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CHINA HUIRONG FINANCIAL HOLDINGS LIMITED

中國匯融金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1290)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

	For the year ended 31 December		Change %
	2025 RMB'000	2024 RMB'000	
Operating Results			
Operating income	708,581	658,798	8%
Operating cost	444,260	382,374	16%
Profit attributable to owners of the Company	52,582	50,485	4%
Basic earnings per share (expressed in RMB)	0.048	0.046	4%
	As at 31 December		
	2025 RMB'000	2024 RMB'000	Change %
Financial Position			
Total assets	3,344,733	3,504,127	-5%
Total liabilities	1,124,112	1,301,438	-14%
Loans to customers	2,470,175	2,517,986	-2%
Cash at bank and cash on hand	216,671	147,893	47%
Net assets	2,220,621	2,202,689	1%

The board (the “**Board**”) of directors (the “**Directors**”) of China Huirong Financial Holdings Limited (the “**Company**” or “**China Huirong**”) hereby announces the audited annual results of the Company and its subsidiaries (together, the “**Group**” or “**we**”) for the year ended 31 December 2025 (the “**Reporting Year**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

(All amounts in RMB thousands unless otherwise stated)

	<i>Note</i>	2025	2024
Interest income	5	303,860	327,334
Sales of goods	6	399,949	328,380
Consultancy fee income		4,352	2,699
Commission fee income		<u>420</u>	<u>385</u>
Operating income		<u>708,581</u>	<u>658,798</u>
Interest expense	7	(47,163)	(56,734)
Costs of sales	6	<u>(397,097)</u>	<u>(325,640)</u>
Operating cost		<u>(444,260)</u>	<u>(382,374)</u>
Net investment losses	8	(16,941)	(7,954)
Credit impairment losses	9	(102,676)	(103,456)
Net gains on derecognition of financial assets measured at amortised cost	10	—	2,316
Other operating income	11	<u>8,195</u>	<u>12,443</u>
Net operating income		152,899	179,773
General and administrative expenses		(79,023)	(82,752)
Other gains/(losses), net	12	<u>25,198</u>	<u>(1,008)</u>
Profit before income tax		99,074	96,013
Income tax expense	13	<u>(28,258)</u>	<u>(24,987)</u>
Profit for the year		<u>70,816</u>	<u>71,026</u>

	<i>Note</i>	2025	2024
Profit for the year is attributable to:			
— Owners of the Company		52,582	50,485
— Non-controlling interests		<u>18,234</u>	<u>20,541</u>
Earnings per share (expressed in RMB)			
— Basic earnings per share	<i>14(a)</i>	0.048	0.046
— Diluted earnings per share	<i>14(b)</i>	<u>0.048</u>	<u>0.046</u>
Other comprehensive income for the year, net of tax		<u>—</u>	<u>—</u>
Total comprehensive income for the year		<u><u>70,816</u></u>	<u><u>71,026</u></u>
Total comprehensive income for the year is attributable to:			
— Owners of the Company		52,582	50,485
— Non-controlling interests		<u>18,234</u>	<u>20,541</u>
		<u><u>70,816</u></u>	<u><u>71,026</u></u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(All amounts in RMB thousands unless otherwise stated)

	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	16	50,272	51,562
Right-of-use assets	17	16,911	15,709
Investments accounted for using the equity method	18	2,132	2,132
Investment properties	19	143,219	169,746
Intangible assets		376	514
Loans to customers	20	283,880	262,532
Finance lease receivables	21	49,550	26,536
Deferred income tax assets	22(a)	114,125	103,374
Other non-current assets		<u>5,285</u>	<u>3,836</u>
Total non-current assets		<u>665,750</u>	<u>635,941</u>
Current assets			
Inventories		3,291	2,519
Other current assets		65,582	51,999
Loans to customers	20	2,186,295	2,255,454
Financial assets held under resale agreement	24	—	217,863
Finance lease receivables	21	79,495	72,599
Financial assets at fair value through profit or loss	25	127,649	119,859
Cash at bank and cash on hand	26	<u>216,671</u>	<u>147,893</u>
Total current assets		<u>2,678,983</u>	<u>2,868,186</u>
Total assets		<u><u>3,344,733</u></u>	<u><u>3,504,127</u></u>

	<i>Note</i>	2025	2024
EQUITY			
Equity attributable to owners of the Company			
Share capital	27	8,662	8,662
Share premium	28	604,478	604,478
Other reserves	28	587,239	587,239
Retained earnings	29	<u>735,924</u>	<u>713,240</u>
		1,936,303	1,913,619
Non-controlling interests		<u>284,318</u>	<u>289,070</u>
Total equity		<u><u>2,220,621</u></u>	<u><u>2,202,689</u></u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	17	1,191	1,964
Borrowings	30	189,000	334,000
Deferred income tax liabilities	22(b)	<u>17,944</u>	<u>18,971</u>
Total non-current liabilities		<u>208,135</u>	<u>354,935</u>
Current liabilities			
Other current liabilities	31	133,492	139,598
Current income tax liabilities		32,840	29,627
Amounts due to related parties		633	633
Dividends payable		1,261	1,261
Lease liabilities	17	3,836	1,801
Borrowings	30	<u>743,915</u>	<u>773,583</u>
Total current liabilities		<u>915,977</u>	<u>946,503</u>
Total liabilities		<u><u>1,124,112</u></u>	<u><u>1,301,438</u></u>
Total equity and liabilities		<u><u>3,344,733</u></u>	<u><u>3,504,127</u></u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(All amounts in RMB thousands unless otherwise stated)

	Note	Attributable to owners of the Company				Total	Non-controlling Interests	Total equity
		Share capital (note 27)	Share premium (note 28)	Other reserves (note 28)	Retained Earnings (note 29)			
At 1 January 2024		8,662	604,478	587,239	682,650	1,883,029	282,589	2,165,618
Profit for the year		—	—	—	50,485	50,485	20,541	71,026
Total comprehensive income for the year		—	—	—	50,485	50,485	20,541	71,026
Transactions with owners in their capacity as owners								
Capital movement of non-controlling interests		—	—	—	—	—	200	200
Dividends declared or paid	15	—	—	—	(19,895)	(19,895)	(14,260)	(34,155)
Total transactions with owners in their capacity as owners		—	—	—	(19,895)	(19,895)	(14,060)	(33,955)
At 31 December 2024		<u>8,662</u>	<u>604,478</u>	<u>587,239</u>	<u>713,240</u>	<u>1,913,619</u>	<u>289,070</u>	<u>2,202,689</u>

<u>Attributable to owners of the Company</u>							
<i>Note</i>	Share capital (note 27)	Share premium (note 28)	Other reserves (note 28)	Retained Earnings (note 29)	Total	Non- controlling Interests	Total equity
At 1 January 2025	8,662	604,478	587,239	713,240	1,913,619	289,070	2,202,689
Profit for the year	—	—	—	52,582	52,582	18,234	70,816
Total comprehensive income for the year	—	—	—	52,582	52,582	18,234	70,816
Transactions with owners in their capacity as owners							
Capital reduction	—	—	—	—	—	(10,000)	(10,000)
Dividends declared or paid	—	—	—	(29,898)	(29,898)	(12,986)	(42,884)
Total transactions with owners in their capacity as owners	—	—	—	(29,898)	(29,898)	(22,986)	(52,884)
At 31 December 2025	<u>8,662</u>	<u>604,478</u>	<u>587,239</u>	<u>735,924</u>	<u>1,936,303</u>	<u>284,318</u>	<u>2,220,621</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(All amounts in RMB thousands unless otherwise stated)

	Note	2025	2024
Cash flows from operating activities			
Cash generated from operating activities		356,259	12,906
Interest received from bank deposits		—	513
Interest paid		(47,163)	(56,734)
Income tax paid		(36,823)	(34,459)
Net cash inflow/(outflow) from operating activities		<u>272,273</u>	<u>(77,774)</u>
Cash flows from investing activities			
Disposal of subsidiaries		—	14,166
Return of investment from an associate		—	3,242
Payments for property, plant and equipment		(5,992)	(2,552)
Payments for intangible assets		—	(52)
Payments for an investment property		(7,697)	(73,853)
Net cash outflow from investing activities		<u>(13,689)</u>	<u>(59,049)</u>
Cash flows from financing activities			
Proceeds from borrowings		669,953	1,119,516
Repayments of borrowings		(844,621)	(946,152)
Repayments of lease liabilities		(3,908)	(3,361)
Capital contributions of non-controlling interests		—	200
Capital reduction of non-controlling interests in a non-wholly owned subsidiary		(10,000)	—
Dividends paid to owners of the Company		(29,898)	(19,895)
Dividends paid to non-controlling interests		(12,986)	(14,260)
Net cash (outflow)/inflow from financing activities		<u>(231,460)</u>	<u>136,048</u>
Net increase/(decrease) in cash and cash equivalents		27,124	(775)
Cash and cash equivalents at beginning of year		136,071	137,274
Effects of exchange rate changes on cash and cash equivalents		(3,246)	(428)
Cash and cash equivalents at end of year	26	<u><u>159,949</u></u>	<u><u>136,071</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION

China Huirong Financial Holdings Limited (中國匯融金融控股有限公司) (the “Company”) was incorporated in the Cayman Islands on 11 November 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company is ultimately controlled by Messrs Zhu Tianxiao (朱天曉), Zhang Xiangrong (張祥榮), Ge Jian (葛健), Chen Yannan (陳雁南), Wei Xingfa (魏興發), Yang Wuguan (楊伍官) and Zhuo You (卓有) (hereinafter collectively referred to as the “Ultimate Shareholders”).

