jianping, Mr. Chen Hua and Mr. Luo Xinhua as independent non-executive Directors, and Mr. Zheng Hanyin as a non-executive Director. Mr. Chen Hua, an independent non-executive Director, is currently the chairman of the Remuneration and Appraisal Committee. The main duties of the Remuneration and Appraisal Committee of the Company are:
- (1) to study and make recommendations to the Board of Directors on the appraisal and remuneration management system for Directors and Senior Management;
  - (2) to conduct appraisal of the performance of Directors and senior management, and make recommendations;
  - (3) to study the performance appraisal standards, procedures and main appraisal systems for directors and senior management, and make recommendations;
  - (4) to study and examine the remuneration policies and schemes for directors and senior management, and the main schemes and systems of rewards and punishments;
  - (5) to examine the performance of duties for directors and senior management, and to conduct annual performance appraisal of them;
  - (6) to monitor the implementation of the Company's remuneration system;
  - (7) to review and/or approve the matters related to the share plan described in Chapter 17 of the Listing Rules; and
  - (8) other functions authorized by the Board of Directors.

5. As at the end of the Reporting Period, the Nomination Committee comprised five members: Mr. Liang Zhongwei as an executive Director; Mr. Zheng Jianping, Mr. Chen Hua and Mr. Luo Xinhua as independent non-executive Directors, and Mr. Zheng Hanyin as a non-executive Director. Mr. Zheng Jianping, an independent non-executive Director, is currently the chairman of the Nomination Committee. The main duties of the Nomination Committee of the Company are:
- (1) to study and make recommendations on the selection and appointment criteria and procedures for Directors and senior management;
  - (2) to search for qualified candidates for the directors and senior management;
  - (3) to examine and make recommendations on the qualifications of the candidates for directors and senior management;
  - (4) to make recommendation to the Board of Directors on the composition of the Board of Directors according to size of the Company's asset, operating conditions and shareholding structure; and
  - (5) other duties as assigned by the Board of Directors.

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

### **(5) Meetings of special committees**

#### **1. Strategic Development Committee**

On 30 April 2024, the third meeting of the Strategic Development Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Environmental, Social and Governance Report of ZHONGTAI FUTURES Company Limited for the Year 2023, by voting through correspondence.

On 24 June 2024, the fourth meeting of the Strategic Development Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Performance Report of the Strategic Development Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023, by voting through correspondence.

On 26 August 2024, the fifth meeting of the Strategic Development Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on Formulating A Three-Year (2024-2026) Capital Replenishment Plan of ZHONGTAI FUTURES Company Limited, by voting through correspondence.

## Corporate Governance Report

On 4 December 2024, the sixth meeting of the Strategic Development Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Medium-term Adjustment Plan of ZHONGTAI FUTURES Company Limited for 14th Five-year Plan, by voting through correspondence.

During the Reporting Period, the attendance of members of the Strategic Development Committee at meetings:

Name	The actual number of meetings attended/the number of meetings expected to be attended
ZHONG Jinlong (chairman of the Strategic Development Committee)	4/4
CHEN Hua	4/4
ZHENG Jianping	4/4
MING Gang	4/4
LIU Feng (resigned as a member of the Strategic Development Committee on 27 June 2024)	2/2
WANG Hui (appointed as a member of the Strategic Development Committee on 27 June 2024)	2/2

### 2. Risk Control Committee

On 26 March 2024, the fourth meeting of the Risk Control Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Regulatory Risk Indicators of ZHONGTAI FUTURES Company Limited for the Year 2023 by voting on site and through video.

On 30 April 2024, the fifth meeting of the Risk Control Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on Determining the Company's Risk Preference, Risk Tolerance and Major Risk Limit for the Year 2024, by voting through correspondence.

On 24 June 2024, the sixth meeting of the Risk Control Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Performance Report of the Risk Control Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023, by voting through correspondence.

On 26 August 2024, the seventh meeting of the Risk Control Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Regulatory Risk Indicators of ZHONGTAI FUTURES Company Limited for the First Half of 2024 by voting through correspondence.

During the Reporting Period, the attendance of members of the Risk Control Committee at meetings:

Name	The actual number of meetings attended/the number of meetings expected to be attended
ZHENG Jianping	4/4
CHEN Hua	4/4
MING Gang	4/4
LIANG Zhongwei	4/4
HU Kainan (resigned as chairman and member of the Risk Control Committee on 22 February 2024)	0/0
LIU Qingbin (appointed as chairman and member of the Risk Control Committee on 22 February 2024, resigned as chairman and member of the Risk Control Committee on 28 November 2024)	4/4

### 3. Audit Committee

On 14 January 2024, the fifth meeting of the Audit Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Internal Control Evaluation Work Plan of ZHONGTAI FUTURES Company Limited for the Year 2023, by voting through correspondence.

On 26 March 2024, the sixth meeting of the Audit Committee of the fourth session of the Board of Directors reviewed and approved the following, by voting on site and through video: the Proposal on the Internal Control Evaluation Report of ZHONGTAI FUTURES Company Limited for the Year 2023, the Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2023 (Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), the Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2023 (Guidelines of the CSRC Regarding the Contents and Formats of Annual Reports of Futures Companies), the Proposal on the Final Financial Accounts of ZHONGTAI FUTURES Company Limited for the Year 2023, and the Proposal on the Financial Budgets of ZHONGTAI FUTURES Company Limited for the Year 2024.

On 24 June 2024, the seventh meeting of the Audit Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Performance Report of the Audit Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023, by voting through correspondence.

On 28 August 2024, the eighth meeting of the Audit Committee of the fourth session of the Board of Directors reviewed and approved Proposal on the Interim Report of ZHONGTAI FUTURES Company Limited for the Year 2024, by voting on site and through video.

On 27 December 2024, the ninth meeting of the Audit Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Internal Audit Work Plan of ZHONGTAI FUTURES Company Limited for the Year 2025, by voting through correspondence.



## Corporate Governance Report

During the Reporting Period, the attendance of members of the Audit Committee at meetings:

Name	The actual number of meetings attended/the number of meetings expected to be attended
LUO Xinhua (chairman of the Audit Committee)	4/5
ZHENG Jianping	5/5
CHEN Hua	5/5
HU Kainan (resigned as a member of the Audit Committee on 22 February 2024)	1/1
LIU Feng (resigned as a member of the Audit Committee on 27 June 2024)	3/3
WANG Hui (appointed as a member of the Audit Committee on 27 June 2024)	1/2

#### 4. Remuneration and Appraisal Committee

On 7 January 2024, the second meeting of the Remuneration and Appraisal Committee of the fourth session of the Board of Directors reviewed and approved the Performance Appraisal of the Senior Management for the Year 2022 and their Terms of office of ZHONGTAI FUTURES Company Limited by voting through correspondence.

On 24 June 2024, the third meeting of the Remuneration and Appraisal Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Performance Report of the Remuneration and Appraisal Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023, by voting through correspondence.

On 30 December 2024, the fourth meeting of the Remuneration and Appraisal Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Performance Appraisal of the Senior Management of ZHONGTAI FUTURES Company Limited for the Year 2023 and the Proposal on Amendments to the Interim Measures for Remuneration Management and Performance Appraisal of Senior Management, by voting through correspondence.

During the Reporting Period, the attendance of members of the Remuneration and Appraisal Committee at meetings:

Name	The actual number of meetings attended/the number of meetings expected to be attended
CHEN Hua (chairman of the Remuneration and Appraisal Committee)	3/3
ZHENG Jianping	3/3
LUO Xinhua	3/3
ZHENG hanyin	3/3
LIANG Zhongwei	3/3

### 5. Nomination Committee

On 11 March 2024, the third meeting of the Nomination Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on Examining the Qualifications of Mr. Meng Xiancheng as the Company's Deputy General Manager Candidate and the Proposal on Examining the Qualifications of Ms. Ji QiuHong as the Company's Chief Risk Officer Candidate, by voting through correspondence.

On 24 May 2024, the fourth meeting of the Nomination Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on Examining the Qualifications of Ms. Wang Hui as Director Candidate of ZHONGTAI FUTURES Company Limited, by voting through correspondence.

On 24 June 2024, the fifth meeting of the Nomination Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on the Performance Report of the Nomination Committee of the Board of Directors of ZHONGTAI FUTURES Company Limited for the Year 2023, by voting through correspondence.

On 25 November 2024, the sixth meeting of the Nomination Committee of the fourth session of the Board of Directors reviewed and approved the Proposal on Examining the Qualifications of Liu Yunzhi to Perform the Duties on Behalf of the General Manager of ZHONGTAI FUTURES Company Limited, by voting through correspondence.

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During the Reporting Period, the attendance of members of the Nomination Committee at meetings:

Name	The actual number of meetings attended/the number of meetings expected to be attended
ZHENG Jianping (chairman of the Nomination Committee)	4/4
CHEN Hua	4/4
LUO Xinhua	4/4
ZHENG Hanyin	4/4
LIANG Zhongwei	4/4

### V. CHAIRMAN AND GENERAL MANAGER

The roles of the Chairman of the Board and the general manager of the Company are separate in order to ensure the independence and accountability of their respective responsibilities and the balanced distribution of powers and authorities. As at the date of this Report, Mr. Zhong Jinlong serves as the Chairman of the Board, and Mr. Zhou Shunyuan serves as the general manager (during the Reporting Period, Mr. Liu Qingbin resigned as the general manager on 28 November 2024, and from the same date, Mr. Liu Yunzhi, a deputy general manager of the Company, acted on behalf of the general manager of the Company. Mr. Zhou Shunyuan was appointed as the general manager of the Company on 27 February 2025, and from the same date, Mr. Liu Yunzhi ceased to act on behalf of the general manager of the Company). The Articles of Association clearly defines the division of roles and responsibilities between the Chairman and the general manager.

Mr. Zhong Jinlong, the Chairman of the Board, is mainly responsible for:

- (1) Presiding over general meetings and convening and presiding over the Board meetings;
- (2) Inspecting the implementation of the resolutions of the Board of Directors and debriefing of relevant reports;
- (3) Supervising and organizing the formulation of rules and regulations on the operation of the Board of Directors, and coordinating the operation of the Board of Directors;
- (4) Signing the securities certificates issued by the Company;
- (5) Signing the documents of the Board of Directors and other documents that shall be signed by the Company's legal representative;
- (6) Exercising the functions and powers of the legal representative;

- (7) In the occurrence of force majeure and major emergency events, such as extraordinarily serious natural disasters, which renders the Board of Directors unable to convene a meeting in due course, exercising a special right to deal with the Company's affairs in compliance with the law and in the Company's interests, and reporting such to the Board of Directors and Shareholders' general meeting thereafter; and
- (8) Exercising any other functions and powers specified in laws, regulations or the Articles of Association or conferred by the Board of Directors.

Mr. Zhou Shunyuan, the general manager, is mainly responsible for:

- (1) Presiding over the production, operation and management of the Company, and report to the Board of Directors on his work;
- (2) Arranging the implementation of the resolutions of the Board of Directors;
- (3) Arranging the implementation of the Company's annual business plan, investment and financing plans formulated by the Board of Directors;
- (4) Proposing plans for the establishment of the Company's internal management department;
- (5) Proposing plans for the establishment of branch companies, sales offices and other branches of the Company;
- (6) Formulating the Company's basic management system;
- (7) Developing the Company's specific rules and regulations;
- (8) Proposing to the Board of Directors for the appointment or removal of deputy general managers and person in charge of financial affairs, and provide suggestions on their remuneration;
- (9) Appointing or removing the management officers (other than those required to be appointed or removed by the Board of Directors), and determining their appraisal, remuneration, bonus and punishment;
- (10) Reviewing the wages, benefits and incentive scheme of the Company's employees, and deciding on the employment and dismissal of employees of the Company;
- (11) Determining matters such as the Company's investment, financing, contracts and transactions to the extent authorized by the Articles of Association and the Board of Directors;
- (12) Organizing the implementation of the work plan for corporate culture construction; and
- (13) Other functions and powers authorized by the Articles of Association or the Board of Directors.

### **VI. SECURITIES TRANSACTIONS BY THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

The Company has adopted the Model Code as the code for all Directors and Supervisors to conduct transactions of the Company's securities. The Company has also set guidelines, at least as strict as the Model Code, on senior management's transactions of the Company's securities. The Company has made specific inquiries to all Directors and Supervisors about their compliance with the Model Code, and they all confirmed that they had complied with the standards specified in the Model Code during the Reporting Period. The Company has made specific inquiries to the senior management about their compliance with the guidelines on transactions of the Company's securities, and the Company did not notice any violation of the guidelines.

### **VII. PERFORMANCE OF DUTIES BY INDEPENDENT NON-EXECUTIVE DIRECTORS**

During the Reporting Period, 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 Rule 3.10 of the Listing Rules. As at the end of the Reporting Period, the three independent non-executive Directors of the Company were Mr. Zheng Jianping, Mr. Chen Hua and Mr. Luo Xinhua, respectively.

The Company has received an annual written confirmation letter from each independent non-executive Director on their independence in accordance with the elements as set out in Rule 3.13 of the Listing Rules. The Company considers each of the independent non-executive Directors to be independent.

The Company has established mechanisms to ensure independent views and input are available to the Board, including without limitation by reviewing that the independent non-executive Directors have appropriate qualifications and expertise from time to time with sufficient time commitment to the Group, that the number of independent non-executive Directors comply with the requirements of the Listing Rules, and that channels are established (including but not limited to questionnaires or Board meetings) to assess and evaluate the independent non-executive Directors' contribution and views. The implementation and effectiveness of such mechanisms is reviewed by the Board on an annual basis.

The independent non-executive Directors of the Company are elected at the general meetings for a term of 3 years, which is renewable upon re-election and re-appointment.

### VIII. SUPERVISION ON RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board understands that it is the responsibility of the Board to maintain an adequate risk management (including those material risks in relation to the ESG) and internal control system to safeguard the investment of the Shareholders and the assets of the Company.

The Board is responsible for and has reviewed the risk management and internal control system of the Group. Having received confirmation from the Company's senior management on the effectiveness of the Group's risk management and internal control systems, the Board is of the view that the risk management and internal control system are effective and adequate. During the review, no significant events of concerns were identified. During the Reporting Period, there were no changes to the Company's risk management and internal control systems. The systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only make reasonable, but not absolute, assurances that there will be no material misstatement or loss. With respect to the process of identifying, assessing and managing significant risk, the Company mainly adopts the following measures:

- (1) Develop various types of risk warning and limit indicator systems according to the risk appetite; continuously monitor risk warning and limit indicator, and report to the Board and the senior management the use of the risk limits; formulate relevant correction measures and adopt necessary risk diversification measures when risk limits are close to the monitoring indicator limits.
- (2) Conduct regularly comprehensive risk stress tests with uniform scenario and irregularly special stress tests to assess the impact of the significant risk events; formulate appropriate risk contingency plan when necessary and apply the stress test results when making the decisions in relation to the risk management of the Company and each of the operation management.
- (3) Identify and assess various risks on regular basis and incorporate the assessment and management advices into the comprehensive risk management report which shall be submitted to the senior management and the Board for review.

The major characteristics of the risk management and internal control system of the Group are as follow:

- (1) Complete coverage of risk management and compliance is required. Risk management and internal control systems cover every business line, in domestic and foreign currencies, on the balance sheets and off the balance sheets, and of domestic or overseas businesses; cover all branches, departments, positions and employees; cover every type of risk and the impact between different risks; cover the whole management process, from decision making to execution and monitoring; the risk management and internal control system of the Company cover all the domestic and foreign requirements in relation to internal control and risk management, such as "Basic Norms for Enterprise Internal Control", "Enterprise Internal Control Guidelines" and the Listing Rules, which are all applicable to the Company;

## Corporate Governance Report

- (2) The risk management and internal control are relatively independent from each other. The Company established an independent organization structure for comprehensive risk management and internal control system, granting sufficient authority, human resources and other resources to the risk management functions, and established a scientific and reasonable reporting channel, which forms an operation mechanism of checks and balances with business line;
- (3) Internal control activities are risk-oriented. Subject to satisfaction of the internal control requirements set out in the Listing Rules, the Company adopts risk assessment methods with a focus on the high risk areas and management hotspots, while selecting the major business procedures and critical control elements for fulfilling relevant risk control requirement, which is applied in relevant business management activities. Through the comprehensive risk management and the whole-process internal control system, the Company can reasonably ensure that the business risk appetite is in line with the Company's strategy and the risk management work is done in an orderly manner, and risks are effectively identified to prevent the Company from unnecessary loss; that the risk assessment method is accurate, and the risk report is timely delivered; the monitoring mechanism of internal control mechanism is in good operation to timely identify significant risks.

The Board continued to monitor the effectiveness of the Group's risk management and internal control systems. During the Reporting Period, the Board has reviewed the Group's risk management and internal control system twice. The review should cover all important aspects of monitoring, including financial monitoring, operational monitoring and compliance monitoring.

During the Reporting Period, the Company has implemented various audit inspections in accordance with regulatory requirements and the internal control management needs, covering audit of outgoing responsible persons of the Company, routine audit of branches, audit of subsidiaries, audit of the management of main futures business, and audit of the Company's anti-money laundering and honest and clean operation. Attention was paid to the regulatory requirements of regulatory authorities and the new rules and system of the Company during audit process, and such requirements were included in the scope of audit, which effectively facilitated the enforcement of the Company's internal control system. During the Reporting Period, the Company formulated its internal control system by taking into consideration of its own business development and in accordance with relevant laws and regulatory requirements on securities and futures in the PRC and Hong Kong. This system, which satisfied the Company's management needs, has been effectively implemented, and achieved the Company's compliant management purpose. Meanwhile, it reasonably ensured the truthfulness and completeness of the financial reports. Such system also serves as an effective preventive measure for managing and responding to significant risks as well as checking against financial frauds, errors of important procedures to eliminate potential significant risks.

The Company is aware of its obligations under the Securities and Futures Ordinance and the Listing Rules and the overriding principle that inside information should be announced immediately after such information comes to our attention and/or when relevant decisions are made unless it falls within "Safe Harbours" as defined under the Securities and Futures Ordinance. Meanwhile, the Company has put in place real-time monitoring mechanism over information which could be the inside information and determines whether such information is inside information and is practicable for disclosure. If the disclosure standards are met, the information should be disclosed as early as possible. Before the disclosure, the scope of knowledge should be strictly controlled and the fluctuation of the stock price should be monitored until the completion of the disclosure of the inside information. If the disclosure standards are not met, the Company will also maintain strict confidentiality.

### IX. OTHER RELEVANT MATTERS

#### (1) Auditor and its remuneration

ShineWing Certified Public Accountants LLP was appointed as auditor of the Company for the financial statements prepared by the Company in accordance with Chinese Accounting Standards for Business Enterprises for the year ended 31 December 2024. During the period covered by this Report, there was no occurrence of disagreement from the Board of Directors to the opinions of selection and appointment of external auditor from the Audit Committee. For details of the auditor's remuneration, please refer to "VII. Appointment, Change and Dismissal of the Accounting Firms" in Chapter X of this Report.

#### (2) Directors' and auditor's responsibility for the financial statements

The Board of Directors acknowledged its responsibility of preparing the Group's consolidated financial statements for the year ended 31 December 2024.

The Board of Directors is responsible for the clear and specific assessment report for the annual reports, interim reports, price-sensitive information and other disclosures according to the Listing Rules and other regulatory requirements. The senior management have provided the Board of Directors with all necessary explanations and information for the Board of Directors to make an implementation assessment of the Group's financial data and position and for the Board's consideration and approval.

The Company has not encountered with any significant uncertainty or circumstance that might cause material doubt to the Company's ability as a on-going concern. In addition, the Company has arranged appropriate insurance coverage for potential legal actions and liabilities against the Directors, the Supervisors and the senior management.

Please refer to "Auditor's Report" in Chapter XIII of this Report for the reporting responsibility declaration of the auditor of the Company concerning the consolidated financial statements.

#### (3) Company secretaries

For the biographies of Mr. Liang Zhongwei and Ms. Ng Sau Mei, please refer to "I. Briefings of the Directors, Supervisors and Senior Management" in Chapter IX of this Report. Mr. Liang Zhongwei, the joint company secretary and secretary to the Board of the Company, is the main contact person between Ms. Ng Sau Mei (Dr. Ngai Wai Fung resigned as the joint company secretary of the Company on 10 December 2024, and Ms. Ng Sau Mei was appointed as the joint company secretary of the Company on 10 December 2024) and the Company.

In accordance with the requirements of Rule 3.29 of the Listing Rules, Mr. Liang Zhongwei, Dr. Ngai Wai Fung and Ms. Ng Sau Mei, being the joint company secretaries, have received no less than 15 hours of relevant professional training during the year ended 31 December 2024.



## Corporate Governance Report

### (4) Rights of Shareholders and communication policy

The general meeting is the supreme authority of the Company. The Shareholders exercise their rights through the general meeting. The Company convenes and holds the general meetings in strict compliance with the relevant requirements to ensure that all Shareholders, especially minority Shareholders, can enjoy equal positions and fully exercise their rights. The Company maintains a healthy and steady development in an orderly way under the restraints of the Articles of Association, the interests of the Company and its Shareholders are effectively protected.

The Company highly respects the opinions and suggestions of Shareholders and maintains open channels of communication with Shareholders in order to meet their reasonable requirements. Meanwhile, the Company releases its announcements, financial data and other relevant information on its website [www.ztqh.com](http://www.ztqh.com), which serves as a channel promoting effective communication with Shareholders. Shareholders can make inquiries by email or by investor special line or write directly to the office address of the Company, which will be dealt with appropriately in a timely manner. Please refer to "I. Profile" in Chapter III of this Report for the above detailed contact information.

The Board welcomes suggestions from Shareholders, and encourages Shareholders to attend general meetings to directly express possible concerns to the Board and the senior management. Usually, the Chairman of the Board and the chairmen of respective special committees and the senior management would attend annual general meetings and other general meetings to answer questions put forward by Shareholders.

Shareholders may convene an extraordinary general meeting within two months pursuant to the procedures specified in the Articles of Association when: (1) the number of Directors is less than the number required by the Company Law or two-thirds of the number of Directors specified in the Articles of Association; (2) unrecovered losses of the Company amount to one third of the total amount of its Share capital; (3) when Shareholder(s) who individually or jointly hold(s) ten percent or more of the Company's issued and outstanding voting Shares request(s) in writing for the convening of an extraordinary general meeting; (4) the Board of Directors considers necessary or upon the request of the Supervisory Committee; or (5) other circumstances required by laws, administrative regulations, departmental rules or the Articles of Association.

When the Company convenes a general meeting, the Shareholders holding 3% or more of the Shares carrying voting rights of the Company, have the right to propose a provisional proposal in writing to the Company 10 days before convening the general meeting. The Company shall place the provisional proposal which falls within the functions and powers of general meetings on the agenda for the said meeting. Please refer to the Articles of Association for specific details. The Articles of Association have been published on the websites of the Hong Kong Stock Exchange and the Company.

The Board of Directors reviews the shareholder communication policy at least once a year to ensure its effectiveness. After reviewing the different channels of communication with Shareholders, the Board of Directors considers that the shareholder communication policy has been properly implemented and is effective during the Reporting Period.

### (5) Investor relations

Standardized and specialized investor relationship management is not only a listed Company's statutory responsibility, but also an effective method to manage the Company's market capitalization. The Board attaches great importance to the management of investor relations, and strengthens the communication and services with investors through various platforms, such as special lines set up specially for investors, E-mail, customer service hotlines of the Company, the Company's website, teleconferences, on-site reception, meeting-and-greeting of investors and roadshow, etc. to make the investors understand the situation of the Company and improve investors' recognition and understanding of the Company and the industry in which the Company operates.

### (6) Diversity Policy

The Company is of the view that the diversity of the members of the Board of Directors will promote the growth of the results of the Company, enhance corporate governance and the Company's reputation, as well as attract and retain talents in the Board of Directors.

In order to meet and enforce the requirements regarding board diversity in the Listing Rules and ensure a more reasonable composition of the Board, the Company adheres to the diversity policy on the election of Directors, including taking into consideration the professional qualification and experience, gender, cultural and educational background, age and terms of service of Directors. The Company also considers determining the best composition of the members of the Board of Directors according to its scope of business and its particular needs from time to time.

The Nomination Committee of the Company reviews and assesses the composition of the Board of Directors (including gender diversity at the Board level), and make recommendations to the Board of Directors on appointing new directors of the Company. The Nomination Committee reviews all measurable goals for achieving the diversity of the Board of Directors and the gender diversity of the Board each year and makes recommendations to the Board concerning the goals.

In order to implement the Board diversity policy, the following measurable goals have been adopted during the Reporting Period:

- (1) At least one-third of the Board members are independent non-executive Directors; and
- (2) At least one member of the Board has obtained legal and accounting or other professional qualifications.

The Board of Directors has achieved the measurable goals under the Board diversity policy.

## Corporate Governance Report

As at the end of Reporting Period, the Board of Directors consisted of eight Directors, three of whom were independent non-executive Directors and one was staff representative Director, thereby enhancing the strict review and monitoring of management procedures. The Board is highly diverse in all aspects of age, cultural and educational background, professional experience, skills, knowledge and terms of service.

As at the end of the Reporting Period, the Company has achieved gender diversity at the Board level.

As at the end of the Reporting Period, the employees of the Group (including senior management) comprised 443 males and 315 females and the ratio of male to female staff was approximately 1.41:1. Accordingly, the Board considers that the Group's workforce are all diverse in terms of gender. The Company pursues a meritocracy policy in employment, and is committed to providing equal opportunities for staff in recruitment, training and development, job promotion and remuneration package.

### (7) Amendments to the Articles of Association

During the Reporting Period, the Company did not amend the Articles of Association.

### (8) Remuneration of the senior management

The remuneration paid to the senior management by bands for the year ended 31 December 2024 is set out below:

Remuneration bands	Number
RMB300,001 to RMB500,000	–
RMB500,001 to RMB700,000	3
RMB700,001 to RMB900,000	2
RMB900,001 to RMB1,100,000	–
RMB1,100,001 to RMB1,300,000	1
RMB1,300,001 to RMB1,500,000	–
RMB1,500,001 to RMB1,700,000	2
	8

### (9) Terms of office of non-executive Directors

The non-executive Directors of the Company are elected at the general meeting for a term of 3 years, which is renewable upon their re-election and re-appointment.

### (10) Dividend Policy

The Company's dividend policy has been stipulated in the Articles of Association. According to the Articles of Association, in distributing the current year's profit after tax, 10% of the profit shall be allocated to the Company's statutory reserve fund. When the aggregate amount of the statutory reserve fund has reached 50% or more of the Company's registered capital, further appropriations are not required. If the statutory reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to make up such losses before allocating to the statutory reserve fund in accordance with the preceding paragraph. The Company shall allocate 10% of its annual profits after tax as a general risk reserve to compensate for risks. After allocation of its profits after tax to its statutory reserve fund and general risk reserve, the Company may allocate its profits after tax to its discretionary reserve fund upon a resolution of the Shareholders' general meeting. The remaining profits after tax after the Company has made up its losses and allocated to its reserve funds and general risk reserve may be distributed to its Shareholders in proportion to their shareholdings if profit distribution is to be made, unless it is stipulated in the Articles of Association that no profit distribution shall be made in proportion to shareholdings.

The Company may distribute dividends in the form of (or a combination of both):

- (1) cash;
- (2) shares.

Dividends and other payments payable by the Company to the holders of its Domestic Shares shall be denominated and declared in Renminbi and paid in Renminbi within three months from the date of declaration of dividends. Dividends and other payments payable by the Company to the holders of foreign shares shall be denominated and declared in Renminbi and paid in foreign currency within three months from the date of declaration of dividends. The exchange rate adopted for conversion shall be the average closing exchange rate of the relevant foreign currency against Renminbi as quoted by the People's Bank of China for the five business days prior to the declaration date. The foreign currency payable by the Company to the holders of foreign shares shall be subject to the relevant regulations on foreign exchange control in the PRC. The Board of Directors shall be authorized by way of ordinary resolution at a shareholders' general meeting to implement dividend distribution of the Company.

# Internal Controls

During the Reporting Period, the Company continuously improved our internal control according to the regulatory requirements for Companies listed in Hong Kong and the requirements of “Basic Norms for Enterprise Internal Control” and the relevant implementation guidelines, striving to improve the Company’s management practice and risk prevention ability, and promote the Company’s compliant operation and long-term, healthy and stable development.

## **I. ESTABLISHMENT OF INTERNAL CONTROL STRUCTURE**

The Company established and perfected the corporate governance structure comprising the Party Committee, the general meetings, the Board, the Supervisory Committee and the Senior Management. The Board is responsible for establishing, improving and effective implementation of internal controls. The Supervisory Committee supervises the Board and the Senior Management in establishing and implementing internal controls. The Senior Management is responsible for organizing the daily operation of the internal control. The Audit Committee and the Risk Control Committee are subordinated to the Board, and discharge their duties according to various regulations, and are accountable to and report to the Board. A chief risk officer has been appointed for supervising and inspecting the compliance of the operation and management behavior and risk management status of the Company. The Company has established a compliance and risk control department and an audit department, among them: the compliance and risk control department is responsible for formulating the basic internal control system of the Company and performing compliance management and risk control functions; the Audit Department shall carry out internal audit activities under the leadership of the Party Committee and the Board and is subject to the guidance of the Audit Committee of the Board.

## **II. IMPLEMENTATION AND OPERATION OF INTERNAL CONTROL SYSTEM**

Pursuant to relevant laws and regulations, requirements of regulatory policies and needs of corporate governance, the Company has established and implemented corresponding levels of internal control system, including the Articles of Association, the Rules of Procedure for the Party Committee, the General Meeting, the Board, and the Supervisory Committee, and the Senior Management, the financial management system, administrative management system, the information technology management system, the compliance and risk control management system and the business management systems, etc., and continuously optimizes the process control, perfects the appraisal and check mechanisms. During the Reporting Period, the Company continuously improved the internal control system and updated relevant internal control systems in a timely manner, and comprehensively improved the implementation of the systems to ensure the effectiveness of its internal control design.

### III. SUPERVISION AND INSPECTION OF INTERNAL CONTROL

The Company has established an internal control management model that covers pre-events, ongoing events and post events so as to ensure that various operation and management activities are undertaken according to laws and regulations. The Company has established a smooth and efficient information exchange channel, a major event reporting system, and an information feedback mechanism for internal employees and customers to ensure that the Board of Directors, the Supervisory Committee, the senior management and the supervision and inspection departments can keep abreast of the Company's operations and risks in time. Meanwhile, the Company has established a scientific and effective internal authorization management mechanism. The Compliance and Risk Control Department is responsible for drafting the basic internal control system of the Company, monitoring, evaluating and reporting the overall risk level of the Company, and guiding all units to identify and evaluate risks, set key control measures, effectively implement and continuously improve the internal control system; the Audit Department is responsible for formulating internal control evaluation methods, organizing the establishment of internal control defect identification standards, and performing internal independent audit and evaluation. According to the regulatory requirements and internal control management needs, the Compliance and Risk Control Department and the Audit Department conduct regular or irregular inspections on the Company's business management, and urge relevant units to effectively rectify the problems found.

During the Reporting Period, the Compliance and Risk Control Department of the Company organized compliance inspection and self-inspection in accordance with regulatory requirements and internal control management needs, with reference to regulatory cases and in light of key business areas or parts, covering asset management, honest and clean practice, investor suitability, intermediary management, information technology, transaction consulting and employee practice behavior, etc. For the problems and potential risks found in inspection, self-inspection and daily supervision, the Compliance and Risk Control Department followed up and urged relevant units to implement rectification, and conducted compliance and risk control performance assessment on the units involved, effectively reducing the compliance and risk control exposure of the Company and ensuring the smooth operation of various business lines such as brokerage business, asset management business and transaction consulting business. Meanwhile, the Audit and Compliance Department of the Company carried out various internal audit and checks in accordance with the annual audit plan, mainly including routine audits of branches, outgoing audits of the Company's relevant executives, annual internal control evaluations, audits of the Company's information technology management, ICT innovation work, anti-money laundering work, and inspection of subsidiaries' compliance. For issues identified in during auditing, the entity being audited was promptly urged to complete rectifications, and find who/what is to blame so as to foster the Company to improve its corporate governance and achieve value enhancement.

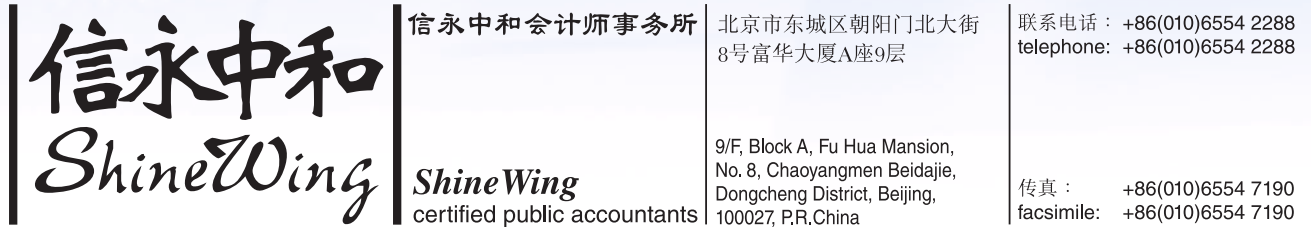
## Internal Controls

### IV. CONCLUSION OF INTERNAL CONTROL EVALUATION

During the Reporting Period, the Company continuously improved the corporate governance structure of “Party Committee, the general meetings, the Board, the Supervisory Committee and the Senior Management”, and established the internal control system which was implemented through involvement of the Company’s Board, Supervisory Committee and Senior Management, and all employees. By continuously deepening the construction of the internal control system, the effective operation of the internal control mechanism was ensured. The Board evaluated the effectiveness of the Company’s internal control as of 31 December 2024 (the benchmark date for the internal control evaluation report). Based on the identification of deficiencies in the Company’s internal control over financial reporting, as of the benchmark date for the internal control evaluation report, there were no deficiency in the Company’s internal control over financial reporting. Based on the identification of material defects in the Company’s internal control over non-financial reporting, as of the benchmark date for the internal control evaluation report, the Company has not identified any material or significant defects in the Company’s internal control over non-financial reporting. However, there were cases of inadequate management in areas such as subsidiaries’ risk management, online meeting and event management, and customer transaction behavior management, leading to administrative regulatory measures from regulatory authorities. These in nature are general defects in non-financial reporting internal control, and the risks that may result from this general defect were within control. The Company has taken corresponding measures to improve the system, strengthen internal control management, and conscientiously implement rectifications, without causing material effect on the quality of the Company’s operation and management activities.

ShineWing Certified Public Accountants LLP believes that, as of 31 December 2024, the Company maintained effective internal control related to its financial statements in all material aspects in accordance with the “Basic Norms for Enterprise Internal Control” and related regulations

# Auditor's Report



## Auditor's Report

XYZH/2025JNAA1B0015  
Zhongtai Futures Company Limited

To all shareholders of Zhongtai Futures Company Limited:

### I. Audit opinion

We have audited the financial statements of Zhongtai Futures Company Limited (hereinafter referred to as the "Zhongtai Futures Company" or the "Company"), which comprise the consolidated and the parent company's balance sheet as of December 31st, 2024, the consolidated and the parent company's income statement, the consolidated and the parent company's cash flow statement, the consolidated and the parent company's statement of changes in shareholders' equity for the year 2024, and the related notes to the financial statements.

In our opinion, the attached financial statements were prepared in accordance with Accounting Standards for Business Enterprises and fairly presented, in all material respects, the consolidated and the parent company's financial position of Zhongtai Futures Company as at December 31st, 2024, and the consolidated and the parent company's operating results and cash flows for the year 2024.

### II. The basis of audit opinion

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the "Responsibilities of the Management and those charged with the governance of the financial statements" section of our report. We are independent of Zhongtai Futures Company in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion.

### III. Key audit matters

Key audit matters are those matters that, in our professional judgment, we consider to be most significant to the audit of the financial statements for the year. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters individually.



## Auditor's Report

### 1. Recognition of net handling fees and commission income

Key Audit Matters	Response in Audit
<p>As stated in Note IV.29.(1) and Note VII.40. to the financial statements, Zhongtai Futures Company's net handling fees and commission income for FY2024 was RMB411,831,148.00.</p> <p>The net handling fees and commission income of Zhongtai Futures Company is mainly from the brokerage business (including net handling fee income from brokerage business and exchange reduction).</p> <p>We identified the recognition of net handling fees and commission income as a key audit matter as it is one of the key performance indicators for Zhongtai Futures Company, and there is an inherent risk that Management may manipulate income to meet specific objectives or expectations.</p>	<p>The key audit procedures we performed for the recognition of net handling fees and commission income included:</p> <ol style="list-style-type: none"> <li data-bbox="810 655 1390 875">(1) Control testing focused on income related business cycles, such as the brokerage business cycle and the fund's management cycle, in conjunction with the Company's internal control testing to determine the effectiveness of income related internal controls.</li> <li data-bbox="810 914 1390 1166">(2) Testing and evaluating the effectiveness of the design and operation of general IT controls associated with key IT systems that process transactions related to net handling fees and commission income, and testing and evaluating the design and operational effectiveness of the relevant IT application controls within the selected systems.</li> <li data-bbox="810 1205 1390 1483">(3) Performing analytical review procedures to conduct a comparative analysis of the Company's net handling fees and commission income for the past two years; and obtaining national futures market turnover data to perform comparative analysis of the Company's futures turnover data and net handling fees and commission income trends with national market trends.</li> <li data-bbox="810 1522 1390 1739">(4) Obtaining the details of retained handling fees from the Company's trade settlement system and reconciling them with the book data; comparing the book data with the settlement data and conducting a cut-off test of net handling fees and commission income from futures brokerage business.</li> </ol>

## 2. Valuation of financial instruments measured at fair value

Key Audit Matters	Response in Audit
<p>As stated in Notes VII. 11., VII. 12., VII. 13., and XIII. to the financial statements, as of December 31st, 2024, the fair value of the trading financial assets of Zhongtai Futures Company was RMB1,278,285,166.84, the fair value of trading financial liabilities was RMB138,638,899.79, and the fair value of investments in other equity instruments was RMB1,400,000.00.</p> <p>As the valuation of the Company's financial instruments is based on a combination of market data and valuation models, a high number of variables are typically required to be entered. The assessment of the fair value of some financial instruments measured at fair value is more complex and involves a significant degree of Management's judgement in determining the inputs used in the valuation model, therefore we have identified the valuation of financial instruments measured at fair value as a key audit matter.</p>	<p>The key audit procedures we performed for the valuation of financial instruments measured at fair value included:</p> <ol style="list-style-type: none"> <li data-bbox="890 659 1479 810">(1) Obtaining an understanding of the reasonableness of the design of internal controls relevant to the valuation of financial instruments and performing relevant tests of control effectiveness;</li> <li data-bbox="890 853 1479 972">(2) Assessing the appropriateness of the valuation methods applied by the Company and comparing it with similar or comparable industries.</li> <li data-bbox="890 1015 1479 1297">(3) For the valuation of Level 1 and Level 2 non-derivative financial instruments, we independently obtained observable market data and net asset values provided by the relevant asset managers and compared these to the valuation prices used by the Company by way of audit sampling and confirmed the net values by way of a letter to the asset managers.</li> </ol>

## Auditor's Report

Key Audit Matters	Response in Audit
	<p>(4) For the valuation of Level 1 and Level 2 derivative financial instruments, the Management relies on directly or indirectly observable parameters, and we evaluated the assumptions and judgements made by the Management based on our knowledge of current industry practice.</p> <p>① Obtain a breakdown of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss and reconcile them to the statement and general ledger figures.</p> <p>② Obtain a breakdown of the Company's OTC derivatives, obtain derivative agreements, trade confirmations and other information on a sample basis, understand the relevant terms and valuation elements and reconcile them with the transaction breakdown.</p> <p>③ Obtain mark to market reports and valuation data, independently review the calculation of the valuation of derivative financial instruments by way of sampling in conjunction with the Company's valuation method and the key parameters used in the valuation.</p> <p>(5) For the valuation of financial instruments classified as Level 3, the Management relies on unobservable parameters. We evaluated the assumptions and judgements made by the Management based on our knowledge of current industry practice. We obtained external evidence such as investment contracts and correspondence with counterparties to substantiate the Management's estimates of future cash flows, expected recovery or payment dates and discount rates, so as to evaluate the reasonableness of its valuation results.</p>

### **IV. Other information**

Zhongtai Futures Company Management (hereinafter referred to as the Management) is responsible for other information. Other information includes the information covered in Zhongtai Futures Company's 2024 Annual Report, but excludes the financial statements and our auditor's report.

Our audit opinion on the financial statements does not cover other information, and we do not express an assurance conclusion of any kind on other information.

In conjunction with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether other information is materially inconsistent with, or appears to be materially misstated in, the financial statements or what we have learned during the audit.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. We do not have any matters to report in this regard.

### **V. Responsibilities of the Management and those charged with the governance of the financial statements**

The Management is responsible for the preparation of financial statements in accordance with the Accounting Standards for Business Enterprises to enable them to be fairly reflected and to design, implement and maintain the necessary internal controls so that there is no material misstatement due to fraud or error in the financial statements.

In the preparation of the financial statements, the Management is responsible for assessing Zhongtai Futures Company's ability to continue as a going concern, disclosing matters relating to continuing operations (if applicable) and applying the continuing operating assumptions unless the Management plans to liquidate Zhongtai Futures Company, cease to operate or otherwise realistic choice.

Those charged with the governance is responsible for overseeing the financial reporting process of Zhongtai Futures Company.

### **VI. Auditor's responsibilities for the audit of the financial statements**

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

## Auditor's Report

Throughout the duration of the audit, in accordance with auditing standards, we have exercised professional judgment and maintained professional scepticism. We have also carried out the following work:

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

We have communicated with the Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings etc., including any significant deficiencies in internal control that we have identified during our audit.

We have also provided a statement to Governance regarding compliance with ethical requirements related to independence and communicated with the Governance about all relationships and other matters that could reasonably be perceived to affect our independence, as well as related precautions (if applicable).

## Auditor's Report

From the matters communicated with Governance, we determined which matters were most significant to the audit of the current year's financial statements and therefore constituted key audit matters. We described these matters in our audit report, except in those cases where public disclosure of such matters is prohibited by law or regulation, or in those rare cases where we determined that a matter should not be communicated in our audit report if we reasonably expect that the negative consequences of the matter in our audit report would outweigh the benefits in the public interest.

ShineWing Certified Public Accountants (LLP)

Chinese Certified Public Accountant: Wang Gongyong  
(Engagement partner)

Chinese Certified Public Accountant: Lyu Yulei

Beijing, China

March 20th, 2025

# Consolidated Balance Sheet

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Assets	Note	December 31st, 2024	December 31st, 2023
Assets:			
Cash and cash equivalents	VII. 1	<b>20,752,524,020.89</b>	18,818,465,172.73
Including: Futures margin deposits		<b>19,508,067,982.66</b>	18,311,428,504.24
Settlement provisions	VII. 2	<b>1,994,718.42</b>	1,623,501.24
Currency margin receivable	VII. 3	<b>9,278,897,045.36</b>	6,652,576,409.65
Pledge margin receivable	VII. 4	<b>1,784,258,096.00</b>	2,288,708,936.00
Settlement guarantees receivable	VII. 5	<b>48,276,456.95</b>	61,112,209.64
Risk loss receivables	VII. 6	<b>411,088.00</b>	531,192.61
Handling fees and commission receivables		<b>12,777.26</b>	68,814.35
Receivables	VII. 7	<b>268,335,369.30</b>	464,431,759.53
Inventories	VII. 8	<b>41,151,801.88</b>	37,101,394.75
Contract assets	VII. 9	<b>8,153,643.93</b>	30,227,821.96
Buying back the sale of financial assets	VII. 10	<b>25,574,328.16</b>	319,422,830.82
Financial assets held for trading	VII. 11	<b>1,278,285,166.84</b>	1,127,762,719.70
Investments in other equity instruments	VII. 13	<b>1,400,000.00</b>	1,400,000.00
Long-term equity investments	VII. 14	<b>44,014,241.10</b>	43,262,218.99
Investment properties			
Fixed assets	VII. 15	<b>46,527,358.86</b>	47,224,677.82
Construction in progress			
Right-of-use assets	VII. 16	<b>23,131,454.86</b>	28,743,027.37
Intangible assets	VII. 17	<b>16,092,648.97</b>	14,496,512.24
Goodwill			
Deferred tax assets	VII. 18	<b>48,797,579.36</b>	8,734,772.40
Other assets	VII. 19	<b>89,302,270.15</b>	180,495,262.98
<b>Total assets</b>		<b>33,757,140,066.29</b>	30,126,389,234.78

## Consolidated Balance Sheet

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Liabilities and owners' equity	Note	December 31st, 2024	December 31st, 2023
<b>Liabilities:</b>			
Short-term loans	VII. 20	106,130,553.51	20,723,402.50
Acting trading securities	VII. 21	1,499,466.84	3,934,663.15
Currency margin payable	VII. 22	27,582,167,413.80	23,138,021,657.15
Pledge margin payable	VII. 23	1,784,258,096.00	2,288,708,936.00
Financial liabilities held for trading	VII. 12	138,638,899.79	174,479,228.35
Futures risk reserves	VII. 24	197,501,973.18	175,922,356.78
Futures investors' security funds payable	VII. 25	1,314,510.58	873,243.90
Employee benefits payable	VII. 26	79,921,847.28	70,783,689.67
Notes payable	VII. 27	6,930,000.00	80,347,520.00
Taxes payable	VII. 28	5,631,929.37	4,314,715.17
Payables	VII. 29	1,181,850,078.44	1,488,791,603.91
Contract liabilities	VII. 30	6,205,941.08	26,491,204.51
Lease liabilities	VII. 31	24,148,142.42	29,391,476.28
Provisions	VII. 32	24,654.03	59,343.00
Deferred tax liabilities	VII. 18	19,848,770.89	3,179,111.88
Other liabilities	VII. 33	69,763,143.59	60,076,369.97
<b>Total liabilities</b>		<b>31,205,835,420.80</b>	27,566,098,522.22
<b>Owners' equity:</b>			
Share capital	VII. 34	1,001,900,000.00	1,001,900,000.00
Other equity instruments Including: Preferred shares Perpetual bonds			
Capital reserves	VII. 35	661,934,066.94	661,934,066.94
Less: Treasury share			
Other comprehensive income	VII. 36	2,662,673.74	2,151,975.26
Surplus reserves	VII. 37	125,975,949.58	112,633,923.22
General risk reserve	VII. 38	150,970,999.09	137,628,972.73
Undistributed profits	VII. 39	607,860,956.14	644,041,774.41
Total owners' equity attributable to the parent company		2,551,304,645.49	2,560,290,712.56
Non-controlling interests			
<b>Total owners' equity</b>		<b>2,551,304,645.49</b>	2,560,290,712.56
<b>Total liabilities and owners' equity</b>		<b>33,757,140,066.29</b>	30,126,389,234.78

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi



# Parent Company's Balance Sheet

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Assets	Note	December 31st, 2024	December 31st, 2023
Assets:			
Cash and cash equivalents	XVIII. 1	<b>20,227,835,390.44</b>	18,704,250,376.58
Including: Futures margin deposits		<b>19,508,067,982.66</b>	18,311,428,504.24
Settlement provisions		<b>1,994,718.42</b>	1,623,501.24
Currency margin receivable		<b>9,278,897,045.36</b>	6,652,576,409.65
Pledge margin receivable		<b>1,784,258,096.00</b>	2,288,708,936.00
Settlement guarantees receivable		<b>48,276,456.95</b>	61,112,209.64
Risk loss receivables		<b>411,088.00</b>	531,192.61
Handling fees and commission receivables		<b>12,777.26</b>	68,814.35
Receivables		<b>7,132,373.20</b>	10,563,876.78
Inventories			
Contract assets		<b>8,153,643.93</b>	30,227,821.96
Buying back the sale of financial assets		<b>13,116,000.00</b>	200,159,669.92
Financial assets held for trading		<b>1,060,962,286.38</b>	796,884,825.38
Investments in other equity instruments		<b>1,400,000.00</b>	1,400,000.00
Long-term equity investments	XVIII. 2	<b>781,577,508.00</b>	781,577,508.00
Investment properties			
Fixed assets		<b>45,488,981.38</b>	45,747,784.43
Construction in progress			
Right-of-use assets		<b>21,187,372.58</b>	23,313,641.06
Intangible assets		<b>16,754,185.59</b>	15,227,158.86
Goodwill			
Deferred tax assets			
Other assets		<b>60,636,550.37</b>	50,933,722.87
<b>Total assets</b>		<b>33,358,094,473.86</b>	29,664,907,449.33

## Parent Company's Balance Sheet

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Liabilities and owners' equity	Note	December 31st, 2024	December 31st, 2023
Liabilities:			
Acting trading securities		1,499,466.84	3,934,663.15
Currency margin payable		28,504,945,628.06	24,465,515,906.03
Pledge margin payable		1,784,258,096.00	2,288,708,936.00
Financial liabilities held for trading			
Futures risk reserves		197,501,973.18	175,922,356.78
Futures investors' security funds payable		1,314,510.58	873,243.90
Employee benefits payable	XVIII. 3	58,518,019.63	54,774,519.17
Notes payable			
Taxes payable		4,603,815.74	3,582,756.73
Payables		65,880,974.34	104,524,033.64
Contract liabilities			
Lease liabilities		22,098,833.25	23,665,786.37
Provisions		24,654.03	59,343.00
Deferred tax liabilities		19,848,770.89	3,178,614.42
Other liabilities		50,455,946.76	12,417,169.14
<b>Total liabilities</b>		<b>30,710,950,689.30</b>	27,137,157,328.33
Owners' equity:			
Share capital		1,001,900,000.00	1,001,900,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		650,629,528.42	650,629,528.42
Less: Treasury share			
Other comprehensive income			
Surplus reserves		125,975,949.58	112,633,923.22
General risk reserve		150,970,999.09	137,628,972.73
Undistributed profits		717,667,307.47	624,957,696.63
<b>Total owners' equity</b>		<b>2,647,143,784.56</b>	2,527,750,121.00
<b>Total liabilities and owners' equity</b>		<b>33,358,094,473.86</b>	29,664,907,449.33

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi

# Consolidated Income Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
I. Operating income		<b>1,851,180,675.30</b>	2,153,232,473.64
Net handling fees and commission income	VII. 40	<b>411,831,148.00</b>	353,809,957.16
Net interest income	VII. 41	<b>246,303,338.58</b>	231,733,024.01
Investment income (Loss marked with "-")	VII. 42	<b>32,443,809.07</b>	-108,101,349.38
Including: Investment income from associates and joint ventures		<b>752,022.11</b>	3,483,849.86
Gains from changes in fair value (Loss marked with "-")	VII. 43	<b>-61,028,020.38</b>	146,631,203.41
Exchange earnings (Loss marked with "-")		<b>-49,325.92</b>	-262,976.39
Other operation income	VII. 44	<b>1,219,207,938.27</b>	1,528,130,089.40
Gains on disposal of assets (Loss marked with "-")		<b>26,475.21</b>	221,322.08
Other income	VII. 45	<b>2,445,312.47</b>	1,071,203.35
II. Operating expenses		<b>1,839,223,829.21</b>	1,968,728,383.34
Expenditure on provision for futures risk	VII. 46	<b>21,579,616.40</b>	20,736,515.57
Taxes and surcharges	VII. 47	<b>3,505,494.07</b>	3,980,827.00
Business and management fees	VII. 48	<b>551,889,629.05</b>	436,302,752.91
Credit impairment loss	VII. 49	<b>27,781,576.25</b>	-177,011.44
Impairment losses on assets	VII. 50	<b>-638,286.07</b>	715,591.18
Other business costs	VII. 51	<b>1,235,105,799.51</b>	1,507,169,708.12
III. Operating profit (Loss marked with "-")		<b>11,956,846.09</b>	184,504,090.30
Add: Non-operating income	VII. 52	<b>5,967.18</b>	9,008.99
Less: Non-operating expenses	VII. 53	<b>3,669,512.38</b>	3,087,696.03
IV. Total profits (Total losses marked with "-")		<b>8,293,300.89</b>	181,425,403.26
Less: Income tax expenses	VII. 54	<b>3,763,466.44</b>	47,706,579.51
V. Net profits		<b>4,529,834.45</b>	133,718,823.75
(I) Classified by business continuity:		<b>4,529,834.45</b>	133,718,823.75
1. Net profits from continuing operations (Net losses marked with "-")		<b>4,529,834.45</b>	133,718,823.75
2. Net profits from discontinued operations (Net losses marked with "-")			
(II) Classified by ownership:		<b>4,529,834.45</b>	133,718,823.75
1. Net profit attributable to shareholders of the parent company (Net losses marked with "-")		<b>4,529,834.45</b>	133,718,823.75
2. Profit or loss of minority shareholders (Net losses marked with "-")			

## Consolidated Income Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
VI. Net after-tax amount of other comprehensive income		<b>510,698.48</b>	322,389.54
Net after-tax amount of other comprehensive income attributable to shareholders of the parent company		<b>510,698.48</b>	322,389.54
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income not converted into profit or loss under the equity method			
3. Fair value changes of investments in other equity instruments			
4. Fair value changes of enterprise's own credit risks			
(II) Other comprehensive income to be reclassified to profit or loss		<b>510,698.48</b>	322,389.54
1. Other comprehensive income available for transfer to profit or loss under the equity method			
2. Fair value changes of other debt investments			
3. Amount reclassified from financial assets to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves			
6. Translation difference of foreign currency statements		<b>510,698.48</b>	322,389.54
Net after-tax amount of other comprehensive income attributable to minority shareholders			
VII. Total comprehensive income		<b>5,040,532.93</b>	134,041,213.29
Total comprehensive income attributable to shareholders of the parent company		<b>5,040,532.93</b>	134,041,213.29
Total comprehensive income attributable to minority shareholders			
VIII. Earnings per share			
(I) Basic earnings per share	VII. 57	<b>0.0045</b>	0.1335
(II) Diluted earnings per share		<b>0.0045</b>	0.1335

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi

# Parent Company's Income Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
I. Operating income		<b>716,242,130.96</b>	617,151,447.82
Net handling fees and commission income	XVIII. 4	<b>432,519,909.74</b>	353,756,545.98
Net interest income		<b>223,647,294.05</b>	227,349,942.58
Investment income (Loss marked with "-")	XVIII. 5	<b>14,808,874.55</b>	-10,990,777.37
Including: Investment income from associates and joint ventures			
Gains from changes in fair value (Loss marked with "-")		<b>26,642,283.40</b>	18,043,811.44
Exchange earnings (Loss marked with "-")		<b>-49,333.06</b>	-63,338.10
Other operation income		<b>16,993,601.97</b>	27,855,013.22
Gains on disposal of assets (Loss marked with "-")		<b>-10,716.99</b>	221,398.11
Other income		<b>1,690,217.30</b>	978,851.96
II. Operating expenses		<b>535,587,157.24</b>	437,141,482.08
Expenditure on provision for futures risk		<b>21,579,616.40</b>	20,736,515.57
Taxes and surcharges		<b>2,709,708.32</b>	2,067,651.94
Business and management fees	XVIII. 6	<b>505,220,077.57</b>	397,045,915.13
Credit impairment loss		<b>63,547.97</b>	-490,163.76
Impairment losses on assets			
Other business costs		<b>6,014,206.98</b>	17,781,563.20
III. Operating profit (Loss marked with "-")		<b>180,654,973.72</b>	180,009,965.74
Add: Non-operating income		<b>2,733.78</b>	2,335.10
Less: Non-operating expenses		<b>3,635,391.93</b>	1,690,177.50
IV. Total profits (Total losses marked with "-")		<b>177,022,315.57</b>	178,322,123.34
Less: Income tax expenses		<b>43,602,052.01</b>	47,821,141.33
V. Net profits (Net losses marked with "-")		<b>133,420,263.56</b>	130,500,982.01
(I) Net profits from continuing operations (Net losses marked with "-")		<b>133,420,263.56</b>	130,500,982.01
(II) Net profits from discontinued operations (Net losses marked with "-")			

## Parent Company's Income Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
VI. Net after-tax amount of other comprehensive income			
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income not converted into profit or loss under the equity method			
3. Fair value changes of investments in other equity instruments			
4. Fair value changes of enterprise's own credit risks			
(II) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income available for transfer to profit or loss under the equity method			
2. Fair value changes of other debt investments			
3. Amount reclassified from financial assets to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves			
6. Translation difference of foreign currency statements			
VII. Total comprehensive income		<b>133,420,263.56</b>	130,500,982.01

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi

# Consolidated Cash Flow Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
I. Cash flows arising from operating activities:			
Net decrease of financial assets held for trading purposes			
Cash received from interest, handling fees and commission		<b>1,244,459,066.34</b>	1,034,890,909.87
Cash received related to other operating activities		<b>6,153,057,939.41</b>	4,738,542,635.28
Subtotal of cash inflows from operating activities		<b>7,397,517,005.75</b>	5,773,433,545.15
Net increase of financial assets held for trading purposes		<b>232,827,543.83</b>	81,586,427.04
Cash paid for interest, handling fees and commission		<b>368,762,347.39</b>	283,901,840.80
Cash paid to and for employees		<b>295,671,346.45</b>	282,065,131.09
Business and management fees paid in cash		<b>212,179,090.94</b>	133,961,512.69
Taxes paid		<b>50,511,914.75</b>	112,513,187.79
Cash paid related to other operating activities		<b>4,354,925,882.01</b>	2,026,074,604.55
Subtotal of cash outflows from operating activities		<b>5,514,878,125.37</b>	2,920,102,703.96
Net cash flows from operating activities		<b>1,882,638,880.38</b>	2,853,330,841.19
II. Cash flows arising from investing activities:			
Cash received from disinvestment			
Cash received from the return of investment			
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets		<b>214,620.00</b>	258,118.64
Cash received related to other investing activities		<b>214,620.00</b>	258,118.64
Subtotal of cash inflows from investing activities		<b>214,620.00</b>	258,118.64
Cash paid for investment			
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		<b>19,771,444.28</b>	21,566,408.70
Net cash paid by subsidiaries and other business units			
Cash paid related to other investing activities			
Subtotal of cash outflows from investing activities		<b>19,771,444.28</b>	21,566,408.70
Net cash flows from investing activities		<b>-19,556,824.28</b>	-21,308,290.06

## Consolidated Cash Flow Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
III. Cash flows from financing activities:			
Cash received from external investment			
Including: The subsidiary received cash from non-controllings' investment			
Cash received from loans granted		135,600,000.00	88,288,425.21
Cash received from issuing bonds			
Cash received related to other financing activities			
Subtotal of cash inflows from financing activities		135,600,000.00	88,288,425.21
Payment of debt in cash		50,774,462.50	281,870,587.00
Cash used to pay dividends, profits, or interest payments		15,226,801.94	28,731,390.80
Including: Dividends and profits paid to non-controlling interests by subsidiaries			
Cash paid related to other financing activities		19,725,880.77	17,802,512.97
Subtotal of cash outflows from financing activities		85,727,145.21	328,404,490.77
Net cash flows from financing activities		49,872,854.79	-240,116,065.56
IV. Impact of exchange rate fluctuations on cash and cash equivalents		-49,558.27	143,426.59
V. Net increase in cash and cash equivalents	VII. 55	1,912,905,352.62	2,592,049,912.16
Add: Opening balance of cash and cash equivalents	VII. 55	18,422,813,316.08	15,830,763,403.92
VI. Closing balance of cash and cash equivalents	VII. 55	20,335,718,668.70	18,422,813,316.08

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi



# Parent Company's Cash Flow Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
I. Cash flows arising from operating activities:			
Net decrease of financial assets held for trading purposes			
Cash received from interest, handling fees and commission		<b>1,239,306,990.65</b>	1,026,101,901.03
Cash received related to other operating activities		<b>4,262,733,145.74</b>	3,157,529,662.27
Subtotal of cash inflows from operating activities		<b>5,502,040,136.39</b>	4,183,631,563.30
Net increase of financial assets held for trading purposes		<b>232,827,543.83</b>	74,541,580.27
Cash paid for interest, handling fees and commission		<b>350,147,807.24</b>	273,701,012.22
Cash paid to and for employees		<b>257,870,092.37</b>	240,454,656.69
Business and management fees paid in cash		<b>204,931,948.77</b>	127,600,242.87
Taxes paid		<b>49,220,436.38</b>	85,130,235.06
Cash paid related to other operating activities		<b>2,888,093,168.72</b>	349,092,214.97
Subtotal of cash outflows from operating activities		<b>3,983,090,997.31</b>	1,150,519,942.08
Net cash flows from operating activities		<b>1,518,949,139.08</b>	3,033,111,621.22
II. Cash flows arising from investing activities:			
Cash received from disinvestment			9,000,000.00
Cash received from the return of investment		<b>10,000,000.00</b>	
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets		<b>9,403.79</b>	239,827.78
Cash received related to other investing activities			
Subtotal of cash inflows from investing activities		<b>10,009,403.79</b>	9,239,827.78
Cash paid for investment			
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		<b>19,513,414.10</b>	21,393,059.68
Net cash paid by subsidiaries and other business units			
Cash paid related to other investing activities			
Subtotal of cash outflows from investing activities		<b>19,513,414.10</b>	21,393,059.68
Net cash flows from investing activities		<b>-9,504,010.31</b>	-12,153,231.90