The Company is an investment holding company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in lending services through granting secured and unsecured loans to customers in the People’s Republic of China (the “PRC”).

On 28 October 2013, the Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements of the Group. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

- (a) *Compliance with HKFRS Accounting Standards, the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of Hong Kong Companies Ordinance*

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”), and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The Group continues to adopt the going concern basis in preparing its consolidated financial statements.

- (b) *Historical cost convention*

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and an investment property which are measured at fair value.

(c) *Amended HKFRS Accounting Standards adopted*

The Group has applied the following amendments to standards and interpretation issued by HKICPA for the first time, which are mandatorily effective for the annual reporting period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The adoption of these new standards and amendments did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future periods.

(d) *New and revised HKFRS Accounting Standards in issue but not yet effective*

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. The Group has not early applied the following which may be relevant to it:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendment to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendment to HKAS 21 — Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. The amendments include:

- clarification of the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarification and addition of further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion;
- addition of new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- updating of the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group continually evaluates its critical accounting estimates and judgements applied based on historical experience and other factors, including reasonable expectations of future events. The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period are outlined below. It is possible that actual results may be materially different from the estimates and judgements referred to below.

3.1 Critical accounting estimates

(a) *Measurement of ECL allowances*

The measurement of the ECL allowances for financial assets measured at AC is an area that requires the use of ECL models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL allowances, such as:

- determination of relevant key models and parameters;
- criteria for determining whether or not there was a significant increase in credit risk (“SICR”) and definition of default or credit impairment;
- estimated future cash flows for loans to customers that the discounted cash flow model is used to calculate ECL allowances;
- economic variables for forward-looking measurement, and the application of economic scenarios and relative weightings.

(b) *Fair value of investment properties*

The fair value of investment properties are determined by using valuation techniques. Observable inputs are used at arm’s length. Where market observable inputs are not available, they are estimated using assumptions that are calibrated as closely as possible to market observable data. Changes in assumptions about these factors could affect reported fair value of investment properties.

(c) *Income taxes*

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in various jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

3.2 Critical accounting judgements

(a) *Contractual agreements*

Under the relevant rules and regulations prevailing in the PRC, wholly foreign-owned enterprises are not allowed to operate pawn-loan business in China. The current registered owners of Wuzhong Pawnshop are Wuzhong Jiaye and Hengyue Consulting. The Group’s wholly owned subsidiary Huifang Tongda entered into a series of contractual agreements with Wuzhong Pawnshop, Wuzhong Jiaye, Hengyue Consulting and the owners of Wuzhong Jiaye and Hengyue Consulting (the “Contractual Agreements”). The Contractual Agreements include: (i) a proxy agreement where Wuzhong Jiaye and Hengyue Consulting have irrevocably and unconditionally undertaken to authorise Huifang Tongda to exercise their shareholders’ rights under the articles of association of the Wuzhong Pawnshop and applicable PRC laws and regulations; (ii) an exclusive management and consultation service agreement pursuant to which Wuzhong Pawnshop engaged

Huifang Tongda on an exclusive basis to provide consultation and other ancillary services, and in return Wuzhong Pawnshop agreed to pay Huifang Tongda the consultancy service fee; (iii) exclusive call option agreement pursuant to which Wuzhong Jiaye and Hengyue Consulting irrevocably and unconditionally granted Huifang Tongda an option to acquire the entire equity interest held by Wuzhong Jiaye and Hengyue Consulting in Wuzhong Pawnshop and/or all assets of Wuzhong Pawnshop at a price equivalent to the minimum amount as may be permitted by applicable PRC laws and regulations; and (iv) equity pledge agreement pursuant to which the Ultimate Shareholders granted first priority security interests over their respective equity interests in Wuzhong Jiaye and Hengyue Consulting to Huifang Tongda for guaranteeing the performance of the above the proxy agreement, exclusive management and consultation service agreement, and the exclusive call option agreement. Pursuant to these agreements and undertakings, notwithstanding the fact that the Company does not hold direct equity interest in Wuzhong Pawnshop, management considers that the Company has power over the financial and operating policies of Wuzhong Pawnshop and receives a majority of the economic benefits from business activities of Wuzhong Pawnshop. Accordingly, Wuzhong Pawnshop has been treated as an indirect subsidiary of the Company.

(b) *Principal versus agent consideration*

The Group engages in trading of daily groceries. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods and the Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

4. SEGMENT INFORMATION

The Board is the Group's chief operating decision-maker, which assesses the financial performance and position of the Group and makes strategic decisions.

The Group manages its business under two operating and reportable segments for the years ended 31 December 2025 and 2024.

(a) Business segments

From business perspective, the Group provides services through two main business segments listed below:

Inclusive finance business division:

The inclusive finance business division mainly refers to provision of lending services in the PRC. From a product perspective, the inclusive finance business division principally engaged in lending services through granting secured loans and unsecured loans to customers.

Ecology finance business division:

The division mainly dedicates services to supply chain, loan facilitation technology, factoring, insurance agency, financial leasing, special assets investment and equity investment business.

(b) **Segment analysis**

The profit or loss before income tax for each reportable segment including incomes and expenses from external transactions and from transactions with other segments, and other items in the consolidated statement of comprehensive income are allocated based on the operations of the segment.

Segment assets and segment liabilities are measured in the same way as in the consolidated statement of financial position. These assets and liabilities are allocated based on the operations of the segment.

	For the year ended 31 December 2025				
	Inclusive finance business division	Ecology finance business division	Headquarters and others	Elimination	Total
External operating income	236,567	458,488	13,526	—	708,581
Internal operating income	913	393	72,604	(73,910)	—
External operating cost	(8,233)	(415,049)	(20,978)	—	(444,260)
Internal operating cost	(13,736)	(3,048)	—	16,784	—
Net investment gains/(losses) (Credit impairment losses)/ reversal of credit impairment losses	— (108,957)	9,018 3,508	(25,959) 2,773	— —	(16,941) (102,676)
Other operating income/ (expenses)	690	232	10,347	(3,074)	8,195
General and administrative expenses	(62,859)	(28,935)	(47,429)	60,200	(79,023)
Other gains, net	20,751	4,346	101	—	25,198
Profit before income tax	65,136	28,953	4,985	—	99,074
Staff cost	16,225	4,841	23,611	—	44,677
Capital expenditure	(6,381)	(5)	—	—	(6,386)
	As at 31 December 2025				
	Inclusive finance business division	Ecology finance business division	Headquarters and others	Elimination	Total
Segment assets	1,474,657	1,238,398	631,578	100	3,344,733
Segment liabilities	(206,691)	(481,836)	(435,572)	(13)	(1,124,112)

For the year ended 31 December 2024

	Inclusive finance business division	Ecology finance business division	Headquarters and others	Elimination	Total
External operating income	240,951	404,820	13,027	—	658,798
Internal operating income	—	—	11,242	(11,242)	—
External operating cost	(12,943)	(349,461)	(19,970)	—	(382,374)
Internal operating cost	(10,421)	(692)	—	11,113	—
Net investment gains/(losses)	—	7,289	(15,243)	—	(7,954)
(Credit impairment losses)/reversal of credit impairment losses	(100,764)	(3,040)	348	—	(103,456)
Net gains on derecognition of financial assets measured at amortised cost	2,316	—	—	—	2,316
Other operating income	1,468	12,499	11,256	(12,780)	12,443
General and administrative expenses	(43,094)	(9,321)	(43,246)	12,909	(82,752)
Other losses, net	(565)	—	(443)	—	(1,008)
Profit/(loss) before income tax	<u>76,948</u>	<u>62,094</u>	<u>(43,029)</u>	<u>—</u>	<u>96,013</u>
Staff cost	17,717	5,138	21,234	—	44,089
Capital expenditure	<u>(596)</u>	<u>(19)</u>	<u>(73,968)</u>	<u>—</u>	<u>(74,583)</u>

As at 31 December 2024

	Inclusive finance business division	Ecology finance business division	Headquarters and others	Elimination	Total
Segment assets	1,643,397	1,337,055	523,892	(217)	3,504,127
Segment liabilities	<u>(262,685)</u>	<u>(599,691)</u>	<u>(439,412)</u>	<u>350</u>	<u>(1,301,438)</u>

5. INTEREST INCOME

	2025	2024
Interest income from loans to customers		
— Secured loans	174,297	199,030
— Unsecured loans	113,370	94,205
Interest income from financial assets held under resale agreement	3,373	23,245
Interest income from finance leases	12,080	10,342
Interest income from bank deposits	740	512
	<u>303,860</u>	<u>327,334</u>

6. SALES OF GOODS AND COSTS OF SALES

The goods sold mainly contain daily groceries.