## Parent Company's Cash Flow Statement

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	Note	FY2024	FY2023
III. Cash flows from financing activities:			
Cash received from external investment			
Cash received from loans granted			
Cash received from issuing bonds			
Cash received related to other financing activities			
Subtotal of cash inflows from financing activities			
Payment of debt in cash			
Cash used to pay dividends, profits, or interest payments		14,026,600.00	16,030,400.00
Cash paid related to other financing activities		14,054,426.02	14,034,764.19
Subtotal of cash outflows from financing activities		28,081,026.02	30,065,164.19
Net cash flows from financing activities		-28,081,026.02	-30,065,164.19
IV. Impact of exchange rate fluctuations on cash and cash equivalents		-49,333.06	-63,338.10
V. Net increase in cash and cash equivalents	XVIII. 7	1,481,314,769.69	2,990,829,887.03
Add: Opening balance of cash and cash equivalents	XVIII. 7	18,348,849,852.74	15,358,019,965.71
VI. Closing balance of cash and cash equivalents	XVIII. 7	19,830,164,622.43	18,348,849,852.74

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi

# Consolidated Statement of Changes in Shareholders' Equity

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	FY2024										Total shareholders' equity	
	Equity attributable to shareholders of the parent company											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Surplus reserves	General risk reserve	Undistributed profits		Non-controlling interests
I. Balance before adjustments as of December 31st, 2023	1,001,900,000.00				661,934,066.94		2,151,975.26	112,633,923.22	137,628,972.73	644,041,774.41		2,560,290,712.56
Add: Changes in accounting policies												
Correction of prior-period errors												
Others												
II. Adjusted balance as of January 1st, 2024	1,001,900,000.00				661,934,066.94		2,151,975.26	112,633,923.22	137,628,972.73	644,041,774.41		2,560,290,712.56
III. Current period increase/decrease amount							510,698.48	13,342,026.36	13,342,026.36	-36,180,818.27		-8,986,067.07
1. Total comprehensive income							510,698.48			4,529,834.45		5,040,532.93
2. Capital contributions and reductions by shareholders												
(1) Ordinary shares invested by shareholders												
(2) Other equity instrument holder's investment												
(3) Amount of share-based payments included in shareholders' equity												
(4) Others												
3. Profit distribution								13,342,026.36	13,342,026.36	-40,710,652.72		-14,026,600.00
(1) Appropriation of surplus reserve								13,342,026.36		-13,342,026.36		
(2) Extraction of general risk reserve									13,342,026.36	-13,342,026.36		
(3) Distribution to shareholders										-14,026,600.00		-14,026,600.00
(4) Others												
4. Internal carry-forward of shareholders' equity												
(1) Conversion of capital reserve into share capital												
(2) Conversion of surplus reserve into share capital												
(3) Recover of loss by surplus reserve												
(4) Changes in defined benefit plans carried forward to retained earnings												
(5) Other comprehensive income carried forward to retained earnings												
(6) Others												
5. Others												
IV. Balance as of December 31st, 2024	1,001,900,000.00				661,934,066.94		2,662,673.74	125,975,949.58	150,970,999.09	607,860,956.14		2,551,304,645.49

# Consolidated Statement of Changes in Shareholders' Equity

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	FY2023											Total shareholders' equity
	Share capital	Equity attributable to shareholders of the parent company				Less: Treasury share	Surplus reserves	General risk reserve	Undistributed profits	Non-controlling interests		
		Preferred shares	Perpetual bonds	Others	Capital reserves							
I. Balance before adjustments as of												
December 31st, 2022	1,001,900,000.00				661,934,066.94		1,829,585.72	99,583,860.34	124,578,909.85	552,372,922.16		2,442,199,345.01
Add: Changes in accounting policies								-35.32	-35.32	80,624.90		80,554.26
Correction of prior-period errors												
Others												
II. Adjusted balance as of January 1st, 2023	1,001,900,000.00				661,934,066.94		1,829,585.72	99,583,825.02	124,578,874.53	552,453,547.06		2,442,279,899.27
III. Current period increase/decrease amount												
1. Total comprehensive income							322,389.54	13,050,098.20	13,050,098.20	91,588,227.35		118,010,813.29
2. Capital contributions and reductions by shareholders												
(1) Ordinary shares invested by shareholders												
(2) Other equity instrument holder's investment												
(3) Amount of share-based payments included in shareholders' equity												
(4) Others												
3. Profit distribution								13,050,098.20	13,050,098.20	-42,130,596.40		-16,030,400.00
(1) Appropriation of surplus reserve								13,050,098.20		-13,050,098.20		
(2) Extraction of general risk reserve									13,050,098.20	-13,050,098.20		
(3) Distribution to shareholders										-16,030,400.00		-16,030,400.00
(4) Others												
4. Internal carry-forward of shareholders' equity												
(1) Conversion of capital reserve into share capital												
(2) Conversion of surplus reserve into share capital												
(3) Recover of loss by surplus reserve												
(4) Changes in defined benefit plans carried forward to retained earnings												
(5) Other comprehensive income carried forward to retained earnings												
(6) Others												
5. Others												
IV. Balance as of December 31st, 2023	1,001,900,000.00				661,934,066.94		2,151,975.26	112,633,923.22	137,628,972.73	644,041,774.41		2,560,290,712.56

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi

# Parent Company's Statement of Changes in Shareholders' Equity

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	FY2024										
	Share capital	Preferred shares	Other equity instruments		Capital reserves	Less: Treasury share	Other comprehensive income	Surplus reserves	General risk reserve	Undistributed profits	Total shareholders' equity
I. Balance before adjustments as of December 31st, 2023	1,001,900,000.00				650,629,528.42			112,633,923.22	137,628,972.73	624,957,696.63	2,527,750,121.00
Add: Changes in accounting policies											
Correction of prior-period errors											
Others											
II. Adjusted balance as of January 1st, 2024	1,001,900,000.00				650,629,528.42			112,633,923.22	137,628,972.73	624,957,696.63	2,527,750,121.00
III. Current year increase/decrease amount								13,342,026.36	13,342,026.36	92,709,610.84	119,393,663.56
1. Total comprehensive income										133,420,263.56	133,420,263.56
2. Capital contributions and reductions by shareholders											
(1) Ordinary shares invested by shareholders											
(2) Other equity instrument holder's investment											
(3) Amount of share-based payments included in shareholders' equity											
(4) Others											
3. Profit distribution								13,342,026.36	13,342,026.36	-40,710,652.72	-14,026,600.00
(1) Appropriation of surplus reserve								13,342,026.36		-13,342,026.36	
(2) Extraction of general risk reserve									13,342,026.36	-13,342,026.36	
(3) Distribution to shareholders										-14,026,600.00	-14,026,600.00
(4) Others											
4. Internal carry-forward of shareholders' equity											
(1) Conversion of capital reserve into share capital											
(2) Conversion of surplus reserve into share capital											
(3) Recover of loss by surplus reserve											
(4) Changes in defined benefit plans carried forward to retained earnings											
(5) Other comprehensive income carried forward to retained earnings											
(6) Others											
5. Others											
IV. Balance as of December 31st, 2024	1,001,900,000.00				650,629,528.42			125,975,949.58	150,970,999.09	717,667,307.47	2,647,143,784.56

# Parent Company's Statement of Changes in Shareholders' Equity

Prepared by: Zhongtai Futures Company Limited Currency: RMB Yuan

Item	FY2023										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Surplus reserves	General risk reserve	Undistributed profits	Total shareholders' equity
		Preferred shares	Perpetual bonds	Others							
I. Balance before adjustments as of December 31st, 2022	1,001,900,000.00				650,629,528.42			99,583,860.34	124,578,909.85	536,587,593.62	2,413,279,892.23
Add: Changes in accounting policies								-35.32	-35.32	-282.60	-353.24
Correction of prior-period errors											
Others											
II. Adjusted balance as of January 1st, 2023	1,001,900,000.00				650,629,528.42			99,583,825.02	124,578,874.53	536,587,311.02	2,413,279,538.99
III. Current year increase/decrease amount								13,050,098.20	13,050,098.20	88,370,385.61	114,470,582.01
1. Total comprehensive income										130,500,982.01	130,500,982.01
2. Capital contributions and reductions by shareholders											
(1) Ordinary shares invested by shareholders											
(2) Other equity instrument holder's investment											
(3) Amount of share-based payments included in shareholders' equity											
(4) Others											
3. Profit distribution								13,050,098.20	13,050,098.20	-42,130,596.40	-16,030,400.00
(1) Appropriation of surplus reserve								13,050,098.20		-13,050,098.20	
(2) Extraction of general risk reserve									13,050,098.20	-13,050,098.20	
(3) Distribution to shareholders										-16,030,400.00	-16,030,400.00
(4) Others											
4. Internal carry-forward of shareholders' equity											
(1) Conversion of capital reserve into share capital											
(2) Conversion of surplus reserve into share capital											
(3) Recover of loss by surplus reserve											
(4) Changes in defined benefit plans carried forward to retained earnings											
(5) Other comprehensive income carried forward to retained earnings											
(6) Others											
5. Others											
IV. Balance as of December 31st, 2023	1,001,900,000.00				650,629,528.42			112,633,923.22	137,628,972.73	624,957,696.63	2,527,750,121.00

Legal Representative:  
Zhong Jinlong

Person in Charge of Accounting  
Work: Liu Yunzhi

Person in Charge of Accounting  
Department: Wang Yongxi

# Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

## I. General information about the Company

Zhongtai Futures Company Limited (formerly known as Shandong Quanxin Futures Brokerage Co., Ltd.) was incorporated in June 1995 by Jinan Chemical Light Group Corporation, Jinan Economic Development Corporation, Shandong Province Resources Development Corporation and Jinan Shizhong Cereals and Oils Trading Company, with a joint investment of RMB10.2 million. In October 1997, Jinan Chemical Light Group Corporation transferred its shareholding to Jinan Economic and Trade Industrial Investment Corporation, and Jinan Shizhong Cereals and Oils Trading Company transferred its shareholding to Jinan Economic Development Corporation. In May 2000 and June 2004, Jinan Energy Sources Investment Co., Ltd. increased its capital contribution to the company by RMB20 million and RMB620,000 respectively, and the registered capital of the company was RMB30.82 million after the two capital increases.

On December 31st, 2006, Shandong Quanxin Futures Brokerage Co., Ltd. increased two additional shareholders, Qilu Securities Co., Ltd. (now renamed as Zhongtai Securities Co., Ltd., hereinafter referred to as “Zhongtai Securities”) and Shandong New Mine Investment Holding Group Co., Ltd., the registered capital increased to RMB50 million, and in February 2007, changed its name to Luzheng Futures Brokerage Co., Ltd. In August 2007, Luzheng Futures Brokerage Co., Ltd. increased its capital by RMB150 million; accordingly, its registered capital after the increase was RMB200 million, and in December 2007, it changed its name to Luzheng Futures Co., Ltd.

In November 2008, according to the Agreement on Free Transfer of Equity of Luzheng Futures Co., Ltd. and the shareholders’ meeting resolution of LQGJZ [2008] No. 3 of Luzheng Futures Co., Ltd., Jinan Economic Development Corporation and Jinan Economic and Trade Industrial Investment Corporation free transferred their shareholdings to Jinan Energy Sources Investment Co., Ltd.

In February 2010, Shandong New Mine Investment Holding Group Co., Ltd. transferred its 8.33% equity interest in Luzheng Futures Co., Ltd, with a total of RMB16.66 million, to Zhongtai Securities. On March 8th, 2010, Zhongtai Securities acquired all equity interest in Luzheng Futures Co., Ltd. held by Shandong Resources Development Corporation.

In May 2010, after the approval by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”) by ZJXK [2010] No. 602, Luzheng Futures Co., Ltd. increased its registered capital by RMB203,623,800, then the total registered capital being RMB403,623,800. In June 2011, with the approval of CSRC by ZJXK [2011] No. 859, Luzheng Futures Co., Ltd. increased its registered capital by RMB116,376,200, then its total registered capital was RMB520 million.

In September 2012, Luzheng Futures Co., Ltd. had an increased registered capital of RMB120 million, of which the original shareholders, Zhongtai Securities and Jinan Energy Sources Investment Co., Ltd., subscribed RMB50 million in proportion to their original holdings, the remaining additional registered capital of RMB70 million was subscribed by the new shareholders, Yongfeng Group Co., Ltd. (hereinafter referred to as “Yongfeng Group”), Shandong State-owned Assets Investment Holding Co., Ltd., Shandong Linglong Rubber Co., Ltd. and Yantai Shengli Investment Co., Ltd.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### I. General information about the Company (Continued)

In December 2012, according to the *Proposal on Overall Change of Luzheng Futures Co., Ltd. to a Joint Stock Company*, adopted in the resolution of the fifth extraordinary shareholders' meeting of 2012 of Luzheng Futures Co., Ltd., and the *Approval of the Overall Change of Luzheng Futures Co., Ltd. to a Joint Stock Company*, approved by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government, the audited net assets of Luzheng Futures Co., Ltd., as of September 30th, 2012, was converted into shares, and the Luzheng Futures Co., Ltd. was converted into Luzheng Futures Company Limited (hereinafter referred to as "the Company" or "Company"). After this restructuring, the share capital of the Company was RMB750 million. The Company obtained the business license as a legal person with the No. 91370000614140809E, issued by the Administration for Industry and Commerce of Shandong Province on September 20th, 2016.

In July 2015, the Company completed its initial public offering of 250,000,000 ordinary shares of overseas listed foreign shares and the over-allotment of 1,900,000 ordinary shares to overseas investors, which was listed on the Stock Exchange of Hong Kong Limited. Upon completion of the listing, the total share capital of the Company increased to RMB1,001,900,000. The major shareholders of the Company and their capital contribution, as of December 31st, 2024, are set out in Note VII. 34.

The Company obtained the qualification of financial futures general settlement business and general settlement membership of China Financial Futures Exchange on August 15th, 2007 and November 28th, 2007, and obtained the qualification of investment consulting and asset management business on January 29th, 2012 and November 15th, 2012. On June 20th, 2022, the Company obtained the qualification of Guangzhou Futures Exchange membership and, as of December 31st, 2024, has trading seats in five domestic futures exchanges and the Shanghai International Energy Exchange, and is an agent for all species listed and traded on domestic futures exchanges.

On March 29th, 2022, the Company's name was changed from "Luzheng Futures Company Limited" to "Zhongtai Futures Company Limited". As of December 31st, 2024, the Company had set up 5 business offices in Zhengzhou, Dalian, Tianjin, Rizhao, and Shanghai Yang Gaonan Road, and 27 branches in Jinan, Shanghai, Wuhan, Nanjing, Hangzhou, Beijing Chaoyang, Shenzhen, Qingdao, Xiamen, Ningbo, Wenzhou, Guangdong, Hunan, Linyi, Henan First, Liaoning, Weifang, Jining, Shenzhen Futian, Beijing, Zibo, Dezhou, Yantai, Shanghai Pudong, Wuxi, Dongying, and Baoding. Please refer to Note VI. for information on the Company's subsidiaries.

The Company and its subsidiaries (hereinafter collectively referred to as "the Group") are mainly engaged in financial futures brokerage; commodity futures brokerage; consulting in futures investments; asset management; basis trading; warehouse receipt services; cooperative hedging; market making; over-the-counter derivatives business; information technology consulting services, etc.

The Company's address: 15th and 16th Floor, No. 86 Jingqi Road, Shizhong District, Jinan

Legal representative: Zhong Jinlong

The financial statements were approved by the board of directors of the Company on March 20th, 2025.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### II. Basis for the preparation of financial statements

The Group's financial statements have been prepared on the basis of transactions and events that actually occurred, in accordance with the *Accounting Standards for Business Enterprises*, its application guidelines, interpretations and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), as well as the disclosure requirements of the Hong Kong *Companies Ordinance* and the *Rules Governing the Listing of Securities* on the Stock Exchange of Hong Kong.

The financial statements have been prepared on a going concern basis.

### III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year 2024 comply with the requirements of the *Accounting Standards for Business Enterprises* and truly and completely reflect the consolidated and corporate financial position as of December 31st, 2024, and the consolidated and corporate operating results and cash flows for the year 2024 and other relevant information.

### IV. Significant accounting policies and accounting estimates

#### 1. Fiscal year

The fiscal year is based on a calendar year, from January 1st to December 31st of each year.

#### 2. Functional currency

The Renminbi is the functional currency of the Company. The subsidiaries of the Company determine their functional currency according to the main economic environment where they operate. The functional currency of Zhongtai Huirong (Hong Kong) Co., Ltd. and Luzheng International Holding Co., Ltd. is Hong Kong Dollars. The financial statements were presented in RMB.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 3. Foreign currency translation

##### (1) Foreign currency transactions

The amount of foreign currency is translated into RMB by the spot exchange rate on the date of the occurrence of foreign currency transactions.

At the balance sheet date, monetary items denominated in foreign currency are translated into RMB using the spot exchange rate as at the balance sheet date. The exchange differences are recognized directly in profit or loss. Non-monetary items in foreign currency measured at historical cost are translated using the spot exchange rate as at the date of the occurrence of the transaction. The effect of exchange rate changes on cash shall be presented separately in the statement of cash flows.

##### (2) Translation of foreign currency financial statements

Asset and liability items in the statement of financial position of foreign operations are translated using the spot exchange rate at the balance sheet date, and owners' equity items, except for retained earnings, are translated using the spot exchange rate at the time of occurrence. The income and expense items in the income statement of foreign operations are translated using the spot exchange rate at the date of the occurrence of the transaction. The translation differences arising from the above translations are included in other comprehensive income. Cash flow items of foreign operations are translated using the spot exchange rate at the date when the cash flow occurs. The effect of exchange rate changes on cash shall be presented separately in the statement of cash flows.

#### 4. Principles of funds management and transaction clearing for branches

The Company implements settlement, risk control, fund allocation, financial management and accounting for its branches in a uniform manner. The transaction clearing of the branches is carried out by the Company uniformly.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 5. Method of management and accounting for customer margin

The Company designates a settlement bank at the futures exchange and opens a customer margin account to implement a special deposits account for customer margin, and records the changes in customer futures margin under the currency margin payable subject. If the customer margin is lower than the required level after daily settlement, the Company will notify the customer of a margin call in the manner agreed in the futures brokerage contract; the Company will forcibly close out part or all of the customer's position through the futures exchange until the customer's margin balance can maintain its remaining position if the customer does not make a margin call on time.

#### 6. Method of management and accounting for pledge items

The Company can accept pledges of treasury bonds, standard warehouse receipts and other marketable securities submitted by customers, in compliance with the trading rules of the futures exchange, as margin, and adopt a special account to account for and supervise the whole process of customers' pledge business, which will be recorded after completing the pledge procedures of the futures exchange.

#### 7. Method of accounting for physical delivery

The delivery payment, delivery service charge, taxes, and other delivery costs (such as warehouse in/out charge and storage fees) incurred by the customer for physical delivery are settled through the customer's margin settlement account.

#### 8. Cash and cash equivalents

Cash and cash equivalents refer to cash on hand and deposits that are available for payment at any time, and investments held by the Company with short-term, strong liquidity, easily convertible into a known amount of cash, and with minimum fair value risk, including cash, current bank deposits, futures margin deposits, other cash and cash equivalents, and time bank deposits maturing within 3 months from the date of purchase.

#### 9. Futures margin deposits

Futures margin deposits represent the balance of currency deposits received by the Company from customers, adjusted for actual transfers or refunds of margin made by the Company to the futures exchange, and shall be presented under "cash and cash equivalents" in the statement of financial position.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 10. Financial instruments

A financial instrument is a contract that forms a financial asset of one party and creates a financial liability or equity instrument for another party. When the Group becomes a party to a financial instrument contract, the related financial asset or financial liability shall be recognized.

##### (1) Financial assets

###### 1) *Classification and measurement*

The Group classifies financial assets into ① financial assets at amortized cost; ② financial assets at fair value through other comprehensive income; and ③ financial assets at fair value through profit or loss, based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets. All affected underlying financial assets are reclassified when, and only when, the Group changes its business model for managing the financial assets.

In judging the business model, the Group considers, among other things, the manner in which the business evaluates and reports the performance of the financial assets to key management personnel, the risks affecting the performance of the financial assets and the manner in which they are managed, and the manner in which the management of the relevant business is compensated. In assessing whether the objective is to collect the contractual cash flows, the Group is required to analyze the reasons, timing, frequency and value of sales of financial assets prior to their maturity dates.

In determining the contractual cash flow characteristics, the Group is required to determine whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (when assessing revisions to the time value of money, it is required to determine whether there is a significant difference in comparison to the base cash flows; for financial assets that include an early repayment feature, it is required to determine whether the fair value of the early repayment feature is very small).

Financial assets are measured at fair value at initial recognition. For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other categories of financial assets, the related transaction costs are recognized in the initial recognition amount. For accounts receivable or notes receivable arising from the sale of goods or provision of services that do not contain or consider significant financing components, the Group recognizes them initially at the amount of the consideration to which it expects to be entitled.

# Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

## IV. Significant accounting policies and accounting estimates (Continued)

### 10. Financial instruments (Continued)

#### (1) Financial assets (Continued)

##### 1) Classification and measurement (Continued)

###### *Debt instruments:*

Debt instruments held by the Group are those instruments that meet the definition of financial liability when analysed from the perspective of the issuer and are measured using the following two approaches, respectively:

###### *Measured at amortized cost:*

The Group's business model for managing such financial assets is to collect the contractual cash flows and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangement, i.e. cash flows generated at a specific date are solely payments of principal and interest based on the principal amount outstanding. The Group recognizes interest income for such financial assets based on the effective interest method. Such financial assets mainly include cash and cash equivalents, settlement provisions, currency margin receivable, pledge margin receivable, settlement guarantees receivable, risk loss receivables, handling fees and commission receivables, receivables, buying back the sale of financial assets, other assets – other receivables, etc.

###### *Measured at fair value through profit or loss:*

The Group classifies debt instruments held that are not classified as at amortized cost and at fair value through other comprehensive income as at fair value through profit or loss. At initial recognition, the Group designates some financial assets as financial assets at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatches. Those maturing more than one year from the balance sheet date and expected to be held for more than one year are presented as other non-current financial assets, and the rest are presented as trading financial assets.

###### *Equity instruments:*

The Group presents its investments in equity instruments over which it has no control, joint control and significant influence as trading financial assets at fair value through profit or loss.

In addition, the Group designates the partial non-trading equity instrument investments as financial assets at fair value through other comprehensive income upon initial recognition. Such financial assets include investments in futures memberships, which are shown separately in the balance sheet as "other investments in equity instruments".

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 10. Financial instruments (Continued)

##### (1) Financial assets (Continued)

##### 2) *Impairment*

The Group recognizes the loss allowance on financial assets at amortized cost and contract assets, etc. based on expected credit losses.

The Group recognizes expected credit losses at a probability-weighted amount of present value of the difference between contractual cash flows receivable and cash flows expected to be received, weighted by the risk of default, with the consideration of reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions.

At each balance sheet date, the Group shall measure expected credit losses for financial instruments that are in different stages, separately. If the credit risk of a financial instrument has not increased significantly since initial recognition, it is in the first stage, the Group shall measure its loss allowance based on expected credit losses over the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition but no credit impairment has occurred, it is in the second stage, the Group shall measure its loss allowance based on expected credit losses over its entire duration; if a financial instrument has been credit impaired since initial recognition, it is in the third stage, the Group shall measure its loss allowance based on expected credit loss over its entire duration.

Expected credit losses over the entire duration are expected credit losses due to all possible events of default that could occur over the entire expected duration of a financial instrument. Expected credit losses over the next 12 months are expected credit losses due to events of default on a financial instrument that may occur within 12 months after the balance sheet date (or the expected duration if the expected duration of the financial instrument is less than 12 months) and are a component of expected credit losses over the entire duration.

For financial instruments with low credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition and considers them to be in the first stage of financial instruments and shall measure its loss allowance based on expected credit losses over the next 12 months.

The Group calculates interest income on financial instruments that are in the first and second stages, as well as those with lower credit risk, based on their book balances not net of impairment allowances and effective interest rates. For financial instruments in the third stage, interest income is calculated based on their book balance less amortized cost after provision for impairment and effective interest rate.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 10. Financial instruments (Continued)

##### (1) Financial assets (Continued)

##### 2) *Impairment (Continued)*

For receivables and contract assets resulting from ordinary operating activities such as sales of goods and provision of services, the Group shall measure the loss allowance based on expected credit losses over their entire duration, regardless of whether there is a significant financing component.

When information on expected credit losses cannot be assessed at a reasonable cost for individual financial assets, the Group shall divide receivables into portfolios based on credit risk characteristics and calculate expected credit losses on a portfolio basis.

For receivables classified as a portfolio, the Group shall calculate the expected credit losses by the default risk exposures and expected credit loss rates over the entire duration, taking into account historical credit loss experience, current conditions and forecasts of future economic conditions. For notes receivable other than the above-mentioned receivables and other receivables classified as a portfolio, the Group shall calculate the expected credit losses, based on historical credit loss experience, current conditions and forecasts of future economic conditions, by the default risk exposures and expected credit loss rates within next 12 months or over the entire duration.

The accrual or reversal of loss allowances shall be recognized in profit or loss by the Group.

##### 3) *Derecognition*

A financial asset is derecognized when one of the following conditions is met: (1) the contractual rights to receive cash flows from the financial asset expire; (2) the financial asset is transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferor; or (3) the financial asset is transferred and the Group loses control over the financial asset although it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

Upon derecognition of investments in other equity instruments, the difference between their book value and the sum of the consideration received and the accumulated changes in fair value that had been recognized directly in other comprehensive income is recognized in retained earnings, as derecognizing the remaining financial assets, it is recognized in profit or loss.

### IV. Significant accounting policies and accounting estimates (Continued)

#### 10. Financial instruments (Continued)

##### (2) Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

The Group's financial liabilities are mainly financial liabilities measured at amortized cost, including currency margin payable, pledge margin payable, notes payable, accounts payable, other liabilities – other payables, etc. Such financial liabilities are measured initially at their fair value, net of transaction costs, and subsequently measured by the effective interest method.

When the present obligation of financial liabilities is discharged in whole or in part, the Group shall derecognize the financial liabilities or the portion of the obligation that is discharged. The difference between the book value of the derecognized portion and the consideration paid is recognized in profit or loss.

##### (3) Derivative financial instruments

Derivative financial instruments include various types of derivative contracts, with the following characteristics: ① their value changes reflect the changes in specific interest rates, financial instrument prices, commodity prices, exchange rates, price or interest rate indices, credit ratings or credit indices, or other variables; ② they do not require an initial net investment or require little net investment compared to other types of contracts that have similar responses to changes in market conditions; and ③ they are settled at a future date.

Derivative financial instruments shall be initially recognized at their fair values at the date when the derivative contracts were signed and subsequently measured at fair value. They shall be presented in the statement of financial position as “financial assets held for trading” or “financial liabilities held for trading”, and their changes in fair value shall be recognized as gains or losses from changes in fair value in profit or loss.

##### (4) Fair value determination of financial instruments

For financial instruments traded in an active market, the Group determines their fair value using quoted prices in an active market; for financial instruments not traded in an active market, the Group uses valuation techniques to determine their fair value. In valuation, the Group shall use valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, and select inputs that are consistent with the characteristics of asset or liability considered by market participants in the transaction of the relevant asset or liability, and give priority to the use of relevant observable inputs whenever possible. Where relevant observable inputs are not available or not practicable to obtain, unobservable inputs shall be used.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 11. Buying back the sale of financial assets

Buyback financial assets is a contract to purchase a financial asset from a counterparty and sell the related financial asset back to the same counterparty on an agreed-upon date and at an agreed-upon price, as specified in the contract or agreement.

Buying back the sale business shall be recorded as actual payments made and recognized as “buying back the sale of financial assets” in the statement of financial position.

The bid-ask spread of the buying back the sale business shall be recognized as interest income over the sell-back period by using the effective interest method, respectively.

#### 12. Currency margin receivable

Currency margin receivable refers to the currency margin allocated by the Company to the futures settlement agency and the currency margin formed from the profit of customers' futures trading. Among them, settlement reserve refers to the margin not yet occupied by futures contracts, and trading margin refers to the margin already occupied by futures contracts.

#### 13. Pledge margin receivable and pledge margin payable

The Company acts as an agent for the customer in pledged goods to cover margin business with the futures exchange, forming the pledge margin receivable from the futures exchange and the pledge margin payable to the customer.

When the fair value of the pledge items changes, the futures exchange shall adjust the approved amount of the pledge margin accordingly, and the Company shall adjust the book value of the pledge margin receivable and the pledge margin payable accordingly.

When the futures exchange returns the pledge items to the customer, the Company shall derecognize the pledge margin receivable and the pledge margin payable at the amount of offsetting margin approved by the futures exchange.

#### 14. Settlement guarantees receivable

Settlement guarantees receivable refer to the common guarantee funds that are used against the risk of default of clearing members, which are deposited by the Company as a clearing member in futures exchanges and registration companies in accordance with their regulations.

#### 15. Futures membership investments

Futures membership investments refer to the Company's investment in futures exchanges resulting from the payment of membership fees to obtain membership in a member-based futures exchange.

### IV. Significant accounting policies and accounting estimates (Continued)

#### 16. Inventories

Inventories include agricultural products, minerals and other bulk commodities which are used for trading, and data resources. They shall be measured at cost when acquired, the cost including purchase costs and purchase expenses of bulk commodities and data resources.

The cost of inventories shall be accounted for on a first-in and first-out basis and their subsequent measurement shall be made at the lower of cost and net realizable value. The net realizable value shall be determined as their estimated selling price less estimated selling expenses and related taxes.

The Group shall determine the net realizable value of inventories separately, at the balance sheet date, and compare it with the corresponding cost to recognize the amount of the accrual or reversal of provision of decline in value of inventories, and account for it in the subject of the provision of decline in value of inventories. The perpetual inventory system was adopted by the Group.

#### 17. Long-term equity investments

Long-term equity investments include: The Company's long-term equity investments in all subsidiaries (including structured entities under effective control) and the Group's long-term equity investments in associates.

##### (1) Subsidiaries

Subsidiaries are investees over which the Company can exercise control. Structured entities are entities that are not designed to have voting or similar rights as a determining factor in determining their controlling party, for example, voting rights are only related to administrative works and the related operational activities are arranged through contractual agreements; the structured entities controlled by the Group was included in the combination scope of the Group's financial statements.

Investments in subsidiaries shall be presented in the Company's financial statements at amounts determined under the cost method and consolidated under the equity method when preparing the consolidated financial statements. Long-term equity investments accounted for using the cost method shall be measured at the initial investment cost. Cash dividends or profits declared by investees shall be recognized as investment income in profit or loss.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 17. Long-term equity investments (Continued)

##### (2) Associates

Associates are investees that the Group can exercise significant influence on their financial and operating decisions. Investments in associates shall be accounted for using the equity method. If the initial investment cost is greater than the share to be entitled to the fair value of the identifiable net assets of investees at the time of investment, the initial investment cost shall be used as the cost of long-term equity investments; if the former is less than the latter, the difference shall be included in profit or loss, with an increase adjustment in the cost of long-term equity investments, accordingly.

When the equity method of accounting is adopted, the Group shall recognize current investment gains or losses based on the Group's share, to be entitled or born, of the net profit or loss of the investee. The net loss incurred by the investee shall be recognized to the extent that the book value of the long-term equity investment and other long-term equity interests that substantially constitute the net investment in the investee are written down to zero, except if the Group has an obligation to assume additional losses and the conditions for recognition of a contingent liability are met, the investment loss shall continue to be recognized and accounted for as a provision. Changes in the owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be adjusted to the book value of the long-term equity investment and credited to the capital reserve. The book value of long-term equity investments shall be reduced accordingly to the Group's share of profits or cash dividends distributed by the investee when the distribution is declared. Unrealized gains or losses on internal transactions between the Group and the investee shall be offset to the extent that they are attributable to the Group in proportion to the Group's shareholding and the investment gains or losses shall be then recognized on this basis. The portion of losses on internal transactions between the Group and the investee that are attributable to impairment losses on assets, and the corresponding unrealized losses shall be not offset.

##### (3) Impairment of long-term equity investments

The book value of long-term equity investments in subsidiaries and associates shall be written down to the recoverable amounts if the recoverable amounts are lower than the book values (Note IV. 21).

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 18. Fixed assets

Fixed assets include houses and buildings, transportation equipment, computers and electronic equipment and others. Fixed assets acquired or newly constructed shall be initially measured at cost at the time of acquisition.

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when it is probable that the related economic benefits will flow to the Group and the cost can be measured reliably; for the replaced portion, the book value shall be derecognized; all other subsequent expenditures shall be charged to profit or loss as incurred.

Fixed assets shall be depreciated using the straight-line method based on their costs less estimated residual values over their estimated useful life. The depreciation of fixed assets for which the provision for impairment has been made shall be determined in future periods based on the book value less the provision for impairment and the remaining useful life.

The estimated useful life, estimated net residual value and yearly depreciation of fixed assets are presented below:

Item	Estimated useful life	Estimated net residual value	Yearly depreciation
Houses and buildings	30 years	3%	3.23%
Transportation equipment	6 years	3%-5%	15.83%-16.17%
Computers and electronic equipment, others	3-5 years	3%-5%	19.00%-32.33%

The estimated useful life, estimated net residual value, and depreciation method of fixed assets shall be reviewed and adjusted appropriately at the end of each year.

A fixed asset shall be derecognized when it is disposed of, or when no economic benefits are expected to arise from its use or disposal. Proceeds from the disposal of fixed assets that are sold, transferred, scrapped, or destroyed, net of their book values and related taxes, shall be recognized in profit or loss.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 19. Intangible assets

Intangible assets mainly are purchased software and data resources and shall be measured at cost. Purchased software shall be amortized over their estimated useful life using the straight-line method, and data resources shall be amortized equally over the estimated benefit period. The Group shall review the estimated useful life, estimated benefit period, and amortization method of intangible assets with a finite useful life at the end of each year and make appropriate adjustments.

#### 20. Long-term deferred expenses

Long-term deferred expenses include expenses arising from the improvement of right-of-use assets and other expenses that have been incurred but should be borne by the current and future periods and their amortization over one year, which shall be equally amortized over the estimated benefit period and presented at a net amount of actual expenses less accumulated amortization.

#### 21. Impairment of long-term assets

Fixed assets, right-of-use assets, intangible assets with finite useful life and long-term equity investments in subsidiaries and associates shall be tested for impairment if there is an indication of impairment at the balance sheet date. Intangible assets that have not yet reached a serviceable condition shall be tested for impairment at least annually, regardless of whether there is an indication of impairment. If the result of the impairment test indicates that the recoverable amount of an asset is less than its book value, a provision for impairment shall be made for the difference and an asset impairment loss shall be recorded. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of estimated future cash flows of the asset. The provision for impairment of assets shall be calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is the smallest group of assets that can generate cash inflows independently.

Once the above impairment losses on assets are recognized, the portion of value that can be recovered shall not be reversed in subsequent periods.

#### 22. Currency margin payable

Currency margin payable refers to (1) the Company's liabilities to customers resulting from the receipt of currency margin deposited by customers and the realization of profits or losses from customers' trading in futures and options; (2) money temporarily deposited with the Group by investors of exchanges for which the Group provides registration and settlement services.

### IV. Significant accounting policies and accounting estimates (Continued)

#### 23. Employee benefits

Employee benefits refer to the various forms of remuneration or compensation given by the Group for services rendered by employees or for the dissolution of a labour relationship, including short-term employee benefits, post-employment benefits, etc.

##### (1) Short-term employee benefits

The Group's short-term employee benefits include salaries, bonuses, allowances and subsidies, employee welfare, medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums, housing provident fund, funds for trade unions and staff education, short-term paid absences, etc. The Group shall recognize the short-term employee benefits incurred as a liability in the accounting period in which the services are rendered by the employees and include it in profit or loss or the related cost of assets, where short-term employee benefit is a non-monetary benefit, measured at fair value.

##### (2) Post-employment benefits

The Group's post-employment benefit plans are defined contribution plans which are those post-employment benefit plans in which the Group has no further obligation to pay after contributing a fixed fee to a separate fund, mainly including basic pension insurance, unemployment insurance, and enterprise annuity paid by employees, in the reporting period.

Basic pension insurance: The Group's employees participate in the basic social pension insurance organized and implemented by the local labor and social security departments. The Group pays monthly pension insurance premiums to the local basic social pension insurance agency in accordance with its regulated base and proportion of the local basic social pension insurance contributions. Upon the retirement of employees, the local labor and social security departments are responsible for paying basic social pensions to retired employees. The Group shall recognize the amount of contributions payable based on the above social security regulations as a liability in the accounting period in which the employees render services, and recognize it in current profit or loss or the cost of related assets.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 23. Employee benefits (Continued)

##### (3) Termination benefits

Termination benefits mean that the Group severs labor relations with an employee before the expiration of the contract or proposes compensation to encourage the staff to accept downsizing voluntarily. Where the Group provides termination benefits to employees, the employee compensation liabilities incurred by the termination benefits should be recognized and recorded into the profit or loss for the period when the Group cannot withdraw unilaterally the termination benefits provided for the termination plan of labor relations or cutback suggestions, or when the Group recognizes the cost related to reorganization involving the payment of termination benefits, whichever is earlier.

Termination benefits that are expected to be paid within one year from the balance sheet date shall be shown as employee benefits payable.

#### 24. Dividends distribution

Cash dividends shall be recognized as a liability in the period in which they are approved by the shareholders' meeting.

#### 25. Provisions

Certain present obligations are required as a result of events that have already occurred and are recognized as provisions when it is probable that an outflow of economic benefits will result from the performance of the operation and the amount can be measured reliably.

The provision is initially measured on the basis of the best estimate of the expenditure required to meet the related current obligation, taking into account factors such as risk, uncertainty and time value in money, which are related to contingencies. Where the time value of money is significant, the best estimate is determined by discounting the related future cash outflows. The amount of the increase in the book value of the provision resulting from the recovery of discount over time shall be recognized as interest expense.

The book value of the provision shall be reviewed and adjusted appropriately at each balance sheet date to reflect the current best estimate.

## Notes to the Financial Statements

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(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 26. Income taxes and deferred income taxes

The Company's current income taxes and deferred income taxes shall be recorded as income tax expense or benefit in profit or loss, excluding income tax arising from: 1) business combinations; and 2) transactions or events recognized directly in owners' equity.

The deferred tax assets and deferred tax liabilities are recognized on the basis of the differences (temporary differences) between the tax bases of the assets and liabilities and their book values. Deferred tax assets are recognized for deductible losses that, under the tax laws, are available for offset against taxable income in subsequent years. Deferred tax assets and deferred tax liabilities are measured at the balance sheet date at the tax rates that apply in the period in which the asset is expected to be recovered or the liability settled.

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates unless the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and deferred tax liabilities that also meet the following conditions are presented net of offsetting amounts:

- Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity within the Group;
- This taxable entity within the Group has the legal right to settle current tax assets and current tax liabilities on a net basis.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 27. Commission fees

The Group enters into an intermediary agreement with an intermediary and the commission paid to the intermediary is charged to operating and administrative expenses.

#### 28. General risk reserve

In accordance with the Guidelines for the Implementation of Financial Rules for Financial Enterprises (Caijin [2007] No. 23), the Company makes a general risk reserve of 10% of net income for compensation of risks, which may not be used for dividends and capital increase.

#### 29. Revenue recognition

The Group recognizes revenue in the amount of the consideration to which it expects to be entitled when the customer obtains control of the related goods or services.

##### (1) Commission income

The Group provides futures brokerage services to its customers. Futures brokerage services are a series of services that are substantially the same and have the same mode of transfer, therefore, the Group treats them as a single performance obligation and, subject to the satisfaction of the conditions for revenue recognition and variable consideration apportionment, calculates the futures trading fees, pledge fees and delivery fees receivable from customers upon completion of futures transactions based on the rates agreed in the futures brokerage contracts and recognizes them as current revenue on a net basis after deducting the fees payable to the futures exchange.

The Group provides asset management services to the futures asset management plan managed by the Group. Asset management services are a series of services that are substantially the same and have the same mode of transfer, therefore, the Group treats them as a single performance obligation and calculates and recognizes current revenue based on the contractual basis and calculation method, provided that the conditions for revenue recognition and variable consideration apportionment are met.

Advisory services in investments recognize revenue over a period of time based on the progress of completed services in accordance with the conditions for recognition of revenue from the provision of services.

### IV. Significant accounting policies and accounting estimates (Continued)

#### 29. Revenue recognition (Continued)

##### (2) Interest income

Please refer to Note IV. 10. (1). 1) for details.

##### (3) Income from the sale of goods

Income from the sale of goods is generally recognized when the Group has contractually agreed to deliver the products to a customer and has transferred control of the goods to the customer.

In determining whether the customer has obtained control of the goods, the Group considers the following indications: ① the Group has a present right to receive payment for the goods, i.e., the customer has a present obligation to pay for the goods; ② the Group has transferred legal title of the goods to the customer, i.e., the customer has owned legal title of the goods; ③ the Group has transferred the physical substance of the goods to the customer, i.e., the customer has taken physical possession of the goods; ④ the Group has transferred the principal risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained the principal risks and rewards of ownership of the goods; ⑤ the customer has accepted the goods; and ⑥ other indications suggesting that the customer has obtained control of the goods.

If a contract contains two or more performance obligations, the transaction price is apportioned to each single performance obligation by the Group at the start date of the contract in the relative proportion of the stand-alone selling price of the goods or services promised by each single performance obligation, and revenue is measured according to the transaction price apportioned to each single performance obligation.

The transaction price is the amount of consideration to which the Group is expected to be entitled due to the transfer of goods or services to the customer, excluding the amounts collected on behalf of third parties and the amounts expected to be refunded to the customer. The impacts of variable consideration and the presence of significant financing components in the contract are considered in determining the transaction price.

Where variable consideration exists in a contract, the Group determines the best estimate of the variable consideration on the basis of the expected value or the most likely amount to be incurred. The transaction price containing variable consideration does not exceed the amount for which it is highly probable that there will be no material reversal of revenue recognized in the aggregate when the relevant uncertainty is resolved. At each balance sheet date, the Group re-estimates the amount of variable consideration to be included in the transaction price.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 29. Revenue recognition (Continued)

##### (3) Income from the sale of goods (Continued)

For contracts with significant financing components, the Group determines the transaction price based on the amount payable that is assumed to be paid in cash by the customer at the time the customer obtains control of the goods, uses a discount rate that discounts the notional amount of the contract consideration to the current selling price of the goods, and amortizes the difference between the determined transaction price and the amount of the consideration promised in the contract over the term of the contract using the effective interest method. Significant financing components of the contract are not taken into account when the Group expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price will not exceed one year at the contract start date.

The Group determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods prior to transferring the goods to the customer. If the Group is able to control the goods before transferring them to the customer, the Group is a principal and recognizes revenue based on the total amount of consideration received or receivable; Otherwise, the Group, as an agent, recognizes revenue based on the amount of commissions or handling fees to which it is expected to be entitled, which shall be determined based on either the net amount of the total consideration received or receivable less the price payable to other related parties or the established commission amount or percentage.

##### (4) Income from futures exchange returns, etc., is recognized as current income by the Group when received.

The Group provides "insurance + futures" pilot services to the futures exchange. The Group recognizes revenue at the point when the exchange obtains control of the relevant services in accordance with the contract or agreement. When recognizing revenue, the Group recognizes receivables for the portion for which the Group has obtained unconditional collection rights and contract assets for the remainder, and recognizes loss provisions for receivables and contract assets on the basis of expected credit losses (Note IV. 10. (1).2)). If the contract price received or receivable by the Group exceeds the services performed, the excess is recognized as a contract liability. The Group presents contract assets and contract liabilities under the same contract on a net basis.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 30. Accounting for the withdrawal and use of futures risk reserves

The futures risk reserves are provided at the rate of 5% of the net income after the agent commission income deducts the commission payable to the futures exchange and are charged to profit or loss. Losses that are not adequately covered by the risk reserves are charged to profit or loss.

The futures risk reserves are only used to offset losses resulting from:

- (1) Risk losses caused by the Company's oversight such as information system failure, wrong order trading, forced closing of positions not in compliance with regulations, etc.
- (2) Risk loss receivables due to customers' position penetration, advancing penalties to futures settlement agency on behalf of customers, etc., which are still uncollectible after the customers have been discharged by their bankruptcy estates or inheritances due to bankruptcy or death; risk losses that are overdue for more than three years and still uncollectible by customers are recognized as bad debt losses.

#### 31. Government grants

Government grants are monetary or non-monetary assets obtained by the Group from the government without consideration, including tax refunds and financial subsidies, etc.

Government grants are recognized when the Group is able to meet the conditions attached to them and they can be received. Government grants that are monetary assets are measured at the amounts received or receivable. Government grants that are non-monetary assets are measured at fair value; if the fair value cannot be reliably obtained, they are measured at nominal amounts.

Government grants related to assets are government grants acquired by the Group for the acquisition or other formation of long-term assets. Government grants related to revenue are government grants other than those related to assets.

Government grants related to assets are written down to the book value of the related assets or recognized as deferred income and apportioned to profit or loss over the useful life of the related assets in accordance with a reasonable and systematic method. Government grants related to revenue that is used to compensate for related cost expenses or losses in subsequent periods are recognized as deferred revenue and charged to current profit or loss or reduced by related costs in the period in which the related cost expenses or losses are recognized, and those used to compensate for related expenses or losses already incurred are charged directly to current profit or loss or reduced by related costs. The Group adopts the same presentation for similar government grants.

Government grants related to ordinary activities are included in operating profit, while government grants not related to ordinary activities are recognized in non-operating income and expenditure.

## Notes to the Financial Statements

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(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 32. Leases

A lease is a contract whereby the lessor cedes the right to use an asset to the lessee for a certain period of time for consideration.

The Group as lessee: The Group recognizes a right-of-use asset at the commencement date of the lease term and recognizes a lease liability at the present value of the lease payments that have not been paid. Lease payments include fixed payments, as well as payments required if it is reasonably certain that the option to purchase or the option to terminate the lease will be exercised, etc. Variable rentals, which are determined as a percentage of sales, are not included in lease payments and are recognized in profit or loss when actually incurred.

The Group's right-of-use assets include houses and buildings leased, etc. The right-of-use asset is initially measured at cost, which includes the initial measurement amount of the lease liability, lease payments made on or before the commencement date of the lease term, and initial direct costs, net of lease incentives received. If the Group is able to obtain ownership of the leased asset at the end of the lease term with reasonable certainty, depreciation is provided over the remaining useful life of the leased asset; if it cannot be reasonably certain that the ownership of leased assets can be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life. When the recoverable amount is less than the book value of the right-of-use asset, the Group writes down the book value to its recoverable amount.

For short-term leases with a lease term not exceeding 12 months and leases of low-value assets with a low brand-new value of a single asset, the Group chooses not to recognize right-of-use assets and lease liabilities and to recognize the related rental expenses in profit or loss or costs of the related assets on a straight-line basis over each period of the lease term.

The Group accounts for a change in a lease as a separate lease when both of the following conditions are met: (1) the lease modification expands the scope of the lease by adding the right to use one or more leased assets; and (2) the increased consideration is equivalent to the amount adjusted by the individual price of the expanded part of the lease scope according to the contract.

When a lease modification is not accounted for as a separate lease, the Group redetermines the lease term at the effective date of the lease modification and remeasures the lease liability by discounting the modified lease payments using a revised discount rate, except for contractual changes directly arising from the COVID-19 pandemic for which a simplified method is used. If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the book value of the right-of-use asset accordingly and recognizes the gain or loss related to the partial termination or complete termination of the lease in profit or loss. If other lease modifications result in the remeasurement of the lease liability, the Group adjusts the book value of the right-of-use asset accordingly.

### IV. Significant accounting policies and accounting estimates (Continued)

#### 33. Criteria for determining control and methods for preparation of the consolidated financial statements

When the consolidated financial statements are prepared, the scope of consolidation includes the Company and all subsidiaries (including structured entities under effective control). The Group's standard for determining control is that the Group has the power over the investee, enjoy variable returns through participating in related activities of the investee, and has the ability to use the power over the investee to influence the amount of its return.

Subsidiaries are initially included in the scope of consolidation from the date that the Group obtains effective control over them, and excluded in the scope of consolidation from the date that the Group loses effective control over them. For subsidiaries acquired through business combinations under common control, they are included in the scope of consolidation of the Company from the date they are under the control of the same ultimate controlling party as the Company, and their net profits realized before the date of consolidation are reflected in a separate line item in the consolidated income statement.

All significant intra-group balances, transactions and unrealized profits are eliminated in the preparation of the consolidated financial statements. The owners' equity of subsidiaries, net income or loss for the period and comprehensive income that is not attributable to the Company are presented under owners' equity, net profits and total comprehensive income in the consolidated financial statements as minority interest, minority gain, or loss and total comprehensive income attributable to minority shareholders, respectively. If the minority shareholders' share of the subsidiary's current loss exceeds the minority shareholders' share of the subsidiary's owners' equity at the beginning of the period, the balance is eliminated to reduce the minority shareholders' equity. Unrealized gains or losses on internal transactions, if they are caused by the sale of assets by the Company to a subsidiary, are fully offset against net income attributable to shareholders of the parent company; if they have resulted from the sale of assets by a subsidiary to the Company, they are allocated to offset between net income attributable to shareholders of the parent company and minority interests in proportion to the Company's allocation to that subsidiary; if they arise from the sale of assets between subsidiaries, they are allocated to offset between net income attributable to shareholders of the parent company and minority interests in proportion to the parent company's allocation to the seller's subsidiary.

If the same transaction is recognized differently when the Group is the accounting entity or the Company or a subsidiary is the accounting entity, the transaction is adjusted from the Group's perspective.

#### 34. Related party

A related party involves the relationship that a party controls, jointly controls or exercises significant influence over another party, and where two or more parties are under the control or joint control of one party. Related parties may be individuals or enterprises. Enterprises that are only under the control of the state without other related party relationships do not constitute related parties.

## Notes to the Financial Statements

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(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 35. Segment information

The Group determines operating segments based on its internal organizational structure, management requirements, and internal reporting system, and determines reporting segments and discloses segment information based on operating segments.

An operating segment is a component of the Group that also meets the following conditions: (1) the component is capable of generating income and incurring expenses in the ordinary course of its activities; (2) the Group's management is able to periodically evaluate the operating results of the component in order to decide on the allocation of resources to it and evaluate its performance; (3) the Group has access to accounting information on the financial position, operating results and cash flows of the component. Two or more operating segments may be combined into one operating segment if they have similar economic characteristics and meet certain conditions.

#### 36. Significant accounting policies and changes in accounting estimates

##### (1) Changes in significant accounting policies

The Company has implemented the relevant provisions of the *Interpretation of the Accounting Standards for Business Enterprises No. 17* (Caikuai [2023] No. 21) issued by the Ministry of Finance from January 1st, 2024 onwards.

The Company has implemented the relevant provisions of the *Interpretation of the Accounting Standards for Business Enterprises No. 18* (Caikuai [2024] No. 24) issued by the Ministry of Finance from December 6th, 2024 onwards.

The Company has implemented the relevant provisions of the Interim Provisions on the Accounting Treatment of Enterprise Data Resource (Caikuai [2023] No. 11) issued by the Ministry of Finance from January 1st, 2024.

The above change in accounting policies had no impact on the financial statements.

##### (2) Changes in significant accounting estimates and the key assumptions

In order to accurately reflect the use of the Company's electronic equipment, the Company adjusted the depreciable life of electronic equipment other than network equipment and servers from 3 years to 5 years in accordance with the *Accounting Standards for Business Enterprises* and the actual use of the Company's office equipment, and the aforesaid adjustments have been implemented from January 1st, 2024 onwards.

### IV. Significant accounting policies and accounting estimates (Continued)

#### 36. Significant accounting policies and changes in accounting estimates (Continued)

##### (2) Changes in significant accounting estimates and the key assumptions (Continued)

This change in accounting estimate is applied prospectively and does not require retrospective adjustments to the disclosed financial reports, and will not have an impact on the Company's financial position and results of operations in prior years. Excluding the additions or deductions of such assets in 2024, the increase in net profit attributable to the shareholders of the parent company for 2024 after deducting the effect of corporate income tax, is RMB1,577,868.26.

The Group evaluates constantly the significant accounting estimates and critical judgments in accordance with the historical experience and other factors, including reasonable expectations of future events.

The following significant accounting estimates and key assumptions will result in a significant risk that the book values of assets and liabilities within the next fiscal year will be adjusted materially:

##### 1) *Fair value of financial instruments*

For financial instruments for which there is no active market, the Group uses valuation techniques to determine their fair value, including the discount cash flow model, Black-Scholes model, and other valuation models. Valuation methodology utilizes observable market information to the greatest extent. However, when observable market information is not available, the Group makes estimates of significant unobservable information included in the valuation methodology. The objective of valuation techniques is to determine a fair value that reflects the same determination of market participants at the reporting date on an orderly trading basis.

##### 2) *Income taxes*

The Group is subject to corporate income tax in several jurisdictions. There is uncertainty about the ultimate tax treatment of certain transactions and events in the normal course of the Group's business activities. Significant judgments are required by the Group in the provision of income tax expenses. If the final determination of these tax matters differs from the amounts initially recorded, such difference will have an impact on the amount of income tax expense and deferred income tax in the period in which such final determination is made.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### IV. Significant accounting policies and accounting estimates (Continued)

#### 36. Significant accounting policies and changes in accounting estimates (Continued)

##### (2) Changes in significant accounting estimates and the key assumptions (Continued)

###### 3) *Consolidation of structured entities*

The determination of whether the Group controls a structured entity requires management to make a comprehensive judgment based on all the facts and circumstances. The control principle consists of three elements: the asset manager's power over the structured entity, the asset manager's exposure to or enjoyment of variable returns as a result of its participation in the management of the structured entity's investments, and the asset manager's ability to use its power over the structured entity to influence the asset manager's variable returns. Management has assessed the combination of the above three elements on a comprehensive basis based on its judgment and the Group will reassess these factors whenever changes in relevant facts and circumstances cause them to change.

##### (3) Critical judgments in the adoption of accounting policies

###### 1) *Classification of financial assets*

The significant judgments involved in determining the classification of the Group's financial assets include analysis of the business model and contractual cash flow characteristics, etc.

The Group determines the business model for managing financial assets at the level of the financial asset portfolio, considering factors such as the manner in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how they are managed, and how the relevant business management personnel are compensated.

The following key judgments exist when the Group assesses whether the contractual cash flows of financial assets are consistent with the underlying lending arrangements: whether the principal amount is likely to change in time distribution or amount over the duration of the asset due to, for example, early repayment; whether the interest includes only the time value of money, credit risk, other underlying lending risks and consideration for costs and profits.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### V. Taxes

The major taxes applicable to the Group and their tax rates are set out below:

Taxes	Taxation basis	Tax rate	Note
Corporate income tax	Taxable income	25%, 16.5%	Note 1
Value added tax (VAT)	Taxable value added amount (tax payable is calculated by multiplying taxable sales by the applicable tax rate less the current input tax allowed for deduction)	13%, 9%, 6%	
Urban maintenance and construction tax	Amount of turnover tax paid	7%	
Education surcharge	Amount of turnover tax paid	3%	
Local education surcharge	Amount of turnover tax paid	2%	

Note 1: The income tax rate applicable to the Group's Hong Kong subsidiaries is 16.5%.

### VI. Subsidiaries

Subsidiaries included in the scope of consolidation as of December 31st, 2024

Name of subsidiary	Place of registration	Principal place of operation	Type of legal person	Business nature	Shareholding ratio (%)	Percentage of voting rights (%)
Zhongtai Huirong Capital Investment Co., Ltd.	Shenzhen, China	Jinan, China	Limited company	Risk management	100.00	100.00
Zhongtai Huirong Investment (HK) Company Limited	Hong Kong, China	Hong Kong, China	Limited company	Derivatives trading	100.00	100.00
Luzheng Information Technology Co., Ltd.	Jinan, China	Jinan, China	Limited company	Information system services, software development	100.00	100.00
Luzheng International Holding Limited	Hong Kong, China	Hong Kong, China	Limited company	Investment holding	100.00	100.00

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VI. Subsidiaries (Continued)

Luzheng Capital Management Co., Ltd. was renamed Zhongtai Huirong Capital Investment Co., Ltd. (hereinafter referred to as “Zhongtai Huirong Capital”) on July 19th, 2022. The subsidiary was established in April 2013. Its main business scope includes: Investment activities with owned funds, investment planning of owned capital, enterprise management consulting, sales and wholesale of agricultural products, metal products, metallurgical materials, mineral products (except those specified by the state), precious metals and chemical products (except dangerous chemicals, monitoring chemicals, fireworks, civil explosives and precursor chemicals); import and export business (except for items prohibited by laws, administrative regulations and the State Council’s decision, restricted items can only be operated after obtaining permissions); technical consulting; investment consulting (excluding restricted items); sales of petroleum products (excluding dangerous chemicals); wholesale of refined oil (excluding dangerous chemicals); sales of paper products; sales of pulp; sales of rubber products; sales of technical glass products; sales of daily-use glass products; sales of functional glass and new optical materials; general goods warehousing services (excluding hazardous chemicals and other items that need to be approved). Sales of chemical fertilisers; sales of manures; sales of synthetic materials; sales of electronic special-purpose materials; sales of special-purpose chemical products (excluding hazardous chemicals). (except for items that need to be approved according to law, business activities shall be independently carried out according to law with business license). The licensed items are: sales and wholesale of edible oil; warehouse receipt service; basis trading; co-operative hedging; over-the-counter derivatives business; market making business; and sale of renewable resources. On December 31st, 2024, the registered capital of Zhongtai Huirong Capital was RMB750 million and the paid-in capital was RMB750 million.

Zhongtai Huirong Investment (HK) Company Limited (hereinafter referred to as “Zhongtai Huirong”) was established in November 2013. The main business scope includes import and export trade, investment, capital risk management, technical consulting services, etc. As of December 31st, 2024, the registered capital of Zhongtai Huirong was HKD118,820,000.00 and the paid-in capital was HKD84,449,920.83.

Luzheng Information Technology Co., Ltd. (hereinafter referred to as “Luzheng Information”) was established in February 2015. The main business scope includes: The sales of electronic products, office automation equipment, computers, cultural office machinery, control equipment and computer room equipment; information system integration service; development, sales and related technical services of computer network products and software; electronic engineering design and construction; information technology consulting service. As of December 31st, 2024, the registered capital of Luzheng Information was RMB25 million and the paid-in capital was RMB25 million.

Luzheng International Holding Limited (hereinafter referred to as “Luzheng International Holding”) was established in April 2018. The main business scope includes investment holding. As of December 31st, 2024, the registered capital was HKD30 million and the paid-in capital was HKD20 million.

As at December 31st, 2024, none of the Company’s subsidiaries have issued equity or debt securities.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements

(The end of the period refers to December 31st, 2024, the beginning of the period refers to January 1st, 2024)

#### 1. Cash and cash equivalents

Item	December 31st, 2024	December 31st, 2023
Cash on hand	39,034.55	38,024.55
Current bank deposit	823,633,042.32	109,220,919.75
– Principal	823,189,472.22	109,121,782.23
– Interest accrued	443,570.10	99,137.52
Time bank deposit	318,883,594.78	293,376,368.34
– Principal	295,400,000.00	280,000,000.00
– Interest accrued	23,483,594.78	13,376,368.34
Futures margin deposits	19,602,465,237.04	18,373,904,190.36
– Principal	19,508,067,982.66	18,311,428,504.24
– Interest accrued	94,397,254.38	62,475,686.12
Other cash and cash equivalents	7,887,179.27	42,398,765.06
Less: Expected credit impairment provision	384,067.07	473,095.33
<b>Total</b>	<b>20,752,524,020.89</b>	18,818,465,172.73

As of December 31st, 2024, there were no large amounts (over RMB1,000,000) in the short-term calls on owned bank deposits and no restrictions on the use of bank deposits (December 31st, 2023: same). There is a restricted use of RMB3,465,000.00 of note deposits in other cash and cash equivalents.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 1. Cash and cash equivalents (Continued)

##### (1) Details of deposit of futures margin – Principal

Item	December 31st, 2024	December 31st, 2023
China Minsheng Banking Corp., Ltd.	<b>3,500,928,406.91</b>	951,215,716.00
Shanghai Pudong Development Bank Co., Ltd.	<b>2,300,531,061.95</b>	550,587,195.50
Industrial and Commercial Bank of China Limited	<b>542,442.54</b>	1,246,804,337.15
China Construction Bank Corporation	<b>388,942.56</b>	1,000,355,038.10
Industrial Bank Co., Ltd.	<b>4,100,206,437.22</b>	2,952,086,733.05
China Everbright Bank Co., Ltd.	<b>99,760.01</b>	87,454.76
Ping An Bank Co., Ltd.	<b>3,200,076,181.14</b>	1,400,159,817.18
Bank of Communications Co., Ltd.	<b>1,716,280.55</b>	1,202,546,793.41
China CITIC Bank Corporation Limited	<b>900,279,928.44</b>	700,182,638.74
China Merchants Bank Co., Ltd.	<b>250,195,745.51</b>	200,231,261.51
China Guangfa Bank Co., Ltd.	<b>150,021,150.65</b>	89,301.86
Bank of China Limited	<b>264,846.72</b>	325,359.45
Agricultural Bank of China Limited	<b>5,102,755,142.20</b>	8,100,421,502.86
Postal Savings Bank of China Limited	<b>61,656.26</b>	6,335,354.67
<b>Total</b>	<b>19,508,067,982.66</b>	18,311,428,504.24

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 1. Cash and cash equivalents (Continued)

(2) As at December 31st, 2024, other cash and cash equivalents represent the Group's unencumbered available funds placed with securities and futures brokers and banks' acceptance bills.