7. INTEREST EXPENSE

	2025	2024
Interest expense on bank borrowings	24,808	28,028
Interest expense on borrowings from non-bank financial institutions	2,839	7,936
Other interest expenses	19,516	20,770
	<u>47,163</u>	<u>56,734</u>

8. NET INVESTMENT LOSSES

	2025	2024
Fair value gains on financial assets at FVPL	8,488	7,719
Cash dividend of financial assets at FVPL	944	—
Net gains on disposal of financial assets at fair value	154	1,054
Fair value losses on investment properties	(26,527)	(16,727)
	<u>(16,941)</u>	<u>(7,954)</u>

9. CREDIT IMPAIRMENT LOSSES

	2025	2024
Credit impairment losses on loans to customers	106,203	101,507
Credit impairment losses on other current assets	111	—
(Reversal of)/Provision for credit impairment losses on finance lease receivables	(111)	2,249
Reversal of credit impairment losses on financial assets held under resale agreement	<u>(3,527)</u>	<u>(300)</u>
	<u>102,676</u>	<u>103,456</u>

10. NET GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

For the year ended 31 December 2024, the Group disposed loans to customers with carrying amount of RMB39.7 million to third parties for considerations of RMB42.0 million. The difference between the consideration and the carrying amount is recognised as net gains on derecognition of financial assets measured at amortised cost.

11. OTHER OPERATING INCOME

	2025	2024
Rental income	7,807	8,455
Government grant	270	80
Refund of commission fee paid in prior years	—	3,643
Others	<u>118</u>	<u>265</u>
	<u>8,195</u>	<u>12,443</u>

12. OTHER GAIN/(LOSSES), NET

	2025	2024
Net foreign currency (losses)/gains	(773)	19
Net gain/(losses) from disposal of repossessed assets	21,630	(1,027)
Written off of other current liabilities	<u>4,341</u>	<u>—</u>
	<u>25,198</u>	<u>(1,008)</u>

13. INCOME TAX EXPENSE

(a) Income tax expense

	2025	2024
Current income tax	40,036	37,706
Deferred income tax	<u>(11,778)</u>	<u>(12,719)</u>
	<u>28,258</u>	<u>24,987</u>

The difference between the income tax expense in the consolidated statement of comprehensive income and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

	2025	2024
Profit before income tax	<u>99,074</u>	<u>96,013</u>
Tax calculated at domestic tax rates applicable to profits in the respective areas	25,508	24,110
Tax effect of amounts which are not deductible in calculating taxable income:		
— Entertainment expenses	485	285
— Sundry items	<u>4,924</u>	<u>364</u>
Subtotal	<u>5,409</u>	<u>649</u>
Unused tax losses for which no deferred income tax asset has been recognised	735	719
Previously unrecognised tax losses now recouped to reduce current income tax expense	(605)	(4,277)
Adjustments for current income tax of prior years	(4,639)	(14)
PRC withholding tax	<u>1,850</u>	<u>3,800</u>
Income tax expense	<u>28,258</u>	<u>24,987</u>

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

Enterprises incorporated in the British Virgin Islands are not subject to any income tax according to relevant rules and regulations.

The applicable Hong Kong profits tax rate is 16.5% (2024: 16.5%) on the assessable profits earned or derived in Hong Kong.

According to the Corporate Income Tax Law of the PRC (the “CIT Law”), the income tax provision of the Group in respect of its operations in Mainland China has been calculated at the applicable corporate tax rate of 25% (2024: 25%) on the estimated assessable profits based on existing legislations, interpretations and practices.

For small and micro enterprises with annual taxable income less than RMB1 million, the income tax provision is calculated at the applicable corporate tax rate of 20% (2024: 20%) on 25% (2024: 25%) the taxable income amount, and for those with annual taxable income more than RMB1 million but less than RMB3 million, the income tax provision is calculated at the applicable corporate tax rate of 20% (2024: 20%) on 25% (2024: 25%) of the taxable income amount.

Pursuant to the CIT Law, a 5% (2024: 5%) withholding tax is levied on the dividends declared to the investors certified as Hong Kong resident enterprises from companies established in Mainland China.

(b) Tax losses for the year

	2025	2024
Unused tax losses for which no deferred tax asset has been recognised at 25%	287	91
Unused tax losses for which no deferred tax asset has been recognised at 16.5%	<u>4,025</u>	<u>4,220</u>
Unused tax losses for which no deferred tax asset has been recognised	<u><u>4,312</u></u>	<u><u>4,311</u></u>
Potential tax benefit at 25%	71	23
Potential tax benefit at 16.5%	<u>664</u>	<u>696</u>
Potential tax benefit	<u><u>735</u></u>	<u><u>719</u></u>

14. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit of the Group attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit attributable to owners of the Company	52,582	50,485
Weighted average number of ordinary shares in issue (in thousands)	<u>1,090,335</u>	<u>1,090,335</u>
Basic earnings per share (RMB)	<u><u>0.048</u></u>	<u><u>0.046</u></u>

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has no category of dilutive potential ordinary shares for the year ended 31 December 2025.

	2025	2024
Profit attributable to owners of the Company	52,582	50,485
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (in thousands) (<i>note (i)</i>)	<u>1,090,335</u>	<u>1,090,335</u>
Dilutive earnings per share (RMB)	<u>0.048</u>	<u>0.046</u>

Note:

(i) Weighted average number of shares used as the denominator

	2025	2024
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (in thousands)	1,090,335	1,090,335
Adjustments for calculation of diluted earnings per share:		
Options (in thousands)	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (in thousands) (<i>note 27</i>)	<u>1,090,335</u>	<u>1,090,335</u>

15. DIVIDENDS

A final dividend in respect of the year ended 31 December 2025 of HK\$0.03 per share, amounting to a total dividend of HK\$32.7 million (equivalent to RMB29.5 million), is to be proposed at the 2025 annual general meeting. These consolidated financial statements do not reflect this dividend payable.

A final dividend of HK\$0.03 per ordinary share in respect of the year ended 31 December 2024 was declared at the annual general meetings of the Company held on 28 May 2025. Based on the total number of ordinary shares of 1,090,335 thousand outstanding on 31 December 2024, a total dividend of HK\$32.7 million (equivalent to RMB29.8 million) was paid out of the retained earnings account by the Company on 26 June 2025.

	2025	2024
Proposed final dividend	<u>29,544</u>	<u>29,898</u>

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Vehicles	Electronics and other equipment	Total
Cost				
At 1 January 2025	51,484	620	8,648	60,752
Additions	—	492	724	1,216
Disposals	—	(253)	(468)	(721)
	<u>—</u>	<u>(253)</u>	<u>(468)</u>	<u>(721)</u>
At 31 December 2025	<u>51,484</u>	<u>859</u>	<u>8,904</u>	<u>61,247</u>
Accumulated depreciation				
At 1 January 2025	(2,751)	(399)	(6,040)	(9,190)
Additions	(901)	(117)	(1,103)	(2,121)
Disposals	—	160	176	336
	<u>—</u>	<u>160</u>	<u>176</u>	<u>336</u>
At 31 December 2025	<u>(3,652)</u>	<u>(356)</u>	<u>(6,967)</u>	<u>(10,975)</u>
Carrying amount				
At 31 December 2025	<u>47,832</u>	<u>503</u>	<u>1,937</u>	<u>50,272</u>
At 31 December 2024	<u>48,733</u>	<u>221</u>	<u>2,608</u>	<u>51,562</u>

17. LEASES

Amounts recognised in the consolidated statement of financial position:

	2025	2024
Right-of-use assets		
Land-use rights (<i>note (i)</i>)	11,231	11,573
Property (<i>note (ii)</i>)	<u>5,680</u>	<u>4,136</u>
	<u>16,911</u>	<u>15,709</u>
Lease liabilities		
Current	3,836	1,801
Non-current	<u>1,191</u>	<u>1,964</u>
	<u>5,027</u>	<u>3,765</u>

Notes:

- (i) As at 31 December 2025, land-use rights are pledged with banks to secure non-current bank borrowings with principal amount of RMB169.5 million (2024: RMB180.0 million) (note 30(a)).
- (ii) As at 31 December 2025, a property is pledged with bank to secure current bank borrowings with principal amount of RMB8 million (2024: RMB nil) (note 30(b)).