#### (3) Changes in expected credit impairment provision

Item	December 31st, 2023	Accrual in current period	December 31st, 2024
Expected credit impairment provision	473,095.33	-89,028.26	<b>384,067.07</b>
Total	473,095.33	-89,028.26	<b>384,067.07</b>

#### 2. Settlement provisions

Item	December 31st, 2024	December 31st, 2023
China Securities Depository and Clearing Corporation Limited	<b>1,994,718.42</b>	1,623,501.24
Total	<b>1,994,718.42</b>	1,623,501.24

#### 3. Currency margin receivable

Item	December 31st, 2024	December 31st, 2023
China Financial Futures Exchange	<b>3,477,683,062.59</b>	2,032,297,069.93
Shanghai Futures Exchange	<b>2,157,456,053.44</b>	1,534,951,808.04
Dalian Commodity Exchange	<b>1,159,796,864.76</b>	1,067,729,355.72
Zhengzhou Commodity Exchange	<b>1,056,973,898.46</b>	967,312,375.98
China Securities Depository and Clearing Corporation Limited	<b>1,028,798,501.88</b>	602,707,472.58
Shanghai International Energy Exchange	<b>270,940,581.09</b>	311,506,519.36
Guangzhou Futures Exchange	<b>127,248,083.14</b>	136,071,808.04
Total	<b>9,278,897,045.36</b>	6,652,576,409.65

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 4. Pledge margin receivable

##### (1) Classification by Exchange

Item	December 31st, 2024	December 31st, 2023
China Financial Futures Exchange	1,024,131,488.00	1,327,767,624.00
Dalian Commodity Exchange	351,468,688.00	408,382,480.00
Shanghai Futures Exchange	146,692,488.00	300,699,072.00
Zhengzhou Commodity Exchange	228,339,392.00	243,079,760.00
Shanghai International Energy Exchange		8,780,000.00
Guangzhou Futures Exchange	33,626,040.00	
Total	1,784,258,096.00	2,288,708,936.00

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 4. Pledge margin receivable (Continued)

##### (2) Classification by the category of collateral

Category of collateral	Market value at time of pledge	Discount rate	December 31st, 2024 Closing market value
Treasury Bonds	1,892,830,860.00	80%	1,514,264,688.00
BU Asphalt	35,596,440.00	80%	28,477,152.00
AL Aluminium	4,943,750.00	80%	3,955,000.00
AO Aluminium Oxide	4,813,200.00	80%	3,850,560.00
CF Cotton	4,307,200.00	80%	3,445,760.00
HC hot rolled coils	18,289,800.00	80%	14,631,840.00
Ru Rubber	22,860,500.00	80%	18,288,400.00
CU Copper	1,845,000.00	80%	1,476,000.00
Sn Tin	4,915,600.00	80%	3,932,480.00
Ni Nickel	73,041,360.00	80%	58,433,088.00
PB Lead	8,360,000.00	80%	6,688,000.00
PTA	53,320,900.00	80%	42,656,720.00
RB Thread	4,947,000.00	80%	3,957,600.00
SI Industrial Silicon	13,328,550.00	80%	10,662,840.00
PVC	2,463,000.00	80%	1,970,400.00
SM Silicomanganese	4,936,840.00	80%	3,949,472.00
SP Bleached Softwood Pulp	3,752,960.00	80%	3,002,368.00
LC Lithium Carbonate	28,704,000.00	80%	22,963,200.00
A Yellow Soybean	24,767,160.00	80%	19,813,728.00
PK Peanut	22,298,500.00	80%	17,838,800.00
<b>Total</b>	<b>2,230,322,620.00</b>		<b>1,784,258,096.00</b>



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 4. Pledge margin receivable (Continued)

##### (2) Classification by the category of collateral (Continued)

Category of collateral	Market value at time of pledge	Discount rate	December 31st, 2023 Closing market value
Treasury Bonds	2,487,098,570.00	80%	1,989,678,856.00
HC hot rolled coils	149,620,800.00	80%	119,696,640.00
Ag Silver	99,833,400.00	80%	79,866,720.00
Ru Rubber	36,934,100.00	80%	29,547,280.00
AL Aluminium	29,355,000.00	80%	23,484,000.00
SP Pulp	13,600,400.00	80%	10,880,320.00
NR20 Natural Rubber	10,975,000.00	80%	8,780,000.00
CU Copper	10,360,500.00	80%	8,288,400.00
AO Aluminium Oxide	6,955,200.00	80%	5,564,160.00
BU Asphalt	6,746,960.00	80%	5,397,568.00
CJ Jujube	2,950,000.00	80%	2,360,000.00
PVC	2,816,000.00	80%	2,252,800.00
SS Stainless Steel	1,635,600.00	80%	1,308,480.00
CF Cotton	1,237,600.00	80%	990,080.00
Ni Nickel	767,040.00	80%	613,632.00
<b>Total</b>	<b>2,860,886,170.00</b>		<b>2,288,708,936.00</b>

#### 5. Settlement guarantees receivable

Item	December 31st, 2024	December 31st, 2023
China Financial Futures Exchange	<b>35,969,815.39</b>	49,346,715.28
China Securities Depository and Clearing Corporation Limited	<b>12,306,641.56</b>	11,765,494.36
<b>Total</b>	<b>48,276,456.95</b>	61,112,209.64

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 6. Risk loss receivables

##### (1) Analysis by aging

Item	December 31st, 2024				December 31st, 2023			
	Book balance	As a percentage of total book balance (%)	Bad debt provision	Book value	Book balance	As a percentage of total book balance (%)	Bad debt provision	Book value
Within 1 year					116,485.64	19.32	5,824.28	110,661.36
1-2 years	115,480.79	22.36	11,548.08	103,932.71	451,807.41	74.92	45,180.74	406,626.67
2-3 years	366,807.41	71.01	73,361.48	293,445.93				
Over 3 years	34,273.41	6.63	20,564.05	13,709.36	34,761.46	5.76	20,856.88	13,904.58
Total	516,561.61	100.00	105,473.61	411,088.00	603,054.51	100.00	71,861.90	531,192.61

(2) As of December 31st, 2024, the top five risk loss receivables of the Group totaled RMB474,354.88, representing 91.83% of the total risk loss receivables, as follows:

Company name	Book balance	Aging	Ratio to total risk loss receivables (%)	Nature of payment
First place	216,193.07	2-3 years	41.85	Closeout loss payments
Second place	97,515.24	2-3 years	18.88	Closeout loss payments
Third place	85,171.72	1-2 years	16.49	Closeout loss payments
Fourth place	53,099.10	2-3 years	10.28	Closeout loss payments
Fifth place	22,375.75	1-2 years	4.33	Closeout loss payments
Total	474,354.88		91.83	

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 7. Receivables

##### (1) Listed by details

Item	December 31st, 2024	December 31st, 2023
OTC Options clients' capital receivables	227,616,793.46	396,698,306.07
Notes receivable	28,324,531.20	48,193,405.83
Trade receivable	12,611,608.04	15,353,866.08
Exchange service fee receivable	469,626.86	4,715,707.02
Others	3,292,494.23	2,350,919.28
<b>Total</b>	<b>272,315,053.79</b>	467,312,204.28
Less: Bad debt provision	3,979,684.49	2,880,444.75
<b>Book value of accounts receivable</b>	<b>268,335,369.30</b>	464,431,759.53

##### (2) Analysis by aging

Item	December 31st, 2024		December 31st, 2023	
	Amount	As a percentage of total book balance (%)	Amount	As a percentage of total book balance (%)
Within 1 year	110,759,879.48	40.67	423,457,182.97	90.62
1-2 years	155,795,948.03	57.21	37,917,565.56	8.11
2-3 years	264,870.56	0.10	3,957,245.96	0.85
Over 3 years	5,494,355.72	2.02	1,980,209.79	0.42
<b>Total</b>	<b>272,315,053.79</b>	<b>100.00</b>	467,312,204.28	100.00

Notes receivable are aged within 180 days.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 7. Receivables (Continued)

##### (3) Changes in bad debt provision

Category	Balance as of December 31st, 2023	Changes in current period			Others	Balance as of December 31st, 2024
		Accrual	Recovery or reversal	Carry-forward or write-off		
Provision for bad debts on receivables	2,880,444.75	1,099,239.74				3,979,684.49
Total	2,880,444.75	1,099,239.74				3,979,684.49

##### (4) As of December 31st, 2024, the top five receivables of the Group totaled RMB158,814,840.49, representing 58.32% of the total receivables, as follows:

Company name	Amount	Aging	Ratio to total receivables (%)	Nature of payment
Everbright Securities Company Limited	60,000,000.00	1-2 years	22.03	Option trading funds
SDIC Guozheng Investment (Shanghai) Co., Ltd.	28,529,539.20	Within 1 year/1-2 years	10.48	Option trading funds
Guolian Securities Co., Ltd.	25,760,307.04	Within 1 year/1-2 years	9.46	Option trading funds
Huatai Great Wall Capital Management Co., Ltd.	25,434,973.62	Within 1 year/1-2 years	9.34	Option trading funds
Shanghai Haitong Resource Management Co., Ltd.	19,090,020.63	Within 1 year/1-2 years	7.01	Option trading funds
Total	158,814,840.49		58.32	

As at December 31st, 2024, there were no amounts due from shareholders holding 5% (or more) of the voting shares of the Company in receivables (December 31st, 2023: same).

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 7. Receivables (Continued)

(5) Notes receivable and receivables financing endorsed or discounted at the end of the period and not yet due at the balance sheet date

Item	Amounts derecognised at the end of the period (Receivables financing)	Amounts not derecognised at the end of the period (Notes receivable)
Bank's acceptance bill	26,872,868.15	17,826,800.18
Total	26,872,868.15	17,826,800.18

#### 8. Inventories

Item	December 31st, 2024	December 31st, 2023
Bulk commodity	41,229,106.99	37,816,985.93
Subtotal	41,229,106.99	37,816,985.93
Less: Inventory depreciation reserves	77,305.11	715,591.18
Total	41,151,801.88	37,101,394.75

As at December 31st, 2024, inventories with a book value of RMB1,512,420.00 are pledged to the Futures Exchange as trading margins (as at December 31st, 2023, there were no inventories pledged to the Futures Exchange as trading margins).

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 9. Contract assets

Item	December 31st, 2024	December 31st, 2023
Contract assets	<b>8,153,643.93</b>	30,227,821.96
Less: Impairment provision of contract assets		
Total	<b>8,153,643.93</b>	30,227,821.96

#### 10. Buying back the sale of financial assets

Item	December 31st, 2024	December 31st, 2023
National debt reverse repurchase	<b>13,116,000.00</b>	200,159,669.92
Including: Principal	<b>13,116,000.00</b>	200,000,000.00
Interest accrued		159,669.92
Warehouse receipt pledge fund lent	<b>46,440,285.14</b>	126,836,131.85
Including: Principal	<b>46,422,379.97</b>	126,747,594.64
Interest accrued	<b>17,905.17</b>	88,537.21
Less: Impairment provision	<b>33,981,956.98</b>	7,572,970.95
Total	<b>25,574,328.16</b>	319,422,830.82

When the Group receives warehouse receipts as pledges for warehouse receipt pledge financing, these pledges can be used for re-pledge. As at December 31st, 2024, the fair value of standard warehouse receipts available for re-pledging in the pledge of warehouse receipt pledge financing received by the Group amounted to RMB3,828,000.00, all of which were used for re-pledging against trading margins. (As at December 31st, 2023, the fair value of standard warehouse receipts available for re-pledging in the pledge of warehouse receipt pledge financing received by the Group amounted to RMB30,547,000.00, all of which were used for re-pledging against trading margins).

See Note XVII.1 Significant litigations for details of the impairment provision in the current period.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 11. Financial assets held for trading

Item	December 31st, 2024	December 31st, 2023
Public offering of securities investment funds	575,049,140.81	330,079,427.04
Derivative financial assets (Note VII.12)	207,845,209.67	322,102,246.16
Asset management plan	323,509,514.15	255,127,322.48
Private securities investment funds	114,194,656.10	209,336,884.37
Trust scheme	6,003,550.37	7,003,550.37
Stock investment		2,392,227.84
Bank financial products	51,683,095.74	1,721,061.44
<b>Total</b>	<b>1,278,285,166.84</b>	<b>1,127,762,719.70</b>

#### 12. Derivative financial instruments

##### (1) Details of derivative financial instruments

Item	December 31st, 2024		
	Nominal principal	Assets	Liabilities
OTC options contract	9,169,046,319.89	196,237,481.17	103,062,291.29
Exchange-traded option contract	3,694,830,050.00	8,917,203.50	29,194,588.50
Exchange-traded futures contract	7,635,252,560.00		
Forward contracts	438,422,740.00	2,690,525.00	6,382,020.00
<b>Total</b>	<b>20,937,551,669.89</b>	<b>207,845,209.67</b>	<b>138,638,899.79</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 12. Derivative financial instruments (Continued)

##### (1) Details of derivative financial instruments (Continued)

Item	Nominal principal	December 31st, 2023	
		Assets	Liabilities
OTC options contract	18,527,985,767.86	284,245,013.66	150,861,157.82
Exchange-traded option contract	1,640,978,200.00	8,324,472.50	11,365,277.50
Exchange-traded futures contract	12,059,231,625.00		
Forward contracts	1,449,240,233.21	29,532,760.00	12,252,793.03
<b>Total</b>	<b>33,677,435,826.07</b>	<b>322,102,246.16</b>	<b>174,479,228.35</b>

##### (2) Exchange-traded futures contract

Item	December 31st, 2024		December 31st, 2023	
	Nominal amount	Gains and losses on changes in fair value	Nominal amount	Gains and losses on changes in fair value
Exchange-traded futures contract	7,635,252,560.00	-44,276,200.00	12,059,231,625.00	-18,291,040.00
Less: Settlement cash paid		44,276,200.00		18,291,040.00
<b>Futures contract net position</b>				

For exchange-traded futures contracts, under the daily debt-free settlement system, the currency margin receivable has included the amount of position gains and losses arising from all futures contracts of December 31st, 2024. Therefore, the exchange-traded futures contract under derivative financial instruments is listed as the net amount after offsetting, which is RMB0.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 13. Investments in other equity instruments

Item	December 31st, 2024	December 31st, 2023
Shanghai Futures Exchange	500,000.00	500,000.00
Dalian Commodity Exchange	500,000.00	500,000.00
Zhengzhou Commodity Exchange	400,000.00	400,000.00
Total	1,400,000.00	1,400,000.00

#### 14. Long-term equity investments

##### (1) Classification of long-term equity investments

Item	December 31st, 2024	December 31st, 2023
Long-term equity investment accounted by equity method	44,014,241.10	43,262,218.99
Including: Investment in associates	44,014,241.10	43,262,218.99
Total long-term equity investment	44,014,241.10	43,262,218.99
Less: Impairment provision of long-term equity investment		
Net value of long-term equity investment	44,014,241.10	43,262,218.99

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 14. Long-term equity investments (Continued)

##### (2) Long-term equity investment accounted by equity method

Investee	December 31st, 2023	Initial investment	Additional investments	Reduced investments	Changes in current period						December 31st, 2024	Closing impairment provision	
					Gains and losses on investments recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Cash dividend or profit declared to distribute	Impairment provision accrued	Exchange rate difference			Others
Associate													
Shandong Trading Market Clearing House Co., Ltd.	26,027,527.89				760,927.78							26,788,455.67	
Shandong Board of Trade Co., Ltd.	17,234,691.10				-8,906.67							17,225,785.43	
Total	43,262,218.99				752,022.11							44,014,241.10	

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 15. Fixed assets

Item	Houses and buildings	Transportation equipment	Computers, electronic equipment and others	Total
I. Original book value				
1. December 31st, 2023	40,072,644.53	6,441,985.27	68,549,902.12	115,064,531.92
2. Increased amount in current period			10,093,146.21	10,093,146.21
3. Decreased amount in current period		334,769.91	688,635.52	1,023,405.43
4. December 31st, 2024	40,072,644.53	6,107,215.36	77,954,412.81	124,134,272.70
II. Accumulated depreciation				
1. December 31st, 2023	16,722,738.27	4,532,435.31	46,584,680.52	67,839,854.10
2. Increased amount in current period	1,295,682.12	420,415.88	8,703,238.80	10,419,336.80
3. Decreased amount in current period		139,812.84	512,464.22	652,277.06
4. December 31st, 2024	18,018,420.39	4,813,038.35	54,775,455.10	77,606,913.84
III. Impairment provision				
1. December 31st, 2023				
2. Increased amount in current period				
3. Decreased amount in current period				
4. December 31st, 2024				
IV. Book value				
1. Book value as of December 31st, 2024	22,054,224.14	1,294,177.01	23,178,957.71	46,527,358.86
2. Book value as of December 31st, 2023	23,349,906.26	1,909,549.96	21,965,221.60	47,224,677.82

As of December 31st, 2024, the Group's fixed assets were not mortgaged, guaranteed or sealed (December 31st, 2023: same). As of December 31st, 2024, no sign of impairment was found in the above-mentioned fixed assets, so no impairment provision of fixed assets was accrued (December 31st, 2023: same).

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 16. Right-of-use assets

Item	Houses and buildings	Total
I. Original book value		
1. December 31st, 2023	64,735,803.27	64,735,803.27
2. Increase in current period	12,441,684.29	12,441,684.29
New lease contract	12,441,684.29	12,441,684.29
3. Decrease in current period	20,980,578.35	20,980,578.35
Others	20,980,578.35	20,980,578.35
4. December 31st, 2024	56,196,909.21	56,196,909.21
II. Accumulated depreciation		
1. December 31st, 2023	35,992,775.90	35,992,775.90
2. Increase in current period	13,880,247.85	13,880,247.85
Accrual	13,880,247.85	13,880,247.85
3. Decrease in current period	16,807,569.40	16,807,569.40
Others	16,807,569.40	16,807,569.40
4. December 31st, 2024	33,065,454.35	33,065,454.35
III. Book value		
1. Book value as of December 31st, 2024	23,131,454.86	23,131,454.86
2. Book value as of December 31st, 2023	28,743,027.37	28,743,027.37

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 17. Intangible assets

##### (1) Changes in intangible assets

Item	Software	Total
I. Original book value		
1. December 31st, 2023	30,723,634.00	30,723,634.00
2. Increased amount in current period		
(1) Acquisition	3,958,506.44	3,958,506.44
(2) Increase of business combination		
3. Decreased amount in current period		
(1) Disposal		
(2) Others		
4. Translation difference of foreign currency statements		
5. December 31st, 2024	34,682,140.44	34,682,140.44
II. Accumulated amortization		
1. December 31st, 2023	14,788,788.27	14,788,788.27
2. Increased amount in current period		
(1) Accrual	2,362,369.71	2,362,369.71
(2) Others		
3. Decreased amount in current period		
(1) Disposal		
(2) Others		
4. Translation difference of foreign currency statements		
5. December 31st, 2024	17,151,157.98	17,151,157.98
III. Impairment provision		
1. December 31st, 2023	1,438,333.49	1,438,333.49
2. Increased amount in current period		
(1) Accrual		
(2) Increase of business combination		
3. Decreased amount in current period		
(1) Disposal		
4. Translation difference of foreign currency statements		
5. December 31st, 2024	1,438,333.49	1,438,333.49
IV. Book value		
1. Book value as of December 31st, 2024	16,092,648.97	16,092,648.97
2. Book value as of December 31st, 2023	14,496,512.24	14,496,512.24

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 18. Deferred tax assets and deferred tax liabilities

##### (1) Deferred tax assets without offsetting

Item	December 31st, 2024	
	Deductible temporary difference	Deferred tax assets
Gains and losses on changes in fair value	88,528,233.52	22,132,058.37
Interest payable	31,445,534.90	7,861,383.73
Deductible losses	202,776,085.44	50,694,021.35
Asset impairment provision	40,802,162.32	10,200,540.58
Depreciation of fixed assets	1,777,495.60	444,373.90
Lease liabilities	24,148,142.42	6,037,035.60
<b>Total</b>	<b>389,477,654.20</b>	<b>97,369,413.53</b>

Item	December 31st, 2023	
	Deductible temporary difference	Deferred tax assets
Gains and losses on changes in fair value	50,307,961.92	12,576,990.48
Interest payable	29,546,336.50	7,386,584.13
Deductible losses	157,158,072.91	39,289,518.23
Asset impairment provision	13,658,872.14	3,414,718.04
Depreciation of fixed assets	2,120,456.01	530,114.00
Lease liabilities	29,391,476.28	7,347,869.07
<b>Total</b>	<b>282,183,175.76</b>	<b>70,545,793.95</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 18. Deferred tax assets and deferred tax liabilities (Continued)

##### (2) Deferred tax liabilities without offsetting

Item	December 31st, 2024	
	Taxable temporary difference	Deferred tax liabilities
Gains and losses on changes in fair value	131,424,929.88	32,856,232.47
Interest receivable	119,126,035.52	29,781,508.87
Right-of-use assets	23,131,454.86	5,782,863.72
<b>Total</b>	<b>273,682,420.26</b>	<b>68,420,605.06</b>

Item	December 31st, 2023	
	Taxable temporary difference	Deferred tax liabilities
Gains and losses on changes in fair value	154,521,857.81	38,630,464.45
Interest receivable	23,991,824.65	5,997,956.16
Depreciation of fixed assets	1,989.84	497.46
Right-of-use assets	81,444,861.44	20,361,215.36
<b>Total</b>	<b>259,960,533.74</b>	<b>64,990,133.43</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 18. Deferred tax assets and deferred tax liabilities (Continued)

##### (3) Deferred tax assets or liabilities listed in net amount after offset

Item	Closing offset amount of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offsetting	Opening offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	48,571,834.17	48,797,579.36	61,811,021.55	8,734,772.40
Deferred tax liabilities	48,571,834.17	19,848,770.89	61,811,021.55	3,179,111.88

##### (4) Details of unrecognized deferred tax assets

Item	December 31st, 2024	December 31st, 2023
Deductible losses	71,974,082.54	73,135,110.25
Total	71,974,082.54	73,135,110.25

##### (5) Deductible losses on unrecognized deferred tax assets will mature in the following years:

Year	December 31st, 2024	December 31st, 2023
2025		210,073.02
2026	563,915.55	1,074,779.92
2027	1,169,556.88	1,169,556.88
2028		
2029		
No maturity date	70,240,610.11	70,680,700.43
Total	71,974,082.54	73,135,110.25



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 19. Other assets

##### (1) Breakdown

Item	December 31st, 2024	December 31st, 2023
Prepayments	53,420,539.78	131,481,005.11
Certified input tax to be deducted	12,107,369.31	3,307,010.75
Advance payment of corporate income tax	9,187,510.55	3,035,646.48
Other receivables	7,501,456.39	29,913,937.30
Input tax to be certified	5,189,267.38	9,866,868.54
Long-term deferred expenses	1,896,126.74	2,890,794.80
<b>Total</b>	<b>89,302,270.15</b>	180,495,262.98

##### (2) Other assets – other receivables

Item	December 31st, 2024	December 31st, 2023
Margin receivable	3,588,173.80	25,450,920.22
Deposit	3,485,375.36	3,542,177.41
Others	2,701,582.29	2,865,747.70
<b>Subtotal</b>	<b>9,775,131.45</b>	31,858,845.33
Less: Bad debt provision	2,273,675.06	1,944,908.03
<b>Book value of other receivables</b>	<b>7,501,456.39</b>	29,913,937.30

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 19. Other assets (Continued)

##### (3) Other assets – impairment of other receivables

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit losses over the entire duration (no credit impairment)	Expected credit losses over the entire duration (credit impairment has occurred)	
Balance as of January 1st, 2024	1,944,908.03			1,944,908.03
Book balance of other receivables as of January 1st, 2024 in current period				
- Transfer to stage 2				
- Transfer to stage 3				
- Reverse to stage 2				
- Reverse to stage 1				
Accrual in current period	328,767.03			328,767.03
Reversal in current period				
Carry-forward in current period				
Write-off in current period				
Other changes				
Balance as of December 31st, 2024	2,273,675.06			2,273,675.06

##### (4) Other assets – prepayments

Item	December 31st, 2024		December 31st, 2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	49,956,291.71	93.52	128,352,442.95	97.62
1-2 years	1,465,473.50	2.74	1,416,990.72	1.08
2-3 years	712,652.27	1.33	1,395,493.87	1.06
Over 3 years	1,286,122.30	2.41	316,077.57	0.24
Total	53,420,539.78	100.00	131,481,005.11	100.00

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 20. Short-term loans

##### (1) Classification of short-term loans

Classification of short-term loans	December 31st, 2024	December 31st, 2023
Credit loan	105,600,000.00	20,700,000.00
Bank's acceptance bill discounting	410,000.00	
Add: Accrued interest	120,553.51	23,402.50
<b>Total</b>	<b>106,130,553.51</b>	<b>20,723,402.50</b>

##### (2) Details of credit loans are presented below:

Lending bank	Amount	Maturity	Interest rate	Use
Shenzhen Branch of China Resources Bank of Zhuhai Co., Ltd.	30 million	May 10th, 2024 – March 27th, 2025	3.70%	Purchase of bulk commodities
Jinan Branch of Industrial Bank Co., Ltd.	25.6 million	October 9th, 2024 – October 8th, 2025	3.65%	Purchasing four categories of products—ferrous metals, non-ferrous metals, agricultural products, and energy and chemical products—from the spot market under basis trading
Jinan Branch of China Everbright Bank Company Limited	20 million	October 29th, 2024 – April 29th, 2025	3.65%	Purchasing steel bars
Jinan Branch of China Everbright Bank Company Limited	10 million	October 31st, 2024 – April 30th, 2025	3.65%	Purchasing hot-rolled steel plates
Jinan Branch of Industrial Bank Co., Ltd.	20 million	November 27th, 2024 – November 26th, 2025	3.65%	Purchasing four categories of products—ferrous metals, non-ferrous metals, agricultural products, and energy and chemical products—from the spot market under basis trading

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 21. Acting trading securities

Item	December 31st, 2024	December 31st, 2023
Brokerage business	1,499,466.84	3,934,663.15
Including: Individuals	165,528.46	374,502.60
Organizations	1,333,938.38	3,560,160.55
<b>Total</b>	<b>1,499,466.84</b>	<b>3,934,663.15</b>

#### 22. Currency margin payable

Item	December 31st, 2024	December 31st, 2023
Currency margin payable by futures and options customers	27,582,167,413.80	23,138,021,657.15
<b>Total</b>	<b>27,582,167,413.80</b>	<b>23,138,021,657.15</b>

#### (1) Listed by customer category

Item	December 31st, 2024		December 31st, 2023	
	Number of accounts	Amount	Number of accounts	Amount
Natural person	205,153	8,262,300,061.03	168,412	6,724,692,495.29
Legal person	8,255	19,206,499,756.34	7,229	16,360,146,454.98
Non-settlement member	2	113,367,596.43	3	53,182,706.88
<b>Total</b>	<b>213,410</b>	<b>27,582,167,413.80</b>	<b>175,644</b>	<b>23,138,021,657.15</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 23. Pledge margin payable

##### (1) Listed by exchange

Item	December 31st, 2024	December 31st, 2023
China Financial Futures Exchange	1,024,131,488.00	1,327,767,624.00
Dalian Commodity Exchange	351,468,688.00	408,382,480.00
Shanghai Futures Exchange	146,692,488.00	300,699,072.00
Zhengzhou Commodity Exchange	228,339,392.00	243,079,760.00
Shanghai International Energy Exchange		8,780,000.00
Guangzhou Futures Exchange	33,626,040.00	
Total	1,784,258,096.00	2,288,708,936.00

##### (2) Listed by customer category

Item	December 31st, 2024		December 31st, 2023	
	Number of accounts	Amount	Number of accounts	Amount
Legal person	66	1,784,258,096.00	49	2,288,708,936.00
Total	66	1,784,258,096.00	49	2,288,708,936.00

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 24. Futures risk reserves

Item	December 31st, 2024	December 31st, 2023
Opening balance	<b>175,922,356.78</b>	155,185,841.21
Increase in current period	<b>21,579,616.40</b>	20,736,515.57
Used in current period		
Closing balance	<b>197,501,973.18</b>	175,922,356.78

According to the provisions of the *Measures for the Supervision and Administration of Futures Companies* (Order No. 155 of the China Securities Regulatory Commission) and the *Interim Provisions on the Financial Management of Commodity Futures Trading* (CSZ [1997] No. 44), the futures risk reserve shall be withdrawn at the proportion of 5% of the net income from the agency service fee income minus the service fee payable to the futures exchange.

#### 25. Futures investors' security funds payable

Item	December 31st, 2024	December 31st, 2023
Opening balance	<b>873,243.90</b>	1,104,676.74
Increase in current period	<b>1,364,525.10</b>	925,638.53
Payment in current period	<b>923,258.42</b>	1,157,071.37
Closing balance	<b>1,314,510.58</b>	873,243.90

In accordance with the provisions of the *Measures for the Administration of Futures Investor Protection Funds* (Order No. 129 of the China Securities Regulatory Commission) and the *Provisions on Specifying Matters Related to the Payment Proportion of Futures Investor Protection Funds* (China Securities Regulatory Commission Announcement No. 26 of 2016, hereinafter referred to as "the Provisions"), futures companies shall pay the futures investor protection funds at 5 to 10 parts per hundred million of the agency trading volume from the transaction fees they collect.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 26. Employee benefits payable

##### (1) Details of employee benefits payable

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
I. Short-term employee benefits	70,693,229.65	266,624,180.01	257,471,498.75	<b>79,845,910.91</b>
II. Post-employment benefits – defined contribution plans	90,460.02	38,839,075.63	38,853,599.28	<b>75,936.37</b>
III. Termination benefits		238,169.66	238,169.66	
<b>Total</b>	<b>70,783,689.67</b>	<b>305,701,425.30</b>	<b>296,563,267.69</b>	<b>79,921,847.28</b>

##### (2) Short-term employee benefits

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Salaries, bonuses, allowances and subsidies	57,072,540.54	219,590,768.40	208,907,760.07	<b>67,755,548.87</b>
Employee welfare	13,282.46	6,459,472.36	6,472,754.82	<b>32,759.03</b>
Social insurance contributions	2,576,102.00	17,293,865.01	19,837,207.98	<b>32,759.03</b>
Including: Medical insurance premiums	2,568,727.64	16,810,407.64	19,351,774.02	<b>27,361.26</b>
Work-related injury insurance premiums	1,325.68	345,558.17	345,792.63	<b>1,091.22</b>
Maternity insurance premiums	6,048.68	137,899.20	139,641.33	<b>4,306.55</b>
Others				
Housing provident fund	17,810.21	19,054,986.65	19,054,986.65	<b>17,810.21</b>
Funds for trade unions and staff education	11,013,494.44	4,225,087.59	3,198,789.23	<b>12,039,792.80</b>
<b>Total</b>	<b>70,693,229.65</b>	<b>266,624,180.01</b>	<b>257,471,498.75</b>	<b>79,845,910.91</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 26. Employee benefits payable (Continued)

##### (3) Defined contribution plans

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Basic pension insurance	83,662.90	23,524,881.26	23,538,830.34	<b>69,713.82</b>
Unemployment insurance premiums	6,797.12	1,020,367.62	1,020,942.19	<b>6,222.55</b>
Enterprise annuity contributions		14,293,826.75	14,293,826.75	
<b>Total</b>	<b>90,460.02</b>	<b>38,839,075.63</b>	<b>38,853,599.28</b>	<b>75,936.37</b>

##### (4) Termination benefits

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Termination benefits		238,169.66	238,169.66	
<b>Total</b>		<b>238,169.66</b>	<b>238,169.66</b>	

The Group's employees participate in the basic pension insurance established by government agencies. The Group determines the base within the upper and lower limits of the local basic pension insurance contribution base and based on the employees' average monthly income in the previous year and makes contributions in accordance with the stipulated ratio.