The movement of right-of-use assets is as follows:

	Land-use rights	Properties	Total
Cost			
At 1 January 2025	15,246	18,298	33,544
Additions	—	5,170	5,170
Deductions	—	(442)	(442)
	<u>—</u>	<u>(442)</u>	<u>(442)</u>
At 31 December 2025	<u>15,246</u>	<u>23,026</u>	<u>38,272</u>
Accumulated depreciation			
At 1 January 2025	(3,673)	(14,162)	(17,835)
Additions	(343)	(3,625)	(3,968)
Deductions	—	442	442
	<u>—</u>	<u>442</u>	<u>442</u>
At 31 December 2025	<u>(4,016)</u>	<u>(17,345)</u>	<u>(21,361)</u>
Carrying amount			
At 31 December 2025	<u>11,230</u>	<u>5,681</u>	<u>16,911</u>
At 31 December 2024	<u>11,573</u>	<u>4,136</u>	<u>15,709</u>

For short-term leases and low-value asset leases, the Group chooses not to recognise the right-of-use assets and lease liabilities.

18. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2025	2024
At 1 January	2,132	5,374
Deductions	<u>—</u>	<u>(3,242)</u>
At 31 December	<u>2,132</u>	<u>2,132</u>

19. INVESTMENT PROPERTIES

	2025		Total
	Zhonghui Financial Building (note (i))	Other (note (ii))	
At fair value			
At 1 January	168,066	1,680	169,746
Net losses from fair value adjustment	<u>(26,527)</u>	<u>—</u>	<u>(26,527)</u>
At 31 December	<u>141,539</u>	<u>1,680</u>	<u>143,219</u>
		2024	
	Zhonghui Financial Building (note (i))	Other	Total
At fair value			
At 1 January	184,793	1,680	186,473
Additions	70,833	—	70,833
Disposal of a subsidiary	(70,833)	—	(70,833)
Net losses from fair value adjustment	<u>(16,727)</u>	<u>—</u>	<u>(16,727)</u>
At 31 December	<u>168,066</u>	<u>1,680</u>	<u>169,746</u>

Notes:

- (i) As at 31 December 2025, the investment property is pledged with a bank to secure non-current bank borrowings with principal amount of RMB169.5 million (2024: RMB180.0 million) (note 30(a)).
- (ii) As at 31 December 2025, the investment property is pledged with a bank to secure current bank borrowings with principal amount of RMB30.0 million (2024: RMB nil) (note 30(b)).

20. LOANS TO CUSTOMERS

	2025	2024
Non-current		
Loans to customers, gross		
Unsecured loans	287,300	267,459
— <i>Guaranteed loans</i>	287,300	267,459
Less: ECL allowances	<u>(3,420)</u>	<u>(4,927)</u>
Loans to customers, net	<u>283,880</u>	<u>262,532</u>
Current		
Loans to customers, gross		
Secured loans	1,553,743	1,874,525
— <i>Real estate backed loans</i>	1,272,167	1,587,545
— <i>Movable property backed loans</i>	281,576	286,980
Unsecured loans	1,260,561	1,201,755
— <i>Equity interest backed loans (including listed shares backed loans and other equity interest backed loans)</i>	515,109	563,659
— <i>Guaranteed loans</i>	332,791	330,115
— <i>Other unsecured loans</i>	412,661	307,981
	<u>2,814,304</u>	<u>3,076,280</u>
Less: ECL allowances		
Secured loans	(439,270)	(492,159)
Unsecured loans	<u>(188,739)</u>	<u>(328,667)</u>
	<u>(628,009)</u>	<u>(820,826)</u>
Loans to customers, net	<u>2,186,295</u>	<u>2,255,454</u>

Loans to customers arise from the Group's lending services. The current loan periods granted to customers are within one year. The terms of non-current loans granted to customers are between two to five years.

The real estate backed and equity interest backed loans (including listed shares backed loans and other equity interest backed loans) provided to customers bear fixed interest rates ranging from 10.0% to 36.0% per annum in the year ended 31 December 2025 (2024: from 6.0% to 24.0% per annum). Movable property backed loans granted to customers bear fixed interest rates from 6.0% to 54.0% per annum for the year ended 31 December 2025 (2024: from 6.0% to 54.0% per annum). Guaranteed loans granted to customers bear fixed interest rates from 6.0% to 18.0% per annum in the year ended 31 December 2025 (2024: from 5.5% to 18.0% per annum). Other unsecured loans granted to customers bear fixed interest rates from 8.0% to 16.0% per annum (2024: same) in the year ended 31 December 2025.

As at 31 December 2025, renewed loans amounted to RMB354.0 million (2024: RMB355.1 million), which include real estate backed loans, equity interest backed loans (including listed shares backed loans and other equity interest backed loans) and guaranteed loans (2024: same).

As at 31 December 2025, certain loan to customers with amounting RMB 171.0 million (2024: RMB 42.0 million) is pledged with a bank to secure bank borrowings with principal amount of RMB159.5 million (2024: RMB85 million) (note 30(a)).

(a) Aging analysis of loans to customers

The aging of the loans to customers is calculated starting from the original granting date without considering the subsequent renewal of the loans. The aging analysis of loans to customers net of ECL allowances is set out below:

	2025			2024
	Secured loans	Unsecured loans	Total	Total
Non-current				
Within 3 months	—	24,746	24,746	114,155
3–6 months	—	85,097	85,097	17,556
6–12 months	—	83,445	83,445	34,317
12–24 months	—	87,622	87,622	96,504
Over 24 months	—	2,970	2,970	—
	<u>—</u>	<u>283,880</u>	<u>283,880</u>	<u>262,532</u>
	2025			2024
	Secured loans	Unsecured loans	Total	Total
Current				
Within 3 months	61,236	394,290	455,526	545,065
3–6 months	38,260	276,825	315,085	174,020
6–12 months	110,784	75,603	186,387	475,231
12–24 months	118,854	138,414	257,268	291,469
Over 24 months	216,325	76,764	293,089	100,648
Past due (<i>note (i)</i>)	569,014	109,926	678,940	669,021
	<u>1,114,473</u>	<u>1,071,822</u>	<u>2,186,295</u>	<u>2,255,454</u>

Note:

(i) Past due loans to customers net of ECL allowances

	2025		2024	
	Secured loans	Unsecured loans	Total	Total
Current				
Past due within three months	13,184	47,453	60,637	115,271
Past due between three months and one year	78,835	28,192	107,027	232,514
Past due between one year and three years	230,475	33,354	263,829	33,973
Past due over three years	<u>246,520</u>	<u>927</u>	<u>247,447</u>	<u>287,263</u>
	<u>569,014</u>	<u>109,926</u>	<u>678,940</u>	<u>669,021</u>

(b) Movements on ECL allowances for loans to customers

The following tables explain the changes in loss allowances during the reporting period due to these factors:

	2025			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
Non-current — unsecured loans				
At 31 December 2024	4,927	—	—	4,927
New loans to customers originated	1,829	—	—	1,829
Transfer to current portion	(1,465)	—	—	(1,465)
Changes in PDs/LGDs/EADs	(1,061)	—	—	(1,061)
Loans to customers derecognised during the year other than write-offs	<u>(810)</u>	<u>—</u>	<u>—</u>	<u>(810)</u>
At 31 December 2025	<u>3,420</u>	<u>—</u>	<u>—</u>	<u>3,420</u>

	2025			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
Current — secured loans				
At 31 December 2024	7,188	8,157	476,814	492,159
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(1,211)	6,167	—	4,956
<i>Transfers from Stage 2 to Stage 3</i>	—	(12,543)	5,861	(6,682)
New loans to customers originated	1,496	—	—	1,496
Changes in PDs/LGDs/EADs	23	85	17,183	17,291
Unwinding of discount	—	—	43,488	43,488
Loans to customers derecognised during the year other than write-offs	(2,829)	(514)	(4,739)	(8,082)
Write-offs	—	—	(105,356)	(105,356)
At 31 December 2025	4,667	1,352	433,251	439,270