In addition to participating in the basic pension insurance organized and implemented by the local labor and security authorities in accordance with the relevant PRC regulations, the Group has established an enterprise annuity plan for eligible employees on a voluntary basis, and the unit contributions and their investment income in the employees' individual accounts of the enterprise annuity are attributed to the employees on a pro rata basis in accordance with the relevant regulations. The Group established the principle of compensation in the enterprise pension fund for employees who are less than 10 years away from retirement from the date of implementation of the enterprise pension fund, and such employees will be compensated after retirement in accordance with the relevant regulations.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 26. Employee benefits payable (Continued)

In order to further improve the multi-tiered medical insurance system for the Company's employees and effectively enhance the employees' medical insurance level, the Company participates in the basic medical insurance and on this basis, formulates the Implementation Plan Regarding the Supplementary Medical Insurance of Zhongtai Futures Company Limited in accordance with the relevant national regulations. It has implemented the supplementary medical insurance since July 2023 for current employees and retired employees who have signed full-time employment contracts with the Company.

#### 27. Notes payable

Category	December 31st, 2024	December 31st, 2023
Bank's acceptance bill	6,930,000.00	80,347,520.00
Total	6,930,000.00	80,347,520.00

There were no notes payable due and unpaid at the end of the period. The aging of the Group's notes payable at the end of the period described above was within 102 days.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 28. Taxes payable

Item	December 31st, 2023	Current period payable	Current period paid	December 31st, 2024
Corporate income tax payable	294,388.68	27,156,614.39	27,035,048.18	<b>415,954.89</b>
Personal income tax payable	3,025,013.98	18,622,550.60	17,730,629.36	<b>3,916,935.22</b>
Unpaid VAT	492,185.02	20,275,099.25	19,882,277.61	<b>885,006.66</b>
Stamp duty	355,127.53	849,441.45	991,902.93	<b>212,666.05</b>
Property tax payable	84,152.55	336,610.20	336,610.20	<b>84,152.55</b>
Urban construction tax payable	36,951.96	1,339,503.74	1,307,320.19	<b>69,135.51</b>
Education surcharge payable	16,779.97	569,730.44	557,738.33	<b>28,772.08</b>
Local education surcharge payable	10,115.48	381,452.73	372,261.80	<b>19,306.41</b>
Vehicle and vessel use tax payable		6,100.00	6,100.00	
Land use tax		8,678.24	8,678.24	
Others		13,977.27	13,977.27	
<b>Total</b>	<b>4,314,715.17</b>	<b>69,559,758.31</b>	<b>68,242,544.11</b>	<b>5,631,929.37</b>

#### 29. Payables

##### (1) Classification by details

Item	December 31st, 2024	December 31st, 2023
Funds payable to OTC option customers	<b>1,119,707,803.18</b>	1,446,117,544.90
Return of brokerage service fee payable	<b>17,796,767.45</b>	11,466,008.92
Advertising expenses payable	<b>15,597,587.46</b>	4,094,320.08
Commission payable for futures introducing brokerage services	<b>14,059,977.98</b>	10,842,361.40
Remuneration payable for intermediary services	<b>2,296,556.60</b>	2,145,027.24
Consulting service fee payable	<b>1,949,355.45</b>	1,949,355.45
Agency fees payable	<b>1,050,000.00</b>	1,200,000.00
Rent and property costs payable	<b>60,054.31</b>	426,366.53
Others	<b>9,331,976.01</b>	10,550,619.39
<b>Total</b>	<b>1,181,850,078.44</b>	1,488,791,603.91

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 29. Payables (Continued)

(2) As of December 31st, 2024, the companies with the five largest balances of payables:

Company name	Amount	Aging	As a percentage of total payables (%)	Nature of payment
Zheshang Securities Co., Ltd. Shanghai Securities Proprietary Trading Branch	140,000,000.00	Within 1 year	11.85	OTC option client funds
CITIC Futures Huayan Preferred No.1 Single Asset Management Plan	80,000,000.00	Within 1 year	6.77	OTC option client funds
Industrial Securities Co., Ltd.	68,927,586.33	Within 1 year	5.83	OTC option client funds
China Merchants Securities Co., Ltd.	66,550,000.00	Within 1 year	5.63	OTC option client funds
Huafu Securities Co., Ltd. Yunliang Enhancement No.6 Private Securities Investment Fund	40,000,000.00	1-2 years	3.38	OTC option client funds
<b>Total</b>	<b>395,477,586.33</b>		<b>33.46</b>	

(3) Payables by aging

Aging	December 31st, 2024	December 31st, 2023
Within 1 year	<b>865,630,225.00</b>	1,316,438,006.71
1-2 years	<b>310,087,864.16</b>	166,948,896.89
2-3 years	<b>1,966,831.62</b>	2,096,751.92
Over 3 years	<b>4,165,157.66</b>	3,307,948.39
<b>Total</b>	<b>1,181,850,078.44</b>	1,488,791,603.91

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 29. Payables (Continued)

(4) As at December 31st, 2024, the Group's balance payable to the shareholder Zhongtai Securities for the house purchase was RMB42,643.89 (December 31st, 2023: RMB42,643.89), and the introducing brokers' service commission was RMB14,059,977.98 (December 31st, 2023: RMB10,842,361.40).

#### (5) Payables aged over one year

Creditor entity	Closing balance	Reason for non-settlement
Huafu Securities Co., Ltd. Yunliang Enhancement No.6 Private Securities Investment Fund	40,000,000.00	Not yet due for settlement
Yuanshi Taixin No.1 Private Securities Investment Fund-China Merchants Securities Custody Account	19,651,500.00	Not yet due for settlement
Shenzhen Ration Investment Co., Ltd.	17,823,708.51	Not yet due for settlement
China Securities Co., Ltd. Xindongli Xinbo Jinqu No.226	16,450,000.00	Not yet due for settlement
Orient Securities Yunliang Huanyu Tianxia No.5 Private Securities Investment Fund	15,000,000.00	Not yet due for settlement
Fengrun Taixin No. 24 Private Securities Investment Fund	14,887,500.00	Not yet due for settlement
Bofu Liduo Strategy No.26 Private Securities Investment Fund	13,300,000.00	Not yet due for settlement
Lihui Mingbo Legend No.1 Private Securities Investment Fund	10,138,713.63	Not yet due for settlement
Guotai Junan Huaruan Xindongli Manjianghong CTA Strategy Private Securities Investment Fund	10,000,000.00	Not yet due for settlement
Total	157,251,422.14	

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 30. Contract liabilities

Item	December 31st, 2024	December 31st, 2023
Advance payment for goods	6,205,941.08	26,491,204.51
<b>Total</b>	<b>6,205,941.08</b>	<b>26,491,204.51</b>

#### 31. Lease liabilities

Item	December 31st, 2024	December 31st, 2023
Within 1 year	12,264,406.34	14,445,790.28
1-2 years	9,083,024.35	9,478,330.04
2-5 years	2,800,711.73	5,467,355.96
<b>Total</b>	<b>24,148,142.42</b>	<b>29,391,476.28</b>

#### 32. Provisions

Item	December 31st, 2024	December 31st, 2023
Expected losses	24,654.03	59,343.00
<b>Total</b>	<b>24,654.03</b>	<b>59,343.00</b>

#### 33. Other liabilities

Item	December 31st, 2024	December 31st, 2023
Other payables	50,105,630.26	12,338,370.45
Endorsed notes undue	17,416,800.18	46,003,405.83
Pending output tax	2,240,713.15	1,711,008.79
Advances from customers		23,584.90
<b>Total</b>	<b>69,763,143.59</b>	<b>60,076,369.97</b>

As at December 31st, 2024, the Company had RMB785,700.00 (December 31st, 2023: RMB799,840.57) payable to the shareholder, Zhongtai Securities, for the lease of cabinets.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 34. Share capital

Name of shareholder	December 31st, 2024		December 31st, 2023	
	Contribution amount	Proportion (%)	Contribution amount	Proportion (%)
Zhongtai Securities Co., Ltd.	632,176,077.50	63.10	632,176,077.50	63.10
Yongfeng Group Co., Ltd.	35,156,250.00	3.51	35,156,250.00	3.51
Shandong State-owned Assets Investment Holding Co., Ltd.	22,583,601.69	2.25	22,583,601.69	2.25
Linglong Group Co., Ltd.	11,718,750.00	1.17	11,718,750.00	1.17
Sanya Shengli Investment Co., Ltd.	11,718,750.00	1.17	11,718,750.00	1.17
Jinan Energy Investment Co., Ltd.	11,456,570.81	1.14	11,456,570.81	1.14
Overseas Listed Ordinary Shares ("H Shares")	277,090,000.00	27.66	277,090,000.00	27.66
<b>Total</b>	<b>1,001,900,000.00</b>	<b>100.00</b>	<b>1,001,900,000.00</b>	<b>100.00</b>

As of December 31st, 2024, the Company's shares were not pledged or frozen.

Corporate shareholders holding more than 10% of the Company's shares: Zhongtai Securities Co., Ltd.; legal representative: Wang Hong; business scope: securities transactions; securities investment fund custody; Industry category: capital market services; registered capital: RMB6,968,625,756.00.

#### 35. Capital reserves

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Equity premium	650,629,528.42			650,629,528.42
Other capital reserves	11,304,538.52			11,304,538.52
<b>Total</b>	<b>661,934,066.94</b>			<b>661,934,066.94</b>

Other capital reserves refer to other changes in the equity of the investee other than comprehensive income and profit distribution accounted for by the equity method.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 36. Other comprehensive income

Item	Balance as of December 31st, 2023	Amount incurred before income tax for the period	Less: Amount included in other comprehensive income in the prior period transferred to current profit or loss	Amount incurred in current period		Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	Balance as of December 31st, 2024
				Less: Amount included in other comprehensive income in the prior period transferred to retained earnings in the current period					
Other comprehensive income to be reclassified to profit or loss	2,151,975.26	510,698.48					510,698.48		2,662,673.74
Including: Other comprehensive income available for transfer to profit or loss under the equity method									
Provision for credit impairment of other debt investments									
Translation difference of foreign currency statements	2,151,975.26	510,698.48					510,698.48		2,662,673.74
Others									
<b>Total other comprehensive income</b>	<b>2,151,975.26</b>	<b>510,698.48</b>					<b>510,698.48</b>		<b>2,662,673.74</b>

#### 37. Surplus reserves

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Statutory surplus reserve	112,633,923.22	13,342,026.36		125,975,949.58
<b>Total</b>	<b>112,633,923.22</b>	<b>13,342,026.36</b>		<b>125,975,949.58</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 37. Surplus reserves (Continued)

According to the Company Law of the People's Republic of China and the Articles of Association of the Company, the Company withdraws the statutory surplus reserve at 10% of the annual net profit. When the accumulated amount of the statutory surplus reserve reaches more than 50% of the registered capital, it can no longer be withdrawn. After approval, the statutory surplus reserve may be used to make up for losses or increase the share capital.

The withdrawal amount of the Company's discretionary surplus reserve shall be proposed by the board of directors and approved by the general meeting of shareholders. After approval, any surplus reserve can be used to cover the losses of previous years or increase the paid-in capital. The Company did not withdraw any discretionary surplus reserve for the year 2024.

#### 38. General risk reserve

Item	FY2024	FY2023
Closing balance of the prior period before adjustments	<b>137,628,972.73</b>	124,578,909.85
Add: Changes in accounting policies		-35.32
Closing balance of the prior period after adjustments	<b>137,628,972.73</b>	124,578,874.53
Accrual in current period	<b>13,342,026.36</b>	13,050,098.20
Closing balance	<b>150,970,999.09</b>	137,628,972.73

According to the Guidelines for the Implementation of Financial Rules for Financial Enterprises (Cai Jin [2007] No. 23), the Company withdraws general risk reserves at 10% of its net profit for risk compensation, and the reserves shall not be used for dividends or capital increase.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 39. Undistributed profits

Item	FY2024	FY2023
Closing balance of the prior period before adjustments	644,041,774.41	552,372,922.16
Add: Changes in accounting policies		80,624.90
Closing balance of the prior period after adjustments	644,041,774.41	552,453,547.06
Add: Net profit attributable to shareholders of the parent company	4,529,834.45	133,718,823.75
Less: Withdrawal of statutory surplus reserves	13,342,026.36	13,050,098.20
Withdrawal of general risk reserve	13,342,026.36	13,050,098.20
Distribution of dividends on ordinary shares	14,026,600.00	16,030,400.00
Others		
Closing balance of the current period	607,860,956.14	644,041,774.41

Details of dividends declared, paid, and proposed during the Track Record Period are set out below:

Pursuant to the resolution of the Board of Directors' meeting held on March 30th, 2023 and the resolution of the shareholders' general meeting held on June 15th, 2023 for the year ended December 31st, 2022, the Company declared a final dividend for 2022 to its shareholders on the basis of RMB0.16 (inclusive of tax) per 10 shares, amounting to a total of RMB16,030,400.00, and the Company has completed the dividend payment in 2023.

Pursuant to the resolution of the Board of Directors' meeting held on March 26th, 2024 and the resolution of the shareholders' general meeting held on June 27th, 2024 for the year ended December 31st, 2023, the Company declared a final dividend for 2023 to its shareholders on the basis of RMB0.14 (inclusive of tax) per 10 shares, amounting to a total of RMB14,026,600.00, and the Company has completed the dividend payment in 2024.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 40. Net handling fees and commission income

##### (1) Listed by category

Item	FY2024	FY2023	Percentage increase or decrease (%)
Net income from brokerage handling fees	411,078,156.87	352,644,417.14	16.57
Investment consulting service fee income	752,991.13	675,944.12	11.40
Asset management business income		489,595.90	-100.00
Total	411,831,148.00	353,809,957.16	16.40

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 40. Net handling fees and commission income (Continued)

##### (2) Listed by region

Region	FY2024		FY2023	
	Number of divisions	Handling fee income	Number of divisions	Handling fee income
Shandong Province	11	220,555,906.61	11	291,575,506.80
Hunan Province	1	54,488,524.17	1	1,914,011.04
Shanghai	3	37,356,063.28	3	14,775,588.81
Beijing	2	36,861,720.26	2	4,525,755.79
Guangdong Province	3	17,245,633.07	2	10,029,876.65
Liaoning Province	2	10,300,294.13	2	6,339,443.04
Zhejiang Province	3	9,864,015.99	4	10,675,813.63
Jiangsu Province	2	9,678,384.17	2	2,997,565.50
Henan Province	2	5,862,706.44	2	4,927,241.26
Fujian Province	1	5,382,874.76	1	1,210,433.61
Tianjin	1	2,735,352.27	1	3,574,192.51
Hubei Province	1	1,487,493.05	1	1,264,528.52
Hebei Province	1	12,179.80		
Total	33	411,831,148.00	32	353,809,957.16

In 2024, the Company canceled Zhongtai Futures Company Limited Hangzhou Linping Business Department in Zhejiang Province, established Zhongtai Futures Company Limited Shenzhen Futian Branch in Guangdong Province, and established Zhongtai Futures Company Limited Baoding Branch in Hebei Province.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 41. Net interest income

Item	FY2024	FY2023	Percentage increase or decrease (%)
Interest income	<b>528,668,542.31</b>	483,415,121.76	9.36
Including: Interest income from bank deposits	<b>489,300,533.61</b>	448,472,705.11	9.10
Exchange margin interest income	<b>37,321,996.27</b>	33,772,746.24	10.51
Interest income from repurchase for resale	<b>2,046,012.43</b>	1,169,670.41	74.92
Interest expenses	<b>282,365,203.73</b>	251,682,097.75	12.19
Including: Interest expenses paid to customers	<b>277,020,240.20</b>	240,958,408.50	14.97
Interest expense of lease liabilities	<b>2,688,714.08</b>	3,190,296.66	-15.72
Interest expense for settlement and clearing services	<b>1,169,818.25</b>	790,478.40	47.99
Interest expense on borrowings	<b>1,486,431.20</b>	6,742,914.19	-77.96
Net interest income	<b>246,303,338.58</b>	231,733,024.01	6.29

#### 42. Investment income

Item	FY2024	FY2023	Percentage increase or decrease (%)
Investment income from the disposal of financial instruments held for trading	<b>18,630,835.71</b>	-120,185,801.23	115.50
Investment income obtained during the holding period of financial assets held for trading	<b>13,060,951.25</b>	8,600,601.99	51.86
Income from long-term equity investments accounted for by the equity method	<b>752,022.11</b>	3,483,849.86	-78.41
Total	<b>32,443,809.07</b>	-108,101,349.38	130.01

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 43. Gains from changes in fair value

Item	FY2024	FY2023	Percentage increase or decrease (%)
Changes in the fair value of financial instruments held for trading	<b>-61,028,020.38</b>	146,631,203.41	-141.62
Total	<b>-61,028,020.38</b>	146,631,203.41	-141.62

#### 44. Other operation income

Item	FY2024	FY2023	Percentage increase or decrease (%)
Revenue from spot sales of futures and spot combination business	<b>1,208,304,422.72</b>	1,506,085,280.20	-19.77
Others	<b>10,903,515.55</b>	22,044,809.20	-50.54
Total	<b>1,219,207,938.27</b>	1,528,130,089.40	-20.22

#### 45. Other income

Item	FY2024	FY2023
Return of handling fees on personal income tax agency	<b>236,385.62</b>	523,189.14
Job stabilization subsidy	<b>543,023.00</b>	320,922.12
Government grants	<b>1,657,954.85</b>	188,575.47
Tax exemption		7,806.04
Others	<b>7,949.00</b>	30,710.58
Total	<b>2,445,312.47</b>	1,071,203.35

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 46. Expenditure on provision for futures risk

Item	FY2024	FY2023
Withdrawal of risk reserves	21,579,616.40	20,736,515.57
<b>Total</b>	<b>21,579,616.40</b>	20,736,515.57

#### 47. Taxes and surcharges

Item	FY2024	FY2023	Percentage increase or decrease (%)
Stamp duty	849,441.45	999,894.14	-15.05
Urban construction tax	1,339,503.74	1,529,964.04	-12.45
Education surcharge	569,730.44	656,904.52	-13.27
Local education surcharge	381,452.73	438,068.46	-12.92
Others	365,365.71	355,995.84	2.63
<b>Total</b>	<b>3,505,494.07</b>	3,980,827.00	-11.94

#### 48. Business and management fees

##### (1) Comparison and presentation of business and management fees

Item	FY2024	FY2023	Percentage increase or decrease (%)
Business and management fees	551,889,629.05	436,302,752.91	26.49
<b>Total</b>	<b>551,889,629.05</b>	436,302,752.91	26.49

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 48. Business and management fees (Continued)

(2) The main items of business and management fees are as follows:

Item	FY2024	FY2023	Percentage increase or decrease (%)
Employee benefits	305,701,425.30	262,052,422.87	16.66
Advertising expenses	86,900,900.74	21,574,500.61	302.79
Running costs of electronic equipment	42,455,461.41	36,839,615.58	15.24
Depreciation and amortization	28,279,006.77	27,482,938.96	2.90
IB introducing fees	12,898,238.19	8,433,796.85	52.94
Communication fee	12,750,241.27	12,581,076.60	1.34
Conference expenses	10,370,426.59	8,121,738.51	27.69
Business entertainment expenses	10,368,897.19	12,079,566.92	-14.16
Booth usage fees	8,841,067.69	5,865,907.00	50.72
Travel expenses	8,537,262.74	9,033,027.77	-5.49
Audit fee	1,048,113.20	1,319,833.45	-20.59
Including: ShineWing <sup>(Note 1)</sup>	1,047,169.81	1,278,371.51	-18.09
Others	943.39	41,461.94	-97.72
<b>Total</b>	<b>528,151,041.09</b>	<b>405,384,425.12</b>	<b>30.28</b>

Note 1: ShineWing is short for ShineWing Certified Public Accountants (LLP).

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 49. Credit impairment loss

Item	FY2024	FY2023
Impairment loss of buying back the sale of financial assets	26,408,986.03	
Impairment loss on cash and cash equivalents	-89,028.26	-419,122.86
Impairment loss on receivables	1,099,239.74	548,937.67
Impairment loss on other receivables	328,767.03	-322,075.77
Impairment loss on receivables from risk losses	33,611.71	15,249.52
<b>Total</b>	<b>27,781,576.25</b>	<b>-177,011.44</b>

#### 50. Impairment losses on assets

Item	FY2024	FY2023
Inventory impairment loss	-638,286.07	715,591.18
<b>Total</b>	<b>-638,286.07</b>	<b>715,591.18</b>

#### 51. Other business costs

Item	FY2024	FY2023	Percentage increase or decrease (%)
Cost of spot sales in futures and spot combination business	1,202,469,547.55	1,488,257,311.56	-19.20
Others	32,636,251.96	18,912,396.56	72.57
<b>Total</b>	<b>1,235,105,799.51</b>	<b>1,507,169,708.12</b>	<b>-18.05</b>



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 52. Non-operating income

Item	FY2024	FY2023
Gains from the scrapping of non-current assets	<b>1,762.39</b>	1,140.55
Including: Gains from the scrapping of fixed assets	<b>1,762.39</b>	1,140.55
Gains from the scrapping of intangible assets		
Government grants and support funds		6,000.00
Others	<b>4,204.79</b>	1,868.44
Total	<b>5,967.18</b>	9,008.99

#### 53. Non-operating expenses

Item	FY2024	FY2023
Losses on the scrapping of non-current assets	<b>41,750.35</b>	170,496.03
Including: Losses on the scrapping of fixed assets	<b>41,750.35</b>	170,496.03
Donation and sponsorship expenses	<b>3,260,435.17</b>	851,000.00
Premiums support		1,391,293.81
Compensation	<b>359,689.56</b>	
Overdue payment	<b>1,677.22</b>	
Others	<b>5,960.08</b>	674,906.19
Total	<b>3,669,512.38</b>	3,087,696.03

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 54. Income tax expenses

##### (1) Presentation of income tax expenses

Item	FY2024	FY2023
Current income tax expenses	27,156,614.39	31,273,996.04
Deferred income tax expenses	-23,393,147.95	16,432,583.47
Total	3,763,466.44	47,706,579.51

##### (2) Adjustment process of accounting profit and income tax expense

Item	FY2024	FY2023
Total consolidated profit	8,293,300.89	181,425,403.26
Income tax expense calculated at the legal/ applicable tax rate	2,073,325.22	45,356,350.82
Effect of different tax rates applied to subsidiaries	-326,434.79	-175,746.40
Effect of income tax adjustment in previous periods		
Effect of non-taxable income	-192,458.37	-322,567.93
Effect of non-deductible costs, expenses and losses	2,197,802.93	2,874,113.49
Effect of using the deductible losses for which deferred tax assets are not recognized in the prior period		
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized in the current period	11,231.45	16,043.89
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized in the prior period		-41,614.36
Final settlement difference of the prior year		
Income tax expenses	3,763,466.44	47,706,579.51

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 55. Cash flow statement items

##### (1) Supplementary information of the consolidated cash flow statement

Item	FY2024	FY2023
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	4,529,834.45	133,718,823.75
Add: Asset impairment provision	-638,286.07	715,591.18
Credit impairment loss	27,781,576.25	-177,011.44
Depreciation of right-of-use assets	13,880,247.85	13,907,422.56
Depreciation of fixed assets	10,419,336.80	10,285,609.73
Amortization of intangible assets	2,362,369.71	1,563,202.25
Amortization of long-term deferred expenses	1,617,052.41	1,726,704.42
Losses on the disposal of fixed assets, intangible assets, and other long-term assets (gains marked with "-")	-26,475.21	-221,322.08
Losses on scrapping of fixed assets (gains marked with "-")	39,987.96	169,355.48
Losses on changes in fair values (gains marked with "-")	61,028,020.38	-146,631,203.41
Interest expenses (gains marked with "-")	4,175,145.28	10,830,562.53
Exchange loss	49,325.92	262,976.39
Investment losses (gains marked with "-")	-752,022.11	-3,483,849.86
Decrease in deferred tax assets (increase marked with "-")	-40,062,806.96	13,253,969.05
Increase in deferred tax liabilities (decrease marked with "-")	16,669,659.01	3,178,614.42
Accrual of futures risk reserve	21,579,616.40	20,736,515.57
Decrease in inventories (increase marked with "-")	-3,412,121.06	39,401,379.76
Decrease in operating receivables (increase marked with "-")	-1,656,595,538.98	1,047,145,417.66
Increase in operating payables (decrease marked with "-")	3,419,993,958.35	1,706,948,083.23
Others		
Net cash flows from operating activities	1,882,638,880.38	2,853,330,841.19

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 55. Cash flow statement items (Continued)

##### (1) Supplementary information of the consolidated cash flow statement (Continued)

Item	FY2024	FY2023
<b>2. Significant investing and financing activities that do not involve cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	<b>20,335,718,668.70</b>	18,422,813,316.08
Less: Opening balance of cash	<b>18,422,813,316.08</b>	15,830,763,403.92
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	<b>1,912,905,352.62</b>	2,592,049,912.16

##### (2) Cash and cash equivalents

Item	December 31st, 2024	December 31st, 2023
Cash	<b>20,335,718,668.70</b>	18,422,813,316.08
Including: Cash on hand	<b>39,034.55</b>	38,024.55
Bank deposits readily available for payment	<b>20,331,257,454.88</b>	18,420,550,286.47
Other cash and cash equivalents readily available for payment	<b>4,422,179.27</b>	2,225,005.06
Cash equivalents		
Including: Bond investments due within 3 months		
Closing balance of cash and cash equivalents	<b>20,335,718,668.70</b>	18,422,813,316.08

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 56. Dividends

As of December 31st, 2024, the Company declared a final dividend of RMB14,026,600.00 (inclusive of tax) for the period ended December 31st, 2023.

The board of directors has proposed not to distribute profit for the 12 months ending on December 31st, 2024.

#### 57. Earnings per share

##### (1) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares issued during the period.

Item	FY2024	FY2023
Net profit attributable to the ordinary shareholders of the parent company	4,529,834.45	133,718,823.75
Weighted average number of ordinary shares issued	1,001,900,000.00	1,001,900,000.00
Basic earnings per share	0.0045	0.1335

##### (2) Diluted earnings per share

There were no potentially dilutive ordinary shares for the twelve months ended December 31st, 2024, so diluted earnings per share are the same as basic earnings per share.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### VII. Notes on main items of consolidated financial statements (Continued)

#### 58. Assets with restricted ownership or use rights

Item	Book value as of December 31st, 2024	Type of restriction	Restriction details
Cash and cash equivalents	3,465,000.00	Margin	Margin for bank's acceptance bill
Total	3,465,000.00	–	–

Item	Book value as of December 31st, 2023	Type of restriction	Restriction details
Cash and cash equivalents	40,173,760.00	Margin	Margin for bank's acceptance bill
Total	40,173,760.00	–	–

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VIII. Segment reports

The Group's reportable segments are business units that provide different products or services. As the various businesses require different technological and market strategies, the Group manages the production and operating activities of each reportable segment separately and evaluates its operating results separately to determine the allocation of resources to it and to evaluate its performance.

The Group's reportable segments are primarily classified into brokerage business segment, risk management business segment, and asset management segment, depending on the type of business.

There is no significant dependence on a single customer as the Group's business is not conducted to a specific customer.

#### FY2024 Segment report (by business)

Item	Asset management business			Other businesses	Offset	Total
	Brokerage business	Risk management business	Asset management business			
I. Operating income	642,959,576.99	1,150,751,563.02		74,747,415.41	-17,277,880.12	1,851,180,675.30
External operating income	614,992,935.13	1,171,440,324.76		64,747,415.41		1,851,180,675.30
Inter-segment operating income	27,966,641.86	-20,688,761.74		10,000,000.00	-17,277,880.12	
II. Operating expenses	511,530,318.85	1,311,335,995.19	2,434,056.42	21,544,299.28	-7,620,840.53	1,839,223,829.21
External operating expenses	511,530,318.85	1,304,058,115.07	2,434,056.42	21,201,338.87		1,839,223,829.21
Inter-segment operating expenses		7,277,880.12		342,960.41	-7,620,840.53	
III. Total profits/(losses)	131,429,258.14	-160,615,319.22	-2,434,056.42	49,570,457.98	-9,657,039.59	8,293,300.89
IV. Income tax expenses	31,595,273.55	-39,964,316.06		12,046,768.85	85,740.10	3,763,466.44
V. Net profit/(loss)	99,833,984.59	-120,651,003.16	-2,434,056.42	37,523,689.13	-9,742,779.69	4,529,834.45
VI. Total assets	32,357,405,354.61	2,078,501,250.83	44,222.81	1,037,677,663.79	-1,716,488,425.75	33,757,140,066.29
VII. Total liabilities	30,665,937,518.62	1,428,209,943.85	5,754,713.16	39,511,041.22	-933,577,796.05	31,205,835,420.80
VIII. Additional information						
1. Depreciation and amortization expenses	24,689,950.56	3,664,670.86	87,319.41	180,026.35	-342,960.41	28,279,006.77
2. Capital expenditure	29,163,938.91	5,947,902.41		72,962.16		35,184,803.48

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### VIII. Segment reports (Continued)

#### FY2023 Segment report (by business)

Item	Brokerage business	Risk management business	Asset management business	Other businesses	Offset	Total
I. Operating income	580,616,892.66	1,539,595,657.03	489,595.90	38,386,679.26	-5,856,351.21	2,153,232,473.64
External operating income	574,362,319.91	1,539,993,878.57	489,595.90	38,386,679.26		2,153,232,473.64
Inter-segment operating income	6,254,572.75	-398,221.54			-5,856,351.21	
II. Operating expenses	398,241,648.15	1,537,453,827.06	3,563,288.20	35,793,461.82	-6,323,841.89	1,968,728,383.34
External operating expenses	398,693,280.87	1,531,145,843.13	3,563,288.20	35,325,971.14		1,968,728,383.34
Inter-segment operating expenses	-451,632.72	6,307,983.93		467,490.68	-6,323,841.89	
III. Total profits/(losses)	182,375,244.51	750,985.59	-3,073,692.30	905,374.78	467,490.68	181,425,403.26
IV. Income tax expenses	47,821,141.33	-228,460.42			113,898.60	47,706,579.51
V. Net profit/(loss)	134,554,103.18	979,446.01	-3,073,692.30	905,374.78	353,592.08	133,718,823.75
VI. Total assets	28,724,491,351.01	2,608,242,070.31	123,577.58	975,937,130.50	-2,182,404,894.62	30,126,389,234.78
VII. Total liabilities	27,118,913,205.24	1,827,642,148.31	3,400,011.51	15,380,201.77	-1,399,237,044.61	27,566,098,522.22
VIII. Additional information						
1. Depreciation and amortization expenses	19,195,316.65	4,347,440.45	45,920.96	4,361,751.58	-467,490.68	27,482,938.96
2. Capital expenditure	37,575,565.20	3,590,619.08	37,053.69	2,644,061.12		43,847,299.09

### IX. Transfer and sale of significant assets

As of December 31st, 2024, there are no transfers and sales of significant assets that need to be disclosed by the Company.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions

#### 1. Controlling shareholders

##### (1) Parent company

Parent company	Type of company	Place of registration	Legal representative	Business nature	Organization code
Zhongtai Securities	Stock corporation	Jinan	Wang Hong	Securities and financial services	729246347

##### (2) Registered capital of the parent company and changes therein

Parent company	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Zhongtai Securities	RMB6,968,625,756			RMB6,968,625,756

##### (3) Parent company's shareholding and voting rights in the Company

Controlling shareholders	December 31st, 2024		December 31st, 2023	
	Percentage of capital contribution	Percentage of voting rights	Percentage of capital contribution	Percentage of voting rights
Zhongtai Securities	63.10%	63.10%	63.10%	63.10%

#### 2. Subsidiaries

See Note VI for basic information on subsidiaries and related information.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions (Continued)

#### 3. Associates

##### (1) Shandong Trading Market Clearing House Co., Ltd.

Shandong Trading Market Clearing House Co., Ltd. (hereinafter referred to as “Lu Clearing”) is located in Jinan City, Shandong Province. It mainly engages in transaction settlement services and derivatives clearing services.