	2025			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
Current — unsecured loans				
At 31 December 2024	21,192	6,145	301,330	328,667
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(49,983)	77,069	—	27,086
<i>Transfers from Stage 2 to Stage 3</i>	—	(80,571)	47,223	(33,348)
New loans to customers originated	68,887	—	—	68,887
Transfer from non-current portion	1,465	—	—	1,465
Changes in PDs/LGDs/EADs	(2,497)	—	(11,082)	(13,579)
Unwinding of discount	—	—	2,544	2,544
Loans to customers derecognised during the year other than write-offs	(11,078)	(836)	(39,695)	(51,609)
Write-offs	—	—	(141,374)	(141,374)
At 31 December 2025	27,986	1,807	158,946	188,739

	2024			
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECLs	ECLs	ECLs	Total
Non-current — unsecured loans				
At 31 December 2023	4,374	—	—	4,374
New loans to customers originated	2,837	—	—	2,837
Changes in PDs/LGDs/EADs	2,954	—	—	2,954
Loans to customers derecognised during the year other than write-offs	(5,238)	—	—	(5,238)
At 31 December 2024	<u>4,927</u>	<u>—</u>	<u>—</u>	<u>4,927</u>
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECLs	ECLs	ECLs	Total
Current — secured loans				
At 31 December 2023	9,324	1,551	514,937	525,812
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(4,146)	40,377	—	36,231
<i>Transfers from Stage 2 to Stage 3</i>	—	(31,220)	93,843	62,623
New loans to customers originated	12,499	—	—	12,499
Changes in PDs/LGDs/EADs	(3,089)	9,205	(80,369)	(74,253)
Unwinding of discount	—	—	11,146	11,146
Loans to customers derecognised during the year other than write-offs	(7,400)	(11,756)	(35,751)	(54,907)
Write-offs	—	—	(26,992)	(26,992)
At 31 December 2024	<u>7,188</u>	<u>8,157</u>	<u>476,814</u>	<u>492,159</u>

	2024			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
Current — unsecured loans				
At 31 December 2023	28,391	2,588	233,467	264,446
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(15,002)	61,733	—	46,731
<i>Transfers from Stage 2 to Stage 3</i>	—	(58,958)	186,420	127,462
New loans to customers originated	264,893	—	—	264,893
Changes in PDs/LGDs/EADs	(15,181)	6,338	(71,250)	(80,093)
Unwinding of discount	—	—	5	5
Loans to customers derecognised during the year other than write-offs	(241,909)	(5,556)	(22,547)	(270,012)
Write-offs	—	—	(24,765)	(24,765)
At 31 December 2024	<u>21,192</u>	<u>6,145</u>	<u>301,330</u>	<u>328,667</u>

(c) **Significant changes in gross carrying amount of loans to customers that contributed to changes in the ECL allowances**

The following table explains changes in the gross carrying amount of the loans to customers that help explain their significance to the changes in the ECL allowances for loans to customers:

	2025			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
Non-current — unsecured loans				
At 31 December 2024	267,459	—	—	267,459
Loans to customers derecognised during the year other than write-offs	(65,600)	—	—	(65,600)
New loans to customers originated	190,000	—	—	190,000
Transfer to current portion	(102,388)	—	—	(102,388)
Changes in interest accrual	(2,171)	—	—	(2,171)
At 31 December 2025	<u>287,300</u>	<u>—</u>	<u>—</u>	<u>287,300</u>

	2025			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
Current — secured loans				
At 31 December 2024	812,304	39,267	1,022,954	1,874,525
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(320,654)	320,654	—	—
<i>Transfers from Stage 2 to Stage 3</i>	—	(326,546)	326,546	—
Loans to customers derecognised during the year				
other than write-offs	(306,886)	(26,447)	(278,715)	(612,048)
New loans to customers originated	335,795	—	—	335,795
Changes in interest accrual	5,104	55	57,551	62,710
Write-offs	—	—	(107,239)	(107,239)
At 31 December 2025	<u>525,663</u>	<u>6,983</u>	<u>1,021,097</u>	<u>1,553,743</u>

	2025			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
Current — unsecured loans				
At 31 December 2024	781,169	15,449	405,137	1,201,755
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(438,782)	438,782	—	—
<i>Transfers from Stage 2 to Stage 3</i>	—	(435,197)	435,197	—
Loans to customers derecognised during the year				
other than write-offs	(2,565,238)	(19,112)	(370,684)	(2,955,034)
New loans to customers originated	3,017,280	—	10,000	3,027,280
Transfer from non-current portion	102,388	—	—	102,388
Changes in interest accrual	10,819	2,156	13,029	26,004
Write-offs	—	—	(141,376)	(141,376)
Foreign exchange and other movements	(456)	—	—	(456)
At 31 December 2025	<u>907,180</u>	<u>2,078</u>	<u>351,303</u>	<u>1,260,561</u>

	2024			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
Non-current — unsecured loans				
At 31 December 2023	211,344	—	—	211,344
Loans to customers derecognised during the year other than write-offs	(113,933)	—	—	(113,933)
New loans to customers originated	167,700	—	—	167,700
Changes in interest accrual	<u>2,348</u>	<u>—</u>	<u>—</u>	<u>2,348</u>
At 31 December 2024	<u>267,459</u>	<u>—</u>	<u>—</u>	<u>267,459</u>

	2024			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
Current — secured loans				
At 31 December 2023	992,866	7,516	841,637	1,842,019
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(359,943)	359,943	—	—
<i>Transfers from Stage 2 to Stage 3</i>	—	(275,356)	275,356	—
Loans to customers derecognised during the year other than write-offs	(811,955)	(52,942)	(176,462)	(1,041,359)
New loans to customers originated	967,466	—	—	967,466
Changes in interest accrual	23,870	106	109,415	133,391
Write-offs	<u>—</u>	<u>—</u>	<u>(26,992)</u>	<u>(26,992)</u>
At 31 December 2024	<u>812,304</u>	<u>39,267</u>	<u>1,022,954</u>	<u>1,874,525</u>

	2024			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
Current — unsecured loans				
At 31 December 2023	791,154	7,822	251,839	1,050,815
Transfers:				
<i>Transfers from Stage 1 to Stage 2</i>	(381,588)	381,588	—	—
<i>Transfers from Stage 2 to Stage 3</i>	—	(310,323)	310,323	—
Loans to customers derecognised during the year				
other than write-offs	(5,167,855)	(66,500)	(199,550)	(5,433,905)
New loans to customers originated	5,528,575	—	—	5,528,575
Changes in interest accrual	10,524	2,862	67,049	80,435
Write-offs	—	—	(24,765)	(24,765)
Foreign exchange and other movements	359	—	241	600
At 31 December 2024	<u>781,169</u>	<u>15,449</u>	<u>405,137</u>	<u>1,201,755</u>

21. FINANCE LEASE RECEIVABLES

	2025	2024
Undiscounted lease payments are analysed as:		
Recoverable after 12 months	65,048	22,331
Recoverable within 12 months	<u>84,325</u>	<u>91,074</u>
	<u>149,373</u>	<u>113,405</u>

The following table shows the maturity analysis of undiscounted lease payments to be received:

	2025	2024
Less than one year	84,325	91,073
One to two years	22,406	16,572
Two to three years	<u>42,642</u>	<u>5,760</u>
Total undiscounted lease payments	149,373	113,405
Less: Unearned finance income	<u>(14,701)</u>	<u>(8,755)</u>
	134,672	104,650
Less: ECL allowances	<u>(5,627)</u>	<u>(5,515)</u>
Net investments in finance leases	<u><u>129,045</u></u>	<u><u>99,135</u></u>
Analysed as:		
Non-current	49,550	26,536
Current	<u>79,495</u>	<u>72,599</u>
	<u><u>129,045</u></u>	<u><u>99,135</u></u>

The Group's finance lease receivables are all denominated in RMB.

The Group entered into finance leases as a lessor for certain equipment and machinery to its lessees. The term of finance leases entered into ranges from 1 to 3 years (2024: same).

Residual value risk on the finance leases is not significant because of the existence of a secondary market with respect to the equipment and machinery.

The Group's finance leases do not include variable payments.

The average effective interest rate contracted is 19.77 % per annum (2024: 11.77% per annum).

22. DEFERRED INCOME TAX

(a) Deferred income tax assets

	2025	2024
The balance comprises temporary differences attributable to:		
ECL allowances charge on financial assets	114,872	103,446
Recoverable tax losses	<u>54</u>	<u>4,314</u>
Total deferred income tax assets	<u>114,926</u>	<u>107,760</u>
Offsetting of deferred income tax liabilities pursuant to off-setting provisions	<u>(801)</u>	<u>(4,386)</u>
Net deferred income tax assets	<u>114,125</u>	<u>103,374</u>

The movement in deferred income tax assets during the year, without taking into consideration the offsetting of balance within the same tax jurisdiction, is as follows:

	ECL allowances charge on financial assets	Recoverable tax losses	Total
At 1 January 2024	93,879	3,522	97,401
Credited to the consolidated statement of comprehensive income	<u>9,567</u>	<u>792</u>	<u>10,359</u>
At 31 December 2024	<u>103,446</u>	<u>4,314</u>	<u>107,760</u>
At 1 January 2025	103,446	4,314	107,760
Credited/(charged) to the consolidated statement of comprehensive income	<u>11,426</u>	<u>(4,260)</u>	<u>7,166</u>
At 31 December 2025	<u>114,872</u>	<u>54</u>	<u>114,926</u>

As at 31 December 2025, it is estimated that deferred income tax assets will be reversed over one year (2024: same).

(b) **Deferred income tax liabilities**

	2025	2024
The balance comprises temporary differences attributable to:		
Net gains from investment properties	12,485	19,117
Net gains from financial instruments at FVPL	<u>6,260</u>	<u>4,240</u>
Total deferred income tax liabilities	<u>18,745</u>	<u>23,357</u>
Offsetting of deferred income tax assets pursuant to off-setting provisions	<u>(801)</u>	<u>(4,386)</u>
Net deferred income tax liabilities	<u>17,944</u>	<u>18,971</u>

The movement in deferred income tax liabilities during the year, without taking into consideration the offsetting of balance within the same tax jurisdiction, is as follows:

	Net gains from investment properties	Net gains from financial instruments at FVPL	Total
At 1 January 2024	23,300	2,417	25,717
(Credited)/charged to the consolidated statement of comprehensive income	<u>(4,183)</u>	<u>1,823</u>	<u>(2,360)</u>
At 31 December 2024	<u>19,117</u>	<u>4,240</u>	<u>23,357</u>
At 1 January 2025	19,117	4,240	23,357
(Credited)/charged to the consolidated statement of comprehensive income	<u>(6,632)</u>	<u>2,020</u>	<u>(4,612)</u>
At 31 December 2025	<u>12,485</u>	<u>6,260</u>	<u>18,745</u>

As at 31 December 2025, it is estimated that deferred income tax liabilities will be reversed over one year (2024: same).

23. FINANCIAL ASSETS BY CATEGORY

			2025	
	<i>Note</i>	At FVPL	At AC	Total
Other current assets		—	44,188	44,188
Loans to customers	20	—	2,470,175	2,470,175
Finance lease receivables	21	—	129,045	129,045
Financial assets at FVPL	25	127,649	—	127,649
Cash at bank and cash on hand	26	—	216,671	216,671
		<u>127,649</u>	<u>2,860,079</u>	<u>2,987,728</u>

			2024	
	<i>Note</i>	At FVPL	At AC	Total
Other current assets		—	28,752	28,752
Loans to customers	20	—	2,517,986	2,517,986
Financial assets held under resale agreement	24	—	217,863	217,863
Finance lease receivables	21	—	99,135	99,135
Financial assets at FVPL	25	119,859	—	119,859
Cash at bank and cash on hand	26	—	147,893	147,893
		<u>119,859</u>	<u>3,011,629</u>	<u>3,131,488</u>

24. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENT

	2025	2024
Financial assets held under resale agreement, gross	—	221,390
Less: ECL allowances	—	(3,527)
Financial assets held under resale agreement, net	<u>—</u>	<u>217,863</u>

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
Equity securities	107,320	99,429
Structured deposits (<i>notes (a), (b)</i>)	<u>20,329</u>	<u>20,430</u>
	<u>127,649</u>	<u>119,859</u>

Notes:

- (a) The interest rates of structured deposits are correlated to the foreign exchange rates agreed with respective banks.
- (b) As at 31 December 2025, structured deposits with principal amount of RMB20.0 million (2024: RMB20.0 million) have been pledged with a bank to secure borrowings with principal amount of RMB19.0 million (2024: RMB19.0 million) (note 30(b)).

26. CASH AT BANK AND CASH ON HAND

	2025	2024
Cash on hand	12	1,659
Demand deposits with banks	158,625	134,316
Deposits with securities company	1,312	96
Term deposits with banks with original maturities over 3 months, net	56,722	11,822
<i>Term deposits with banks with original maturities over 3 months, gross</i>	56,722	11,986
<i>Less: ECL allowances</i>	—	(164)
	<u>216,671</u>	<u>147,893</u>

As at 31 December 2025, term deposits with a bank of RMB77.8 million (2024: RMB11.7 million) have been pledged for notes payable of RMB97.8 million (2024: RMB31.7 million) (note 31).

Cash at bank and cash on hand are denominated in the following currencies:

	2025	2024
RMB	200,777	142,285
USD	43	63
HKD	15,851	5,545
	<u>216,671</u>	<u>147,893</u>

Cash and cash equivalents of the Group are determined as follows:

	2025	2024
Cash at bank and cash on hand	216,671	147,893
Less: Unrestricted term deposits pledged with banks with original maturities over 3 months	<u>(56,722)</u>	<u>(11,822)</u>
	<u>159,949</u>	<u>136,071</u>

27. SHARE CAPITAL

	Number of shares	Ordinary shares HKD	Ordinary shares RMB
Issued and fully paid			
As at 31 December 2025	<u>1,090,335,000</u>	<u>10,903,350</u>	<u>8,662,017</u>
As at 31 December 2024	<u>1,090,335,000</u>	<u>10,903,350</u>	<u>8,662,017</u>

There are no movements in ordinary shares during the year.

28. SHARE PREMIUM AND OTHER RESERVES

	Other reserves				Share-based payments reserve (note (a))	Total
	Share premium	Capital reserve	Statutory reserve	General reserve		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>604,478</u>	<u>498,574</u>	<u>77,715</u>	<u>4,417</u>	<u>6,533</u>	<u>1,191,717</u>

Note:

(a) Share-based payments

The Group approved on 13 September 2016 to grant of share options to enable eligible participants as incentives or rewards for their contribution or potential contribution. The options have a contractual option term of five years expired on 12 September 2021. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the years ended 31 December 2025 and 2024, no ordinary shares are issued by the Company in connection with share-based payments scheme.

29. RETAINED EARNINGS

	2025	2024
At 1 January	713,240	682,650
Profit for the year attributable to owners of the Company	52,582	50,485
Dividends provided for or paid	<u>(29,898)</u>	<u>(19,895)</u>
At 31 December	<u>735,924</u>	<u>713,240</u>

30. BORROWINGS

	2025	2024
Non-current		
Bank borrowings (<i>note (a)</i>)	<u>189,000</u>	<u>334,000</u>
Current		
Bank borrowings (<i>note (a) and (b)</i>)	467,688	425,020
Borrowings from other companies (<i>note (c)</i>)	85,473	115,520
Borrowings from micro-finance companies (<i>note (d)</i>)	67,500	95,000
Borrowings from the Group's former and existing employees (<i>note (e)</i>)	113,254	128,043
Borrowings from the Ultimate Shareholders (<i>note (f)</i>)	<u>10,000</u>	<u>10,000</u>
	<u>743,915</u>	<u>773,583</u>
	<u>932,915</u>	<u>1,107,583</u>

The Group's borrowings are all denominated in RMB.