As of December 31st, 2024, the registered capital of Lu Clearing was RMB200 million, and the paid-in capital was RMB200 million. The Group holds 12.50% of the shares. The Group accounts for the investment of Lu Clearing according to the equity method.

Item	December 31st, 2024	December 31st, 2023
Current assets	<b>266,235,134.71</b>	5,404,238,791.06
Non-current assets	<b>87,276,771.69</b>	56,471,325.16
Total assets	<b>353,511,906.40</b>	5,460,710,116.22
Current liabilities	<b>138,358,799.42</b>	5,252,374,084.00
Non-current liabilities	<b>921,401.05</b>	
Total liabilities	<b>139,280,200.47</b>	5,252,374,084.00
Net assets	<b>214,231,705.93</b>	208,336,032.22
Share of net assets calculated according to the shareholding ratio	<b>26,778,963.24</b>	26,042,004.03
Adjustment matters <sup>1</sup>	<b>9,492.43</b>	-14,476.14
<b>Book value of investment in associates</b>	<b>26,788,455.67</b>	26,027,527.89

Item	FY2024	FY2023
Operating income	<b>22,197,672.07</b>	25,220,504.87
Net profit	<b>5,948,349.99</b>	11,256,855.51
Other comprehensive income		
Total comprehensive income	<b>5,948,349.99</b>	11,256,855.51
Dividends received by the Group from associates in the current period		

Net profit and other comprehensive income have considered the fair value of identifiable assets and liabilities at the time of obtaining investment and the adjustment impact of unified accounting policies.

<sup>1</sup> Adjustment matters include the offset of unrealized profits from internal transactions between the Company and associates.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions (Continued)

#### 3. Associates (Continued)

##### (2) Shandong Board of Trade Co., Ltd.

As of December 31st, 2024, the Group has an investment of RMB35.40 million in Shandong Board of Trade (formerly known as “Rizhao Board of Trade Co., Ltd.”, hereinafter referred to as “Shandong Board of Trade Co., Ltd.”). Shandong Board of Trade, located in Rizhao, Shandong Province, mainly provides electronic trading services for bulk commodities. At present, the company is operating normally.

As of December 31st, 2024, the registered capital of the Shandong Board of Trade was RMB200 million, and the paid-in capital was RMB200 million. The Group holds 8.85% of the shares. The Group accounts for the investment of the Shandong Board of Trade according to the equity method.

Item	December 31st, 2024	December 31st, 2023
Current assets	<b>157,715,051.53</b>	155,848,121.65
Non-current assets	<b>52,613,913.52</b>	52,532,914.55
Total assets	<b>210,328,965.05</b>	208,381,036.20
Current liabilities	<b>11,854,857.79</b>	11,973,929.70
Non-current liabilities	<b>3,832,464.04</b>	1,664,834.23
Total liabilities	<b>15,687,321.83</b>	13,638,763.93
Net assets attributable to the parent company	<b>194,641,643.22</b>	194,742,272.27
Share of net assets calculated according to the shareholding ratio	<b>17,225,785.43</b>	17,234,691.10
Book value of investment in associates	<b>17,225,785.43</b>	17,234,691.10

Item	FY2024	FY2023
Operating income	<b>19,695,894.92</b>	32,534,566.09
Net profit attributable to parent company	<b>576,642.46</b>	5,290,429.05
Other comprehensive income		
Total comprehensive income	<b>576,642.46</b>	5,290,429.05
Dividends received by the Group from associates in the current period		

Net profit and other comprehensive income have considered the fair value of identifiable assets and liabilities at the time of obtaining investment and the adjustment impact of unified accounting policies.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions (Continued)

#### 4. Other related parties

Name of other related parties	Relationship with the Group
Zhongtai (Shanghai) Asset Management Co., Ltd. (“Zhongtai Asset Management”)	Controlled by the same parent company
Qilu Zhongtai Property Co., Ltd. (“Qilu Zhongtai Property”)	Controlled by the same parent company
ZHONGTAI INTERNATIONAL SECURITIES LIMITED (“ZHONGTAI INTERNATIONAL SECURITIES”)	Controlled by the same parent company
ZHONGTAI INTERNATIONAL ASSET MANAGEMENT LIMITED (“ZHONGTAI INTERNATIONAL ASSET MANAGEMENT”)	Controlled by the same parent company
Wanjia Asset Management Co., Ltd. (“Wanjia Asset”)	Controlled by the same parent company
Wanjia Gongying Asset Management Co., Ltd. (“Wanjia Gongying”)	Controlled by the same parent company
Yongfeng Group Co., Ltd. (“Yongfeng Group”)	Shareholders of the Company
Shandong Yongtong Industries Co., Ltd. (“Shandong Yongtong”)	Controlled by Yongfeng Group
Shandong Yongfeng International Trade Co., Ltd. (“Yongfeng Trade”)	Controlled by Yongfeng Group
Shandong Trading Market Clearing House Co., Ltd. (“Lu Clearing”)	Associate
Shandong Energy Group Co., Ltd. (“Shandong Energy Group”)	The indirect controlling shareholder of the parent company
Zaozhuang Mining (GROUP) Co., Ltd. (“Zaozhuang Mining”)	Controlling shareholder of the parent company
Xinkuang International Trade Co., Ltd. (“Xinkuang International Trade”)	Controlled by Shandong Energy Group
Shanneng (Qingdao) Smart Industry Technology Co., Ltd. (“Shanneng Industry”)	Controlled by Shandong Energy Group
XI AN LU HUI Trading Co., Ltd. (“LU HUI Trading”)	Controlled by Shandong Energy Group
Yanzhou Coal Mining Company Group International Trade Co., Ltd. (“Yanzhou Coal Mining Trading”)	Controlled by Shandong Energy Group

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions (Continued)

#### 4. Other related parties (Continued)

Name of other related parties	Relationship with the Group
Shandong Energy (Hainan) Smart International Technology Co., Ltd. (“Shandong Energy International”)	Controlled by Shandong Energy Group
QingDao ZhongYan Trade Co., Ltd. (“QingDao ZhongYan”)	Controlled by Shandong Energy Group
Zhongyin RONGTONG (SHANGHAI) International Trading Co., Ltd. (“Zhongyin RONGTONG”)	Controlled by Shandong Energy Group
Zhongyin MATERIALS Industry Co., Ltd. (“Zhongyin MATERIALS Industry”)	Controlled by Shandong Energy Group
Wang Kai	Family members close to Wang Limin, director and supervisor of the parent company

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions (Continued)

#### 5. Related party transactions and balances

The Group complies with normal commercial terms for related transactions that occur in the normal course of business. The prices of related transactions are determined after negotiation among the parties mainly with reference to market prices.

##### (1) Transactions and balances with the parent company Zhongtai Securities

Item	FY2024	FY2023
Investment income	-75,435,619.11	-14,033,085.20
Commission expenses for futures introducing brokerage services	12,898,238.19	8,433,796.85
Fee income from futures brokerage services	5,851,152.30	4,101,267.60
Interest expenses on futures margin deposits	68,698,831.20	5,161,481.78
Consultation and information service charges	2,770,000.00	1,340,000.00
Securities trading commission expenses	145,819.81	112,048.73
Interest expense on borrowings		5,804,500.00
Housing rental expenses	307,589.76	331,192.66

Item	December 31st, 2024	December 31st, 2023
Cash and cash equivalents – other cash and cash equivalents	4,392,607.85	478,536.91
Financial assets held for trading – derivative financial assets		1,633,266.39
Currency margin payable	3,635,955,739.05	1,953,970,978.19
Financial liabilities held for trading – derivative financial liabilities		8,041,612.66
Lease liabilities		305,545.59
Payables	14,102,621.87	10,885,005.29
– Commission payable for futures brokerage services	14,059,977.98	10,842,361.40
– Others	42,643.89	42,643.89
Other payables	785,700.00	799,840.57
– Cabinet rental fees payable	785,700.00	799,840.57
Other receivables	9,686.66	9,686.66
– Others	9,686.66	9,686.66

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions (Continued)

#### 5. Related party transactions and balances (Continued)

##### (2) Transactions and balances with other related parties

Item	FY2024	FY2023
Fee income from futures brokerage services	852,132.94	1,176,052.20
Purchase of securities investment funds and asset management plans		
– Zhongtai Asset Management	50,000,000.00	300,000.00
– Wanjia Asset	40,000,000.00	20,000,000.00
– Wanjia Gongying	30,000,000.00	
Disposal of securities investment funds and asset management plans		
– Zhongtai Asset Management	26,000,000.00	10,300,000.00
– Wanjia Asset		40,000,000.00
Revenue of selling spot goods		
– Shanneng Industry	5,403,950.44	
– Xinkuang International Trade	47,117,064.67	27,979,597.44
Cost of purchasing spot goods		
– Shanneng Industry	17,351,872.57	1,955,341.59
– LU HUI Trading	6,825,854.87	10,575,971.67
Revenue from sales of equipment and provision of services		
– Lu Clearing		15,723.30
Rental income		
– Lu Clearing	339,622.61	339,622.68
OTC Options investment income		
– Yongfeng Trade	-2,231,860.00	5,239,600.00
– Yanzhou Coal Mining Trading	1,611,921.58	
Rental costs		
– Qilu Zhongtai Property	510,808.40	733,393.44

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### X. Related-party relationships and transitions (Continued)

#### 5. Related party transactions and balances (Continued)

##### (2) Transactions and balances with other related parties (Continued)

Item	December 31st, 2024	December 31st, 2023
Financial assets held for trading – asset management plans and funds managed by Zhongtai Asset Management	72,246,428.97	42,347,359.05
Financial assets held for trading – funds managed by ZHONGTAI INTERNATIONAL ASSET MANAGEMENT		5,140,306.40
Financial assets held for trading – funds managed by Wanjia Asset	59,760,916.04	18,968,768.41
Financial assets held for trading – funds managed by Wanjia Gongying	30,304,265.69	
Receivables – receivables from goods – Xinkuang International Trade	5,100,255.97	14,703,865.98
Other assets – prepayments – Shanneng Industry		254,194.41
Currency margin payable	49,161,765.25	62,915,783.93
Payables – consultancy fees payable – Zhongtai Asset Management	44,675.22	
Lease liabilities – Qilu Zhongtai Property	1,150,119.95	29,625.88
Other liabilities – other payables – Qilu Zhongtai Property	14,550.98	380,863.20

#### 6. Key management remuneration

Key management personnel of the Group are those persons, including directors, supervisors, and senior management, who have the authority and responsibility, directly or indirectly, for planning, directing, and controlling the activities of the Group. Zhongtai Securities assumed the current period's remuneration of individual key management personnel assigned to the Company.

Item	FY2024	FY2023
Key management remuneration	12,011,133.50	14,416,763.94



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### **XI. Commitments and contingencies**

#### **1. Capital expenditure commitments**

The Group has no significant capital expenditure commitments as at the balance sheet date.

#### **2. Contingencies**

As at the balance sheet date, the Group has no material contingencies requiring disclosure.

### **XII. Financial risks**

The Group's exposure to various financial risks in its operation: market risk (mainly includes foreign exchange risk, interest rate risk and other price risks), credit risk and liquidity risk. The Group's overall risk management plan focuses on the unpredictability of financial markets, striving to reduce the potential adverse impact on its financial results.

The Group's risk management objective is to maximise shareholder value by maintaining an appropriate balance of risk and reward and minimising the negative impact on the Group's operating results. The Group's risk management strategy is to identify and analyse the risks to which the Group is exposed, set appropriate risk tolerance levels, and measure and monitor risks reliably and promptly to ensure that risks are kept within tolerable limits.

The Group has a comprehensive system of governance, internal control policies and processes designed specifically to identify, assess, monitor and manage risks. The risk management policies and systems are regularly reviewed and revised in response to changes in market conditions, products and services. The Group's objective is to establish a controlled environment with clear structures and processes, where each employee has a clear understanding of his or her job requirements and responsibilities.

### **XII. Financial risks (Continued)**

The Group's organisational structure of risk management includes the Board of Directors, the Board of Supervisors, the Risk Control Committee and Audit Committee under the Board of Directors; the Operating Management; the Compliance and Risk Control Department, and the Audit and Auditing Department; and the risk control functions of frontline business departments. The subsidiaries have also established a risk management organisational structure appropriate to the nature of their business.

Level 1: The Board of Directors is the highest decision-making body for risk management, making decisions on the Group's overall risk strategy, risk appetite, risk management policies and basic systems, and assuming ultimate responsibility for the effectiveness of the Group's risk management. The Board of Supervisors supervises the performance of the Board of Directors and the Management in discharging their risk management responsibilities. The Risk Control Committee under the Board of Directors is responsible for assessing and advising on the Group's risk management efforts and supervising their implementation.

Level 2: The Operating Management is responsible for the implementation of risk management in the Group and is accountable to the Board of Directors for the effectiveness of risk management. It has a Chief Risk Officer who assists the General Manager in organising the corresponding risk management work within the division of responsibilities.

Level 3: The Compliance and Risk Control Department and the Audit and Auditing Department are responsible for carrying out the monitoring and supervision of various types of risks according to their respective responsibilities, covering precautionary measures, operational monitoring and post-operational checking.

Level 4: Risk control functions in the Group's business departments include the risk control post in the Operations Management Headquarters, the risk control post in the Asset Management Department, the branch risk control post and the risk control post in the Sales Department. This type of risk control function is specifically responsible for the execution of risk management, the implementation of specific systems and operational processes for risk management, the identification, assessment, measurement, monitoring, control and reporting of risks, and direct responsibility for the risks of decisions.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 1. Market risk

Market risk is the risk that the fair value or future cash flows of the Group's exposures to currencies and financial instruments will fluctuate as a result of fluctuations in market prices, which arises from the effects of general or specific changes in market interest rates, foreign exchange rates, commodity prices and the price levels of securities on exposure positions to currencies and its financial instruments.

Management has established the maximum exposure to market risk that the Group can bear, which is measured and monitored against the principal and stop loss levels, and provides that overall market risk controls are within the limits that management has established.

##### (1) Foreign exchange risk

The foreign currency assets and liabilities held by the Group are insignificant in relation to total assets and liabilities. As measured by the Group's revenue structure, most of its business transactions are settled in RMB and the proportion of revenue from foreign currency transactions is not material. Accordingly, the Group considers its foreign exchange risk to be insignificant.

##### (2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group's interest-bearing assets are mainly bank deposits, customer futures margin, currency margin receivable, settlement guarantees receivable, settlement provisions, buying back the sale of financial assets and investments in debt instruments. Among them, the interest rates on bank deposits are determined by negotiating with the banks of each deposit on the basis of the interbank deposit rates for the same period; the interest rates on currency margin receivable are determined by negotiating with the respective futures exchanges and other institutions.

The Group's finance department continuously monitors the company's interest rate risk and makes decisions in accordance with the latest market conditions by, for example, adjusting existing positions.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 1. Market risk (Continued)

##### (2) Interest rate risk (Continued)

The table shows the remaining maturity of the Group's financial assets and liabilities at the earlier of their contractual repricing dates or their maturity dates:

Item	December 31st, 2024						Total
	Within 1 months	1-3 months	3 months-1 year	1-3 years	Over 3 years	Free of interest	
Cash and cash equivalents	20,457,124,020.89	15,400,000.00		280,000,000.00			20,752,524,020.89
Currency margin receivable	1,704,703,322.79					7,574,193,722.57	9,278,897,045.36
Settlement provisions	1,994,718.42						1,994,718.42
Pledge margin receivable						1,784,258,096.00	1,784,258,096.00
Settlement guarantees receivable	48,276,456.95						48,276,456.95
Risk loss receivables						411,088.00	411,088.00
Handling fees and commission receivables						12,777.26	12,777.26
Receivables						268,335,369.30	268,335,369.30
Contract assets						8,153,643.93	8,153,643.93
Buying back the sale of financial assets	16,734,348.62					8,839,979.54	25,574,328.16
Financial assets held for trading						1,278,285,166.84	1,278,285,166.84
Investments in other equity instruments						1,400,000.00	1,400,000.00
Other assets – other receivables						7,501,456.39	7,501,456.39
<b>Subtotal of financial assets</b>	<b>22,228,832,867.67</b>	<b>15,400,000.00</b>		<b>280,000,000.00</b>		<b>10,931,391,299.83</b>	<b>33,455,624,167.50</b>
Short-term loans			106,130,553.51				106,130,553.51
Currency margin payable	18,467,107,854.07					9,115,059,559.73	27,582,167,413.80
Acting trading securities	1,499,466.84						1,499,466.84
Pledge margin payable						1,784,258,096.00	1,784,258,096.00
Financial liabilities held for trading						138,638,899.79	138,638,899.79
Payables						1,181,850,078.44	1,181,850,078.44
Lease liabilities	1,251,185.49	2,413,257.15	8,599,963.70	11,512,472.09	371,263.99		24,148,142.42
Other liabilities – other payables						50,105,630.26	50,105,630.26
<b>Subtotal of financial liabilities</b>	<b>18,469,858,506.40</b>	<b>2,413,257.15</b>	<b>114,730,517.21</b>	<b>11,512,472.09</b>	<b>371,263.99</b>	<b>12,269,912,264.22</b>	<b>30,868,798,281.06</b>
<b>Interest rate sensitivity gap</b>	<b>3,758,974,361.27</b>	<b>12,986,742.85</b>	<b>-114,730,517.21</b>	<b>268,487,527.91</b>	<b>-371,263.99</b>	<b>1,338,520,964.39</b>	<b>2,586,825,886.44</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 1. Market risk (Continued)

##### (2) Interest rate risk (Continued)

Item	December 31st, 2023						Total
	Within 1 months	1-3 months	3 months-1 year	1-3 years	Over 3 years	Free of interest	
Cash and cash equivalents	18,538,465,172.73			280,000,000.00			18,818,465,172.73
Currency margin receivable	1,601,483,152.11					5,051,093,257.54	6,652,576,409.65
Settlement provisions	1,623,501.24						1,623,501.24
Pledge margin receivable						2,288,708,936.00	2,288,708,936.00
Settlement guarantees receivable	61,112,209.64						61,112,209.64
Risk loss receivables						531,192.61	531,192.61
Handling fees and commission receivables						68,814.35	68,814.35
Receivables						464,431,759.53	464,431,759.53
Contract assets						30,227,821.96	30,227,821.96
Buying back the sale of financial assets	284,191,770.50					35,231,060.32	319,422,830.82
Financial assets held for trading			41,506,849.34		6,003,550.37	1,080,252,319.99	1,127,762,719.70
Investments in other equity instruments						1,400,000.00	1,400,000.00
Other assets – other receivables						29,913,937.30	29,913,937.30
<b>Subtotal of financial assets</b>	<b>20,486,875,806.22</b>		<b>41,506,849.34</b>	<b>280,000,000.00</b>	<b>6,003,550.37</b>	<b>8,981,859,099.60</b>	<b>29,796,245,305.53</b>
Short-term loans			20,723,402.50				20,723,402.50
Currency margin payable	18,543,089,884.43					4,594,931,772.72	23,138,021,657.15
Acting trading securities	3,934,663.15						3,934,663.15
Pledge margin payable						2,288,708,936.00	2,288,708,936.00
Financial liabilities held for trading						174,479,228.35	174,479,228.35
Payables						1,488,791,603.91	1,488,791,603.91
Lease liabilities	1,284,577.36	2,540,896.66	10,620,316.26	13,549,832.07	1,395,853.93		29,391,476.28
Other liabilities – other payables						12,338,370.45	12,338,370.45
<b>Subtotal of financial liabilities</b>	<b>18,548,309,124.94</b>	<b>2,540,896.66</b>	<b>31,343,718.76</b>	<b>13,549,832.07</b>	<b>1,395,853.93</b>	<b>8,559,249,911.43</b>	<b>27,156,389,337.79</b>
<b>Interest rate sensitivity gap</b>	<b>1,938,566,681.28</b>	<b>-2,540,896.66</b>	<b>10,163,130.58</b>	<b>266,450,167.93</b>	<b>4,607,696.44</b>	<b>422,609,188.17</b>	<b>2,639,855,967.74</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 1. Market risk (Continued)

##### (2) Interest rate risk (Continued)

###### **Sensitivity analysis:**

The following sensitivity analysis is based on the interest rate risk exposure of interest-bearing assets and interest-bearing liabilities. It is calculated using a 25-basis point increase or decrease in the relevant interest rates, assuming all other variables remain unchanged. Positive numbers below indicate an increase in net interest income, while negative numbers indicate a decrease in net interest income.

	December 31st, 2024	December 31st, 2023
Net interest income		
25 basis points increase	17,850,743.86	9,297,434.15
25 basis points decrease	-17,850,743.86	-9,297,434.15

In performing the sensitivity analysis on the interest rate, the Group made the following general assumptions in determining the business conditions and financial parameters:

- The same level of interest rate volatility for different interest-bearing assets and interest-bearing liabilities;
- All assets and liabilities are repriced in the middle of the period to which they relate;
- Analysis is based on static shortfall at the date of the statement of financial position, not considering subsequent changes;
- Without a consideration of the effect of interest rate changes on customer behavior;
- Without a consideration of the effect of interest rate changes on market prices;
- The interest rate of demand deposits changes in the same direction and range;
- Without consideration of necessary measures adopted by the Group and the Company in response to changes in interest rates.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 1. Market risk (Continued)

##### (3) Other price risks

Other price risks are the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk).

The Group's exposure to other price risks mainly involves stock investments, derivatives, public security investment funds, private security investment funds, asset management plans, bank finance products and trust plans whose underlying investments are equity instruments. The market prices of these financial instruments may result in fluctuations in the value of the investments. The majority of the Group's investments are made in the relevant capital markets, such as the domestic stock and futures exchanges and foreign futures exchanges.

The Group's management policy on other price risks involves setting investment objectives, scale and stop-loss limits for each investment. Two main measures are adopted at the management level to control this risk: 1) holding a diversified portfolio, setting investment limits for different categories of investments and monitoring the portfolio's actual performance to reduce concentration risk for any particular commodity type, industry or issuer; and 2) monitoring market price fluctuations and the implementation of investment limit management.

##### **Sensitivity analysis:**

The following is an analysis of the impact of a 5% change in the price of equity instruments and derivatives on profit before tax and other comprehensive income before tax, assuming that all other variables remain unchanged. Positive numbers show an increase in profit before tax and other comprehensive income before tax, while negative numbers show a decrease in them.

	December 31st, 2024	December 31st, 2023
Total profit		
5% increase	38,353,845.03	11,624,147.87
5% decrease	-29,661,775.71	-20,188,441.87

## XII. Financial risks (Continued)

### 2. Credit risk

Credit risk refers to the losses to the Group as a result of the Group's counterparties' failure to meet their contractual obligations to the Group or as a result of the financial assets held by the Group due to a decline in creditworthiness or default of third parties. The Group's financial assets that may be affected by credit risk mainly include cash and cash equivalents, currency margin receivable, pledge margin receivable, settlement guarantees receivable, risk loss amounts receivable, handling fees and commissions receivable, receivables, contract assets, buying back the sale of financial assets, trading financial assets, other assets – other receivables, etc.

The Group's and the Company's credit risk mainly arises from two aspects: firstly, if acting as an agent for clients in futures trading in the brokerage service, and if the clients are not required to pay the full trading margin in advance in accordance with the law, the Group is liable to settle on behalf of the clients if the clients' funds are not sufficient to pay the amount required by the transaction on the settlement date, or if the clients' funds are in shortage due to other reasons, resulting in losses; secondly, the risk of default on investments in credit products, i.e. the risk of loss of assets and change in earnings due to default and refusal to pay principal and interest due by the financiers or issuers of the credit products invested.

In order to control the credit risk arising from the futures brokerage business, the Company has developed and implemented a set of risk prevention, monitoring and response mechanisms involving the entire business process. The Company manages and controls the related credit risk mainly through measures such as reviewing account opening information, calculating risk levels for individual customers and monitoring customers' trading profit and loss and margin in real-time, requiring customers with higher risk levels to deposit additional futures margin, sending position covering or closing notices, promptly reminding trading rules, and strictly enforcing daily debt-free delivery system.

For credit product investments, especially trust-type investments, the Company has established strict product access standards, industry access standards and investment limits, and manages their credit risk through risk assessment, risk alert and judicial recourse for each product.

The Group's bank deposits are mainly placed with the four largest state-controlled commercial banks, joint-stock commercial banks and large city commercial banks, among which futures margin is placed with large commercial banks with exchange clearing qualifications approved by the regulatory authorities, and currency margin receivable are placed with the Shanghai Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange, China Financial Futures Exchange, China Securities Depository and Clearing Corporation Limited, Shanghai International Energy Exchange and Guangzhou Futures Exchange. Cash and cash equivalents and currency margin receivable face relatively low credit risk.



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 2. Credit risk (Continued)

##### (1) Expected credit loss measurement

The Group applies the “expected credit loss model” to provide for the impairment of financial assets measured at amortized cost. The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition, and applies a “three-stage” impairment model to measure the allowance for losses and recognize expected credit losses (Note IV.10. (1) 2)).

The assessment of significant increases in credit risk and the calculation of expected credit losses involve forward-looking information. The Group performs historical data analysis to identify key economic indicators that affect credit risk and expected credit losses for each business type.

In FY2024, the key economic indicator used by the Group is the GDP growth rate. The average forecast in the baseline scenario for 2024 is approximately 4.93%, with the optimistic scenario forecast moving up 0.50 percentage points from the baseline and the pessimistic scenario forecast moving down 0.50 percentage points from the baseline.

On December 31st, 2024, the weights for economic scenarios are as follows:

Item	Baseline scenario	Optimistic scenario	Pessimistic scenario
Various business types	60%	20%	20%

##### (2) Maximum credit risk exposure

At the balance sheet date, the book value of the Group’s financial assets, without taking into account collateral and other credit enhancement measures, represented its maximum exposure to credit risk.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 2. Credit risk (Continued)

##### (3) Credit risk in futures brokerage business

Client riskiness	December 31st, 2024		December 31st, 2023	
	Trading margin	Total equity	Trading margin	Total equity
Below 80%	5,900,328,628.73	24,218,932,681.93	6,332,495,691.11	20,504,748,042.29
80%-100%	3,187,686,249.25	3,029,954,821.30	2,257,733,565.89	2,431,164,552.00
Over 100%	311,100,380.15	333,279,910.57	214,827,134.30	202,109,062.86
Total	9,399,115,258.13	27,582,167,413.80	8,805,056,391.30	23,138,021,657.15
Coverage		293%		263%

#### 3. Liquidity risk

Liquidity risk is the risk that the Group and the Company will have difficulty meeting the obligations associated with financial liabilities due to a lack of capital or funding. The Group may be exposed to liquidity risk in the ordinary course of business due to changes in macroeconomic policies, market fluctuations, poor operations, credit rating downgrades, mismatches between assets and liabilities, low asset turnover, significant proprietary trading positions or high long-term investment ratios. If the Group is unable to adjust its asset mix to address any liquidity risk or violates regulatory requirements regarding risk indicators, the Group may be subject to regulatory penalties and restrictions on its operations, which may adversely affect the Group's business and reputation.

The Group exercises centralized management and control over its funds. The Company's risk management is guided by the principles of comprehensiveness, prudence and predictability, seeking to establish a good liquidity management system so that liquidity risk can be monitored and controlled, and to ensure that the necessary liquidity compensation can be obtained at a reasonable cost, if necessary.

The Group organizes and prepares a capital plan each year through the finance department and prepares a financial budget based on the capital plan. After proper approval by the Company, the funds will be used evenly during the year in accordance with the plan to meet capital requirements and capital cost control.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 3. Liquidity risk (Continued)

After approval by the Company's Board of Directors, the finance department will analyze the Company's business scale, total liabilities, financing capacity and the duration of each asset and liability to determine the size and proportion of highly liquid assets to be retained in order to cope with liquidity risk and improve risk prevention capabilities.

Surpluses held by the operating entities above the balance required for working capital management are transferred to the Group. The Group invests the surplus cash in time deposits and marketable securities, selecting instruments with appropriate maturity dates or sufficient liquidity to provide sufficient liquidity for the above projections. The following table presents the Group's cash flows payable as of December 31st, 2024 for derivative and non-derivative financial liabilities based on the remaining contractual maturity. The amounts disclosed in the table represent the undiscounted contractual cash flows, including cash flows of interest and principal. For items with floating interest rates, the undiscounted amounts are calculated based on the interest rates at the end of each reporting period.