Notes:

- (a) As at 31 December 2025, bank borrowing with principal amount of RMB169.5 million (2024: RMB180.0 million) bears a floating interest rate of the 5-year Loan Prime Rate minus 35 bps (2024: same), with Zhonghui Financial Building as the pledge (notes 17 and 19). It is repaid in a scheduled instalments within 10 to 13 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

As at 31 December 2025, bank borrowing with principal amount of RMB nil million (2024: RMB60.0 million) bears a fixed interest rate of nil per annum (2024: 4.2% per annum). It is secured by all shares of a subsidiary of the Group and guaranteed by two subsidiaries of the Group. It is repaid in a scheduled instalments within 4 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

As at 31 December 2025, bank borrowing with principal amount of RMB nil million (2024: RMB32.0 million) bears a fixed interest rate of nil per annum (2024: 4.0%). It is secured by a subsidiary of the Group. It is repaid in a scheduled instalments within 7 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

As at 31 December 2025, bank borrowings with total principal amount of RMB159.5 million (2024: RMB85.0 million) bear fixed interest rate ranging from 3.0% to 4.05% per annum (2024: 3.5% to 4.5% per annum). They are guaranteed by a subsidiary of the Group/secured by loans to a customer amounting RMB171.0 million (2024: RMB42.0 million)/guaranteed by Jiangsu Wuzhong Group Co., Ltd. ("Wuzhong Group"). They are repaid in a scheduled instalments within 1 to 3 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

- (b) Current bank borrowings are all with maturity within one year and bear fixed interest rates ranging from 0.4% to 6.0% per annum (2024: 2.6% to 6.5% per annum) as at 31 December 2025.

As at 31 December 2025, bank borrowings with principal amount of RMB8 million (2024: RMB nil) are pledged by the ROU asset and guaranteed by Group subsidiaries (note 17).

As at 31 December 2025, bank borrowings with principal amount of RMB30 million (2024: RMB nil) are pledged by the investment property and guaranteed by Group subsidiaries. (note 19).

As at 31 December 2025, bank borrowings with principal amount of RMB19.0 million (2024: RMB19.0 million) are secured by structured deposits of RMB20.0 million (2024: RMB20.0 million) (note 25).

As at 31 December 2025, bank borrowings with principal amount of RMB85.0 million (2024: RMB86.0 million) are guaranteed by Wuzhong Group and Wuzhong Jiaye.

As at 31 December 2025, bank borrowings with principal amount of RMB30.0 million (2024: RMB70.0 million) are guaranteed by Wuzhong Group).

As at 31 December 2025, bank borrowings with principal amount of RMB10.0 million (2024: RMB10.0 million) are guaranteed by Suzhou Guofa Financing Guarantee Co., Ltd.

As at 31 December 2025, bank borrowing with principal amount of RMB40.0 million (2024: RMB10.0 million) is guaranteed by Jiangsu Jinchuang Financing Re-guarantee Co., Ltd.

- (c) As at 31 December 2025, borrowings from other companies bear fixed interest rates ranging from 6.5% to 9.0% per annum (2024: same).
- (d) As at 31 December 2025, borrowings from micro-finance companies with principal amount of RMB48.0 million (2024: RMB40.0 million) are guaranteed by Wuzhong Jiaye
- (e) As at 31 December 2025, borrowings from the Group's employees bear a fixed interest rates of 7.5% per annum (2024: a fixed interest rates ranging from 7.5% per annum).
- (f) As at 31 December 2025, borrowings from one of the Ultimate Shareholders bear a fixed interest rate of 7.5% per annum (2024: 7.5% per annum).

31. OTHER CURRENT LIABILITIES

	2025	2024
Construction payables	2,426	14,899
Advance from transferee of financial assets	5,175	19,150
Advances on sales	—	13
Advances on consultancy fee income	—	450
Accrued employee benefits	10,312	5,686
Turnover tax and other tax payable	3,294	3,676
Resale agreement deposit	—	50,000
Notes payables (<i>note (a)</i>)	97,810	31,746
Other financial liabilities (<i>note (b)</i>)	14,475	13,978
	<u>133,492</u>	<u>139,598</u>

Notes:

- (a) As at 31 December 2025, all (2024: same) notes payable are secured by term deposits with a bank of RMB77.8 million (2024: RMB11.7 million) (note 26).
- (b) As at 31 December 2025, the Group's other financial liabilities are non-interest bearing. The fair value approximates their carrying amounts due to their short maturities (2024: same).

32. COMMITMENTS

Capital commitments in respect of private equity funds

	2025	2024
Suzhou Cibe Management Consulting Partnership (LP) (“Suzhou Cibe”) (note (a))	6,868	42,868
Suzhou Qianhui Tongcui Venture Capital Partnership (LP) (“Qianhui Tongcui”) (note (b))	10,000	10,000
Suzhou Kangli Junzhuo Digital Economy Industry Investment Fund Partnership (LP) (“Kangli Junzhuo”) (note (c))	5,210	5,000
Suzhou Zhongxin Hengyuan Venture Investment Partnership (LP) (“Zhongxin Hengyuan”) (note (d))	675	—
Suzhou Qianrong Yuanfeng Venture Investment Partnership (LP) (“Qianrong Yuanfeng”) (note (e))	615	—
Suzhou Wuzhong Tiankai Huirui Venture Investment Partnership (LP) (“Wuzhong Tiankai”) (note (f))	<u>3,000</u>	<u>—</u>
	<u>26,368</u>	<u>57,868</u>

Notes:

- (a) The committed capital injection to Suzhou Cibe is RMB45.0 million, of which RMB6.87 million (2024: RMB42.9 million) has not been paid by the Group as at 31 December 2025 following a capital reduction of RMB36.0 million on 17 April 2025.
- (b) The committed investment injection to Qianhui Tongcui is RMB20.0 million, of which RMB10.0 million (2024: RMB10.0 million) has not been paid by the Group as at 31 December 2025.
- (c) The committed investment injection to Kangli Junzhuo is RMB10.0 million, of which RMB5.2 million (2024: RMB5.0 million) has not been paid by the Group as at 31 December 2025 following a capital reduction of RMB0.2 million in 2025.
- (d) The committed investment injection to Zhongxin Hengyuan is RMB10.0 million, of which RMB0.6 million (2024: RMB Nil) has not been paid by the Group as at 31 December 2025.
- (e) The committed investment injection to Qianrong Yuanfeng is RMB20.0 million, of which RMB0.6 million (2024: RMB Nil) has not been paid by the Group as at 31 December 2025.
- (f) The committed investment injection to Wuzhong Tiankai is RMB20.0 million, of which RMB3.0 million (2024: RMB Nil) has not been paid by the Group as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

With the goal of achieving nationwide business coverage, the Company has fully leveraged its status as a listed company in Hong Kong and its access to the international capital markets and implemented the dual strategy of “inclusive finance plus ecology finance”, striving to offer comprehensive financial services to small and medium enterprises (“SMEs”) and individual clients alike as well as offer quality and safe financial assets to investors and financial institutions. As our brand has been well recognized by the public with our stable asset quality and our continuously improved profitability, we have gradually developed into a company that offers comprehensive finance services.

In 2025, the Company adhered to the working principle of “optimize existing, prevent variables, expand increments, and strengthen management”. Faced with continuously declining asset prices and economic growth, the Company achieved growth in both revenue and profit against the trend. In the Inclusive Finance Business Division, the secured loans business sought market breakthroughs through product innovation and maintained risk discipline with tailored solutions for each client; affiliates outside Jiangsu Province steadily promoted business transformation and piloted the personal property backed loans business; the standardization of the listed shares backed loans business was improved, and the business scale reached a new high level. In the Ecology Finance Business Division, the commercial factoring business paid close attention to changes in the settlement cycle of government project funds and sought a balance between scale and efficiency; the financial leasing business actively expanded projects with high safety margins; the special assets management business achieved the safe exit of multiple projects and pursued the layout of new projects; the equity investment business exited existing projects in a steady and orderly manner.

1. Business Review and Development

1.1 *Inclusive Finance Business Division*

The Inclusive Finance Business Division conducts its business through platforms such as Wuzhong Pawnshop, Suzhou Dongshan Technology Microfinance Co., Ltd.* (蘇州市東山科技小額貸款有限公司) (“**Dongshan Micro-finance**”), Suzhou Huifang Rongtong SME Guided Turnover Loan Fund (Limited Partnership)* (蘇州匯方融通中小微企業轉貸引導基金合夥企業(有限合夥)) (“**Huifang Rongtong**”), Nanjing Yiling Culture and Art Co., Ltd.* (南京藝瓏文化藝術有限公司) (“**Nanjing Yiling**”) and Huifang Investment Limited* (匯方投資有限公司) (“**Huifang Investment**”). The division conducts pawnshop business, technology micro-finance business, turnover loan fund business, art investment business and overseas finance business by adhering to the concept of small-sums and dispersed inclusive finance. Major products under this division include secured loans (including real estate backed loans and movable property backed loans) and unsecured loans (including equity interest backed loans (including listed shares backed loans and other equity interest backed loans), guaranteed loans and other unsecured loans), which focus on solving short-term liquidity needs of SMEs and individuals. The business of Inclusive Finance Business Division currently mainly covers Suzhou, Chengdu, Wuhan, Hefei, Changsha, Nanchang and Fuzhou.