Item	December 31st, 2024					Total
	Spot	Within 1 month	1-3 months	3 months-1 year	Over 1 years	
<b>Cash flows from non-derivative financial instruments</b>						
Short-term loans				106,130,553.51		106,130,553.51
Currency margin payable	27,582,167,413.80					27,582,167,413.80
Acting trading securities	1,784,258,096.00					1,784,258,096.00
Pledge margin payable	1,499,466.84					1,499,466.84
Payables	1,168,848,519.65	13,001,558.79				1,181,850,078.44
Lease liabilities		1,406,137.16	2,066,256.04	9,969,209.31	14,610,925.83	28,052,528.34
Other liabilities – Other payables	50,105,630.26					50,105,630.26
Subtotal	30,586,879,126.55	14,407,695.95	2,066,256.04	116,099,762.82	14,610,925.83	30,734,063,767.19
<b>Cash flows from derivative financial instruments</b>						
Cash inflows		49,479,266.36	121,701,375.86	59,448,938.50	62,560,672.01	293,190,252.73
Cash outflows		-42,854,921.63	-99,205,138.13	-48,106,160.71	-56,032,845.80	-246,199,066.27

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XII. Financial risks (Continued)

#### 3. Liquidity risk (Continued)

Item	Spot	Within 1 month	December 31st, 2023			Total
			1-3 months	3 months-1 year	Over 1 years	
<b>Cash flows from non-derivative financial instruments</b>						
Short-term loans				20,723,402.50		20,723,402.50
Currency margin payable	23,138,021,657.15					23,138,021,657.15
Acting trading securities	3,934,663.15					3,934,663.15
Pledge margin payable	2,288,708,936.00					2,288,708,936.00
Payables	1,487,594,039.30	1,197,564.61				1,488,791,603.91
Lease liabilities		1,326,594.37	2,653,188.73	12,250,285.21	19,119,897.60	35,349,965.91
Other liabilities – Other payables	12,338,370.45					12,338,370.45
<b>Subtotal</b>	<b>26,930,597,666.05</b>	<b>2,524,158.98</b>	<b>2,653,188.73</b>	<b>32,973,687.71</b>	<b>19,119,897.60</b>	<b>26,987,868,599.07</b>
<b>Cash flows from derivative financial instruments</b>						
Cash inflows		98,747,456.62	46,936,943.48	47,923,532.30	237,504,445.11	431,112,377.51
Cash outflows		-69,309,136.04	-42,607,288.48	-33,038,872.94	-151,616,801.37	-296,572,098.83

### XIII. Fair value disclosures

The level to which the results of a fair value measurement belong is determined by the lowest level to which the inputs that are significant to the fair value measurement as a whole belong:

Level I: the unadjusted quotation of the same assets or liabilities that can be obtained in the active market.

Level II: the direct or indirect observable input value of related assets or liabilities other than the Level I input value.

Level III: the unobservable input value of related assets or liabilities.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XIII. Fair value disclosures (Continued)

#### 1. Financial instruments measured at fair value

The continuing assets and liabilities measured at fair value as at December 31st, 2024 are presented by the three levels described above as follows:

Item	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading				
– Stock investment				
– Private securities investment funds		114,194,656.10		114,194,656.10
– Public offering of securities investment funds	575,049,140.81			575,049,140.81
– Trust plan			6,003,550.37	6,003,550.37
– Asset management plan		323,509,514.15		323,509,514.15
– Bank financial products		51,683,095.74		51,683,095.74
– Income certificates				
– Exchange-traded option contract	8,917,203.50			8,917,203.50
– OTC options contract		196,237,481.17		196,237,481.17
– Forward contracts		2,690,525.00		2,690,525.00
Investments in other equity instruments (Futures membership investments)			1,400,000.00	1,400,000.00
<b>Total</b>	<b>583,966,344.31</b>	<b>688,315,272.16</b>	<b>7,403,550.37</b>	<b>1,279,685,166.84</b>
Financial liabilities				
Financial liabilities held for trading				
– OTC options contract		-103,062,291.29		-103,062,291.29
– Exchange-traded option contract	-29,194,588.50			-29,194,588.50
– Forward contracts		-6,382,020.00		-6,382,020.00
<b>Total</b>	<b>-29,194,588.50</b>	<b>-109,444,311.29</b>		<b>-138,638,899.79</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XIII. Fair value disclosures (Continued)

#### 1. Financial instruments measured at fair value (Continued)

The continuing assets and liabilities measured at fair value as at December 31st, 2023 are presented by the three levels described above as follows:

Item	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading				
– Stock investment	2,392,227.84			2,392,227.84
– Private securities investment funds		209,336,884.37		209,336,884.37
– Public offering of securities investment funds	330,079,427.04			330,079,427.04
– Trust plan		1,000,000.00	6,003,550.37	7,003,550.37
– Asset management plan		255,127,322.48		255,127,322.48
– Bank financial products		1,721,061.44		1,721,061.44
– Income certificates				
– Exchange-traded option contract	8,324,472.50			8,324,472.50
– OTC options contract		284,245,013.66		284,245,013.66
– Forward contracts		29,532,760.00		29,532,760.00
Investments in other equity instruments (Futures membership investments)			1,400,000.00	1,400,000.00
<b>Total</b>	<b>340,796,127.38</b>	<b>780,963,041.95</b>	<b>7,403,550.37</b>	<b>1,129,162,719.70</b>
Financial liabilities				
Financial liabilities held for trading				
– OTC options contract		-150,861,157.82		-150,861,157.82
– Exchange-traded option contract	-11,365,277.50			-11,365,277.50
– Forward contracts		-12,252,793.03		-12,252,793.03
<b>Total</b>	<b>-11,365,277.50</b>	<b>-163,113,950.85</b>		<b>-174,479,228.35</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XIII. Fair value disclosures (Continued)

#### 1. Financial instruments measured at fair value (Continued)

At each balance sheet date, the Group reassesses the assets and liabilities recognized in the financial statements that are measured at fair value on a continuous basis to determine whether a transition has occurred between the fair value measurement hierarchy.

There were no significant transfers between level I and level II of the fair value hierarchy of the Group's financial instruments measured at fair value in FY2024 (FY2023: same).

For financial instruments traded in an active market, the Group determines their fair value using quoted prices in an active market; for financial instruments not traded in an active market, the Group uses valuation techniques to determine their fair value. The main valuation models used are the Black-Scholes Option Pricing Model, the Binomial Tree Option Pricing Model, the Monte Carlo Model, and the Discounted Cashflow Model. The inputs to the valuation techniques mainly include risk-free rates, benchmark rates, credit spreads, illiquidity discounts, and historical volatilities.

The changes in Level III financial instruments above are as follows:

Item	Financial assets	Financial	Investments
	held for trading	liabilities held for trading	in other equity instruments (Futures membership investments)
December 31st, 2023	6,003,550.37		1,400,000.00
Purchase			
Disposal			
Total loss included in profit or loss for the current period			
December 31st, 2024	6,003,550.37		1,400,000.00
Movement in unrealized losses on assets still held on December 31st, 2024 included in profit or loss for FY2024			

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XIII. Fair value disclosures (Continued)

#### 1. Financial instruments measured at fair value (Continued)

Item	Financial assets held for trading	Financial liabilities held for trading	Investments in other equity instruments (Futures membership investments)
December 31st, 2022	11,011,440.78		1,400,000.00
Purchase	14,800,000.00		
Disposal	-19,800,000.00		
Total loss included in profit or loss for the current period	-7,890.41		
December 31st, 2023	6,003,550.37		1,400,000.00
Movement in unrealized losses on assets still held at December 31st, 2023 included in profit or loss for FY2023	-7,890.41		

Information related to Level III fair value measurements is as follows:

Financial instruments	Fair value as at December 31st, 2024	Significant unobservable parameters	Relationship between unobservable parameters and fair value
Financial assets held for trading – Trust plan	6,003,550.37	Expected future cash flows; expected payback date; discount rate commensurate with an expected level of risk	The more the future cash flows, the higher the fair value; the earlier the recovery date, the higher the fair value; the lower the discount rate, the higher the fair value
Investments in other equity instruments	1,400,000.00	Expected future cash flows; expected payback date; discount rate commensurate with an expected level of risk	The more the future cash flows, the higher the fair value; the earlier the recovery date, the higher the fair value; the lower the discount rate, the higher the fair value



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XIII. Fair value disclosures (Continued)

#### 2. Financial instruments not measured at fair value

Financial assets and liabilities that are not measured at fair value mainly include: Cash and cash equivalents, currency margin receivable, pledged margin receivable, settlement guarantees receivable, receivables, buying back the sale of financial assets, currency margin payable, pledged margin payable, notes payable and payables. Their fair values are equal to their book values.

### XIV. The Group's interest in structured entities not included in the scope of consolidation

#### 1. Interests in structured entities initiated and established by third-party institutions

As at December 31st, 2024, the structured entities initiated and established at third-party institutions but not included in the scope of consolidation were mainly financial assets held for trading, mainly comprising trust plans, asset management plans, bank wealth management, public offering of securities investment funds, and private securities investment funds. The relevant book values and maximum exposures are as follows:

Item	December 31st, 2024	December 31st, 2023
Financial assets held for trading	<b>1,070,439,957.17</b>	803,268,245.70

In FY2024, the Group received the following income from these structured entities held not included in the scope of consolidation:

Item	FY2024	FY2023
Investment income	<b>4,860,136.26</b>	-10,907,167.90
Gains and losses on changes in fair value	<b>26,931,462.55</b>	18,385,536.59
Total	<b>31,791,598.81</b>	7,478,368.69

As at December 31st, 2024, the Group has not provided and does not intend to provide any financial support to these structural entities not included in the scope of consolidation (December 31st, 2023: same).

### **XIV. The Group's interest in structured entities not included in the scope of consolidation (Continued)**

#### **2. Interests in structured entities initiated and established**

As at December 31st, 2024, there were no structured entities initiated and established by the Company.

### **XV. Subsequent events**

As at the date of the financial report, the Group has no other subsequent events to disclose.

### **XVI. Capital management**

The Group's capital management objectives are as follows:

- (i) Ensuring that the Group and its subsidiaries continue as a going concern so that they can provide returns and benefits to shareholders and stakeholders
- (ii) Maintaining stable growth of the Group and its subsidiaries
- (iii) Ensuring adequate capital to support the development of the Company's business
- (iv) Meeting regulatory capital requirements

In accordance with the Measures for the Administration of Risk Supervision Indicators of Futures Companies (CSCR order No. 131 dated April 18th, 2017; amended in 2022), as amended according to the Decision on Amending and Repealing Some Securities and Futures Regulations of the China Securities Regulatory Commission on August 12th, 2022, the Company's main risk supervision indicator standards are as follows:

- (i) The net capital shall not be less than RMB30 million;
- (ii) The ratio of net capital to the company's risk-based capital provision shall not be less than 100%;
- (iii) The ratio of net capital to net assets shall not be less than 20%;
- (iv) The ratio of current assets to current liabilities shall not be less than 100%;
- (v) The ratio of liabilities to net assets shall not exceed 150%;
- (vi) The required minimum settlement reserve should be higher than RMB16 million.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVI. Capital management (Continued)

Net capital is obtained by adjusting net assets less corresponding asset risks; assets and current assets refer to the futures company's own assets, excluding customer margin; liabilities and current liabilities refer to the futures company's external liabilities, excluding customer equity.

The Group's capital management ensures that the Group's regulatory indicators continue to meet regulatory requirements and internal management needs, resist potential risks, and support the healthy and sustainable development of its businesses through timely monitoring, analyzing, and reporting of capital levels, compared with capital management objectives and adopting various measures including controlling the growth rate of assets, adjusting the structure of risky assets, improving internal capital accumulation and replenishing capital from external sources.

### XVII. Other significant matters

#### 1. Significant litigation

In May 2022, the subsidiary Zhongtai Huirong Capital carried out an agreed repurchase business of electrolytic aluminum with an upstream international trading company and entered into a purchase contract of electrolytic aluminum, paying a total of RMB50,330,100 for the goods, with the spot stored in a warehouse management company in Foshan City (hereinafter referred to as "Warehouse"), while entering into a forward sales contract for electrolytic aluminum with a downstream international trading company. At the end of May 2022, there was a run on the Warehouse and the spot of electrolytic aluminum involved in the above contract was seized by the public security authorities as the Warehouse was suspected of committing a crime. Regarding the above cases, the Foshan Municipal People's Procuratorate filed a public indictment in June 2023 to the Foshan Intermediate People's Court. In July 2024, the Foshan Intermediate Court made a criminal first-trial verdict which set out: the illegal proceeds shall be recovered and returned to the victims in proportion to the actual loss; the economic losses of the victims that have not yet been compensated for, shall be compensated by the defendant Wang Hongjia upon orders. Based on the above verdict, as of December 31st, 2024, a total of RMB33,981,956.98 was provided for impairment of aluminum ingot business in Foshan.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVII. Other significant matters (Continued)

#### 2. The five highest-paid individuals

For FY2024, the five highest-paid individuals do not include directors or supervisors (FY2023: same). Details of the annual remuneration of the five highest-paid individuals are as follows:

Item	FY2024	FY2023
Salaries, allowances	7,239,923.24	6,448,463.16
Social insurance, housing fund, and related pension costs	911,027.51	950,342.45
Bonus	2,053,908.27	3,371,288.40
Total	10,204,859.02	10,770,094.01

The five highest-paid individuals' salaries fall into the following categories:

Item	FY2024	FY2023
RMB1,500,001 – 2,000,000	2	2
RMB2,000,001 – 2,500,000	3	2
RMB2,500,001 – 3,000,000		1
RMB3,000,001 – 3,500,000		
RMB4,000,001 – 4,500,000		
RMB4,500,001 – 5,000,000		
Total	5	5

During the Track Record Period, the Company did not pay any remuneration to the five highest-paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVII. Other significant matters (Continued)

#### 3. Directors', Supervisors' and Chief Executive Officers' benefits and interests

Name	Remuneration	Salaries, allowances and other benefits	FY2024		Total
			Retirement benefits	Annual bonus	
<b>Executive director</b>					
Zhong Jinlong <sup>(1)</sup>					
Liang Zhongwei	279,893.68	92,153.18	119,671.81	430,399.25	922,117.92
<b>CEO</b>					
Liu Qingbin <sup>(12)(15)</sup>	464,931.20	114,069.20	143,189.83	815,333.43	1,537,523.66
<b>Non-executive director</b>					
Liu Feng <sup>(13)</sup>					
Hu Kainan <sup>(2)(11)</sup>					
Ming Gang	47,599.97				47,599.97
Zheng Jianping	119,047.61				119,047.61
Zheng Hanyin <sup>(2)(3)</sup>					
Chen Hua <sup>(4)</sup>	119,047.61				119,047.61
Luo Xinhua <sup>(5)</sup>	119,047.61				119,047.61
Wang Hui <sup>(14)</sup>					
<b>Supervisor</b>					
An Tie <sup>(1)</sup>					
Wang Hairan <sup>(6)</sup>					
Tan Shaojie <sup>(2)(7)</sup>					
Lin Zongheng <sup>(8)</sup>					
Liu Pu	292,014.86	66,068.30	88,538.26	81,775.80	528,397.22
Mou Yong <sup>(9)</sup>					
Ding Jian <sup>(2)(10)</sup>					
<b>Total</b>	<b>1,441,582.54</b>	<b>272,290.68</b>	<b>351,399.90</b>	<b>1,327,508.48</b>	<b>3,392,781.60</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVII. Other significant matters (Continued)

#### 3. Directors', Supervisors' and Chief Executive Officers' benefits and interests (Continued)

Name	Remuneration	Salaries, allowances and other benefits	FY2023		Total
			Retirement benefits	Annual bonus	
<b>Executive director</b>					
Zhong Jinlong <sup>(1)</sup>					
Liang Zhongwei	409,720.08	65,480.01	114,770.75	383,236.08	973,206.92
<b>CEO</b>					
Liu Qingbin <sup>(12)(15)</sup>	740,719.92	89,190.90	138,512.22	804,545.96	1,772,969.00
<b>Non-executive director</b>					
Liu Feng <sup>(13)</sup>	5,975.18				5,975.18
Hu Kainan <sup>(2)(11)</sup>					
Ming Gang	47,599.97				47,599.97
Zheng Jianping	119,047.61				119,047.61
Zheng Hanyin <sup>(2)(3)</sup>					
Chen Hua <sup>(4)</sup>	119,047.61				119,047.61
Luo Xinhua <sup>(5)</sup>	119,047.61				119,047.61
<b>Supervisor</b>					
An Tie <sup>(1)</sup>					
Wang Hairan <sup>(6)</sup>	30,800.00	10,436.31	12,304.19		53,540.50
Tan Shaojie <sup>(2)(7)</sup>					
Lin Zongheng <sup>(8)</sup>	48,694.02	10,492.46	10,945.84	112,200.00	182,332.32
Liu Pu	266,635.80	65,480.01	88,705.47	74,778.90	495,600.18
Mou Yong <sup>(9)</sup>	5,952.38				5,952.38
Ding Jian <sup>(2)(10)</sup>					
<b>Total</b>	<b>1,913,240.18</b>	<b>241,079.69</b>	<b>365,238.47</b>	<b>1,374,760.94</b>	<b>3,894,319.28</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVII. Other significant matters (Continued)

#### 3. Directors', Supervisors' and Chief Executive Officers' benefits and interests (Continued)

- (1) Zhong Jinlong and An Tie were appointed and remunerated by Zhongtai Securities and no allocation of remuneration was made between them and the Group during the year.
- (2) These non-executive directors and supervisors of the Company are appointed by the shareholders and their remuneration for the years ending December 31st, 2024 and December 31st, 2023 are borne by the shareholders.
- (3) Zheng Hanyin was appointed as a non-executive director with effect from May 31st, 2022.
- (4) Chen Hua was appointed as an independent non-executive director with effect from March 10th, 2022.
- (5) Luo Xinhua was appointed as an independent non-executive director with effect from June 22nd, 2022.
- (6) Wang Hairan ceased to be a supervisor with effect from February 15th, 2023.
- (7) Tan Shaojie ceased to be a supervisor with effect from February 15th, 2023.
- (8) Lin Zongheng ceased to be a supervisor with effect from February 15th, 2023.
- (9) Mou Yong ceased to be a supervisor with effect from February 15th, 2023.
- (10) Ding Jian ceased to be a supervisor with effect from February 15th, 2023.
- (11) Hu Kainan ceased to be a non-executive director with effect from February 22nd, 2024.
- (12) Liu Qingbin was appointed as a non-executive director with effect from February 24th, 2024.
- (13) Liu Feng ceased to be a non-executive director with effect from June 27th, 2024.
- (14) Wang Hui was appointed as a non-executive director with effect from June 27th, 2024.
- (15) Liu Qingbin ceased to be a non-executive director with effect from November 28th, 2024.

None of the directors has waived or agreed to waive any remuneration during the Track Record Period. During the Track Record Period, the Company did not pay any remuneration to any directors or supervisors as an inducement to join or upon joining the Company or as compensation for loss of office. During the Track Record Period, the Company did not provide loans to the directors, supervisors and their related parties.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company

#### 1. Cash and cash equivalents

##### (1) Breakdown of cash and cash equivalents

Item	December 31st, 2024	December 31st, 2023
<b>Cash on hand</b>	<b>32,040.35</b>	31,030.35
Current bank deposit	<b>317,833,367.42</b>	35,591,366.26
– Principal	<b>317,652,964.83</b>	35,569,801.55
– Interest accrued	<b>180,402.59</b>	21,564.71
Time bank deposit	<b>303,477,178.11</b>	293,376,368.34
– Principal	<b>280,000,000.00</b>	280,000,000.00
– Interest accrued	<b>23,477,178.11</b>	13,376,368.34
Futures margin deposits	<b>19,602,465,237.04</b>	18,373,904,190.36
– Principal	<b>19,508,067,982.66</b>	18,311,428,504.24
– Interest accrued	<b>94,397,254.38</b>	62,475,686.12
Other cash and cash equivalents	<b>4,411,634.59</b>	1,820,516.60
Less: Expected credit impairment provision	<b>384,067.07</b>	473,095.33
<b>Total</b>	<b>20,227,835,390.44</b>	18,704,250,376.58

As at December 31st, 2024, there were no large amounts (more than RMB1 million) in own bank deposits that were short-term borrowings or temporary deposits, and there were no restrictions on their use (December 31st, 2023: same).



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 1. Cash and cash equivalents (Continued)

##### (2) Futures margin deposits – principal

Item	December 31st, 2024	December 31st, 2023
China Minsheng Banking Corp., Ltd.	<b>3,500,928,406.91</b>	951,215,716.00
Shanghai Pudong Development Bank Co., Ltd.	<b>2,300,531,061.95</b>	550,587,195.50
Industrial and Commercial Bank of China Limited	<b>542,442.54</b>	1,246,804,337.15
China Construction Bank Corporation	<b>388,942.56</b>	1,000,355,038.10
Industrial Bank Co., Ltd.	<b>4,100,206,437.22</b>	2,952,086,733.05
China Everbright Bank Co., Ltd.	<b>99,760.01</b>	87,454.76
Ping An Bank Co., Ltd.	<b>3,200,076,181.14</b>	1,400,159,817.18
Bank of Communications Co., Ltd.	<b>1,716,280.55</b>	1,202,546,793.41
China CITIC Bank Corporation Limited	<b>900,279,928.44</b>	700,182,638.74
China Merchants Bank Co., Ltd.	<b>250,195,745.51</b>	200,231,261.51
China Guangfa Bank Co., Ltd.	<b>150,021,150.65</b>	89,301.86
Bank of China Limited	<b>264,846.72</b>	325,359.45
Agricultural Bank of China Limited	<b>5,102,755,142.20</b>	8,100,421,502.86
Postal Savings Bank of China Limited	<b>61,656.26</b>	6,335,354.67
<b>Total</b>	<b>19,508,067,982.66</b>	18,311,428,504.24

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 2. Long-term equity investments

##### (1) Classification of long-term equity investments

Item	December 31st, 2024			December 31st, 2023		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	792,635,280.00	11,057,772.00	781,577,508.00	792,635,280.00	11,057,772.00	781,577,508.00
Total	792,635,280.00	11,057,772.00	781,577,508.00	792,635,280.00	11,057,772.00	781,577,508.00

##### (2) Investment in subsidiaries

Investee	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024	Current period Impairment provision accrued	Provision for impairment December 31st, 2024
Zhongtai Huirong Capital Investment Co., Ltd.	750,000,000.00			750,000,000.00		
Luzheng Information Technology Co., Ltd.	25,000,000.00			25,000,000.00		
Luzheng International Holding Limited	17,635,280.00			17,635,280.00		11,057,772.00
Total	792,635,280.00			792,635,280.00		11,057,772.00

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 3. Employee benefits payable

##### (1) Details of employee benefits payable

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
I. Short-term employee benefits	54,755,514.62	228,073,794.84	224,344,525.27	<b>58,484,784.19</b>
II. Post-employment benefits – defined contribution plans	19,004.55	34,249,058.62	34,234,827.73	<b>33,235.44</b>
III. Termination benefits				
<b>Total</b>	<b>54,774,519.17</b>	<b>262,322,853.46</b>	<b>258,579,353.00</b>	<b>58,518,019.63</b>

##### (2) Short-term employee benefits

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Salaries, bonuses, allowances and subsidies	43,897,220.50	186,908,422.86	181,566,653.19	<b>49,238,990.17</b>
Employee welfares		5,580,370.68	5,580,370.68	
Social insurance contributions	2,532,102.71	15,570,564.16	18,093,613.32	<b>9,053.55</b>
Including: Medical insurance premiums	2,527,586.62	15,165,971.11	17,689,487.89	<b>4,069.84</b>
Work-related injury insurance premiums	632.77	274,764.77	274,720.38	<b>677.16</b>
Maternity insurance premiums	3,883.32	129,828.28	129,405.05	<b>4,306.55</b>
Others				
Housing provident fund	17,810.21	16,284,729.71	16,284,729.71	<b>17,810.21</b>
Funds for trade unions and staff education	8,308,381.20	3,729,707.43	2,819,158.37	<b>9,218,930.26</b>
<b>Total</b>	<b>54,755,514.62</b>	<b>228,073,794.84</b>	<b>224,344,525.27</b>	<b>58,484,784.19</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 3. Employee benefits payable (Continued)

##### (3) Defined contribution plans

Item	December 31st, 2023	Increase in current period	Decrease in current period	December 31st, 2024
Basic pension insurance	14,372.79	20,281,291.76	20,267,357.68	<b>28,306.87</b>
Unemployment insurance premiums	4,631.76	886,351.92	886,055.11	<b>4,928.57</b>
Enterprise annuity contributions		13,081,414.94	13,081,414.94	
<b>Total</b>	<b>19,004.55</b>	<b>34,249,058.62</b>	<b>34,234,827.73</b>	<b>33,235.44</b>

- (4) The closing balance of employee benefits payable mainly represents the Company's accrued and unpaid bonuses, employee salaries, termination benefits, accrued and unpaid and unused labor union funds and employee education expenses.

#### 4. Net handling fees and commission income

##### (1) Listed by category

Item	FY2024	FY2023	Percentage increase or decrease (%)
Net income from brokerage handling fees	<b>431,766,918.61</b>	352,591,005.96	22.46
Investment consulting service fee income	<b>752,991.13</b>	675,944.12	11.40
Asset management business income		489,595.90	-100.00
<b>Total</b>	<b>432,519,909.74</b>	<b>353,756,545.98</b>	<b>22.26</b>

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 4. Net handling fees and commission income (Continued)

##### (2) Listed by region

Region	FY2024		FY2023	
	Number of divisions	Handling fee income	Number of divisions	Handling fee income
Shandong Province	11	241,244,668.35	11	291,522,095.62
Hunan Province	1	54,488,524.17	1	1,914,011.04
Shanghai	3	37,356,063.28	3	14,775,588.81
Beijing	2	36,861,720.26	2	4,525,755.79
Guangdong Province	3	17,245,633.07	2	10,029,876.65
Liaoning Province	2	10,300,294.13	2	6,339,443.04
Zhejiang Province	3	9,864,015.99	4	10,675,813.63
Jiangsu Province	2	9,678,384.17	2	2,997,565.50
Henan Province	2	5,862,706.44	2	4,927,241.26
Fujian Province	1	5,382,874.76	1	1,210,433.61
Tianjin	1	2,735,352.27	1	3,574,192.51
Hubei Province	1	1,487,493.05	1	1,264,528.52
Hebei Province	1	12,179.80		
<b>Total</b>	<b>33</b>	<b>432,519,909.74</b>	<b>32</b>	<b>353,756,545.98</b>

In 2024, the Company canceled Zhongtai Futures Company Limited Hangzhou Linping Business Department in Zhejiang Province, and established Zhongtai Futures Company Limited Shenzhen Futian Branch in Guangdong Province and Zhongtai Futures Company Limited Baoding Branch in Hebei Province.

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024  
(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 5. Investment income

##### (1) Breakdown

Item	FY2024	FY2023	Percentage increase or decrease (%)
Investment income/loss from disposal of financial instruments held for trading	<b>-8,185,994.99</b>	-19,469,624.45	57.96
Investment income obtained during the holding period of financial assets held for trading	<b>12,994,869.54</b>	8,478,847.08	53.26
Dividend income from subsidiaries	<b>10,000,000.00</b>		
<b>Total</b>	<b>14,808,874.55</b>	-10,990,777.37	234.74

#### 6. Business and management fees

##### (1) Comparison and presentation of business and management fees

Item	FY2024	FY2023	Percentage increase or decrease (%)
Business and management fees	<b>505,220,077.57</b>	397,045,915.13	27.24
<b>Total</b>	<b>505,220,077.57</b>	397,045,915.13	27.24

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 6. Business and management fees (Continued)

##### (2) Breakdown of significant items of business and management fees

Item	FY2024	FY2023	Percentage increase or decrease (%)
Employee benefits	<b>262,322,853.46</b>	233,572,163.28	12.31
Advertising expenses	<b>86,900,900.74</b>	21,574,500.61	302.79
Running costs of electronic equipment	<b>42,455,461.41</b>	36,839,615.58	15.24
Depreciation and amortization	<b>24,957,296.32</b>	23,589,563.27	5.80
IB introducing fees	<b>12,898,238.19</b>	8,433,796.85	52.94
Communication fee	<b>12,630,944.14</b>	12,485,844.63	1.16
Conference expenses	<b>10,357,440.36</b>	8,076,338.01	28.24
Business entertainment expenses	<b>9,761,895.15</b>	11,087,863.57	-11.96
Booth usage fees	<b>8,841,067.69</b>	5,865,907.00	50.72
Travel expenses	<b>7,536,493.35</b>	7,893,777.82	-4.53
Audit fee	<b>991,509.43</b>	1,198,670.75	-17.28
Including: ShineWing	<b>990,566.04</b>	1,169,811.32	-15.32
Others	<b>943.39</b>	28,859.43	-96.73
<b>Total</b>	<b>479,654,100.24</b>	370,618,041.37	29.42

## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 7. Supplementary information of parent company's cash flow statement

Item	FY2024	FY2023
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	<b>133,420,263.56</b>	130,500,982.01
Add: Impairment loss of other assets		
Credit impairment loss	<b>63,547.97</b>	-490,163.76
Depreciation of right-of-use assets	<b>11,031,416.50</b>	11,013,674.37
Depreciation of fixed assets	<b>9,938,801.31</b>	9,675,855.76
Amortization of intangible assets	<b>2,431,479.71</b>	1,629,361.18
Amortization of long-term deferred expenses	<b>1,555,598.80</b>	1,270,671.96
Losses on the disposal of fixed assets, intangible assets and other long-term assets (gains marked with "-")	<b>10,716.99</b>	-221,398.11
Losses on scrapping of fixed assets (gains marked with "-")	<b>7,382.19</b>	169,526.13
Losses on changes in fair values (gains marked with "-")	<b>-26,642,283.40</b>	-18,043,811.44
Interest expenses (gains marked with "-")	<b>2,369,879.94</b>	2,697,180.75
Exchange loss	<b>-49,333.06</b>	-63,338.10
Investment losses (gains marked with "-")		
Decrease in deferred tax assets (increase marked with "-")		13,451,589.89
Increase in deferred tax liabilities (decrease marked with "-")	<b>16,670,156.47</b>	3,178,614.42
Accrual of futures risk reserve	<b>21,579,616.40</b>	20,736,515.57
Decrease in inventories (increase marked with "-")		
Decrease in operating receivables (increase marked with "-")	<b>-2,170,516,092.56</b>	1,586,950,373.22
Increase in operating payables (decrease marked with "-")	<b>3,517,077,988.26</b>	1,270,655,987.37
Others		
Net cash flows from operating activities	<b>1,518,949,139.08</b>	3,033,111,621.22



## Notes to the Financial Statements

January 1st, 2024 – December 31st, 2024

(All amounts are expressed in RMB unless stated otherwise)

### XVIII. Notes to items in the financial statements of the parent company (Continued)

#### 7. Supplementary information of parent company's cash flow statement (Continued)

Item	FY2024	FY2023
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	<b>19,830,164,622.43</b>	18,348,849,852.74
Less: Opening balance of cash	<b>18,348,849,852.74</b>	15,358,019,965.71
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	<b>1,481,314,769.69</b>	2,990,829,887.03

#### (1) Cash and cash equivalents

Item	December 31st, 2024	December 31st, 2023
Cash	<b>19,830,164,622.43</b>	18,348,849,852.74
Including: Cash on hand	<b>32,040.35</b>	31,030.35
Bank deposits readily available for payment	<b>19,825,720,947.49</b>	18,346,998,305.79
Other cash and cash equivalents readily available for payment	<b>4,411,634.59</b>	1,820,516.60
Cash equivalents		
Including: Bond investments due within 3 months		
Closing balance of cash and cash equivalents	<b>19,830,164,622.43</b>	18,348,849,852.74

Zhongtai Futures Company Limited  
March 20th, 2025