(a) *Pawnshop Business*

The following table sets out the details of total transaction amount, number and income of loans granted as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total transaction number of new secured loans		
Total transaction number of new real estate backed loans	141	415
Total transaction number of new movable property backed loans	2,344	1,822
Total transaction amount of new secured loans (RMB million)		
Total transaction amount of new real estate backed loans	129	401
Total transaction amount of new movable property backed loans	57	75
Balance of secured loans at the end of the Reporting Year (principal) (RMB million)		
Balance of real estate backed loans at the end of the Reporting Year (principal)	588	767
Balance of movable property backed loans at the end of the Reporting Year (principal)	182	172
Interest income of secured loans (RMB thousand)		
Interest income of real estate backed loans	90,556	101,506
Interest income of movable property backed loans	34,660	32,076
Total transaction number of new unsecured loans		
Total transaction number of new equity interest backed loans	47	48
— listed shares backed loans	10	5
— other equity interest backed loans	37	43
Total transaction amount of new unsecured loans (RMB million)		
Total transaction amount of new equity interest backed loans	717	712
— listed shares backed loans	180	140
— other equity interest backed loans	537	572
Balance of unsecured loans at the end of the Reporting Year (principal) (RMB million)		
Balance of equity interest backed loans at the end of the Reporting Year (principal)	432	468
— listed shares backed loans	192	140
— other equity interest backed loans	240	328
Interest income of unsecured loans (RMB thousand)		
Interest income of equity interest backed loans	37,629	23,051
— listed shares backed loans	25,110	7,660
— other equity interest backed loans	12,519	15,391

The pawnshop business mainly relies on Wuzhong Pawnshop, Changsha Furong District Huifang Pawnshop Co., Ltd.* (長沙市芙蓉區匯方典當有限責任公司) (“**Changsha Pawnshop**”), Nanchang Huifang Pawnshop Co., Ltd.* (南昌市匯方典當有限責任公司) (“**Nanchang Pawnshop**”) and Fuzhou Huifang Pawnshop Co., Ltd.* (福州市匯方典當有限責任公司) (“**Fuzhou Pawnshop**”) as entities to carry out its business. Wuzhong Pawnshop, established in 1999 with a registered capital of RMB1,000 million, is an indirect wholly-owned subsidiary of the Company by virtue of the series of contractual arrangements entered into by Huifang Tongda, Suzhou Huifang Technology Co. Ltd.* (蘇州匯方科技有限公司) (“**Huifang Technology**”), Wuzhong Pawnshop, Wuzhong Jiaye, Hengyue Consulting and the Ultimate Shareholders (the “**Contractual Arrangements**”). Wuzhong Pawnshop is one of the largest pawnshop in Mainland China. Changsha Pawnshop, established in 2021 with a registered capital of RMB50 million, is an indirect wholly-owned subsidiary of the Company. Nanchang Pawnshop, established in 2022 with a registered capital of RMB30 million, is an indirect non-wholly owned subsidiary of the Company. The Company holds 90% of the equity interests of Nanchang Pawnshop. Fuzhou Pawnshop, established in 2023 with a registered capital of RMB30 million, is an indirect wholly-owned subsidiary of the Company.

The pawnshop business primarily engages in secured loan and unsecured loan businesses. Secured loans business mainly includes real estate backed loans and movable property backed loans. Unsecured loans business mainly includes equity interest backed loans (including listed shares backed loans and other equity interest backed loans).

① Real Estate Backed Loans

Real estate backed loans primarily provide personal or corporate financing services to customers who have obtained real estate certificates. Business risks are comprehensively assessed based on customer credit status, real estate value, customer industry analysis and solvency, etc. The loan amount does not exceed 80% of the total evaluation price. The interest rates range from 12% to 36% per annum and the loan term is no longer than 1 year. The operation area is mainly in core urban areas of Suzhou, Chengdu, Wuhan, Hefei, Changsha, Nanchang, Fuzhou and other cities in the PRC. The target customers are mainly distributed across manufacturing, beverage, retail, trade and other industries. As of 31 December 2025, the total number of customers was 611, among which, the total number of individual customers was 583 and the total number of corporate customers was 28. The five largest customers contributed, in aggregate, 54.58% of the balance of real estate backed loans at the end of the Reporting Year (principal).

As of 31 December 2025, the balance at the end of the Reporting Year (principal) and the interest income of real estate backed loans granted by the Company were RMB588 million and RMB90,556 thousand, representing a decrease as compared with the corresponding period of last year. The main reason was that prices of ordinary residential properties continued to decline and no longer provided significant safety margins. Having assessed the situation accordingly, the Company shifted to providing secured loans

backed by industrial plants, luxury residences and commercial properties in core locations, and proactively reduced its business scale to ensure the liquidity safety of the Company.

The main risks and uncertainties faced by the real estate backed loans include real estate value fluctuation risk, regulatory policy change risk, credit policy change risk, liquidity risk and credit risk, etc.

In 2025, the real estate backed loans business proactively implemented strategic transformation, continuously deepened bank-enterprise cooperation and strengthened proactive marketing. The development direction of the real estate backed loans in the future is to prioritize the small-sum and diversified loan granting to street-facing shops, accelerate the revitalization of existing assets, closely monitor the trend of asset prices, and develop new products with market demand and satisfactory safety margins.

② Movable Property Backed Loans

The movable property backed loans mainly provide fast movable property backed financing services to individuals, and the product categories cover artworks, gold, jewelry, vehicles, watches and luxury goods, etc. The loan amount does not exceed 95% of the total evaluation price. The interest rates and comprehensive rates range from 6% to 54% per annum and the loan term is within 1 year. The operation area is mainly in Suzhou, Chengdu, Nanchang, Wuhan and Hefei. The businesses in Changsha and Fuzhou are also gradually expanding. The target customers are mainly distributed across manufacturing, agriculture, retail and other industries. As of 31 December 2025, the total number of customers was 769, and the five largest customers contributed, in aggregate, 75.59% of the balance of movable property backed loans at the end of the Reporting Year (principal).

As of 31 December 2025, the balance at the end of the Reporting Year (principal) and the interest income of movable property backed loans granted by the Company were RMB182 million and RMB34,660 thousand, respectively, representing an increase as compared with the corresponding period of last year. The main reason was that movable property backed loans, as the core pawnshop business, featured sound profitability and security. The Company continued to promote the upgrading and renovation of its pawnshops and maintained the business scale of movable property backed loans.

The main risks and uncertainties faced by the movable property backed loans include collateral appraisal risk, collateral valuation risk, regulatory policy change risk and credit risk, etc.

In 2025, pawnshop subsidiaries outside Jiangsu Province steadily advanced the transformation of their movable property backed loans and the movable property backed loans was further expanded to Chengdu. The development direction of the movable

property backed loans in the future is to adjust the internal structure of movable property backed loans in light of the objective rule that “antiques thrive in prosperous times, while gold is sought in chaotic times”, by reducing the scale of artworks backed loans and expanding the scale of gold and other personal property backed loans.

③ Equity Interest Backed Loans

Share Interest Backed Loans

The listed shares backed loans mainly provide share financing services for relevant entities of listed companies. Business risks are comprehensively assessed based on the enterprise operation, financial conditions, loan purposes, share pledge ratio, etc. The loan amount does not exceed 45% of the total equity evaluation price. The interest rates range from 12% to 14% per annum and the loan term is within 1 year. The operation area is mainly in economically developed regions. Target customers are mainly distributed in industries other than highly leveraged and high-risk industries such as real estate and construction. As of 31 December 2025, the total number of customers was 10, among which, the total number of individual customers was 6 and the total number of corporate customers was 4. The five largest customers contributed, in aggregate, 81.88% of the balance of listed shares backed loans at the end of the Reporting Year (principal).

As of 31 December 2025, the balance at the end of the Reporting Year (principal) and the interest income of listed shares backed loans were RMB192 million and RMB25,110 thousand, representing an increase as compared with the corresponding period of last year. The main reason was that the standardization of the listed shares backed loans improved, the active capital market generated financing demand, and the business scale expanded gradually.

The main risks and uncertainties faced by the listed shares backed loans include regulatory policy change risk, credit policy change risk, credit risk and liquidity risk, etc.

In 2025, in response to market demand, the listed shares backed loans expanded its customer service scope with the characteristics of simple and efficient approval and loan granting procedures. The development direction of the listed shares backed loans in the future is to promote business deployment in a steady and selective manner, explore innovative credit loan businesses for major shareholders of listed companies, and strengthen marketing cooperation with banks and securities companies.

Other Equity Interest Backed Loans

The other equity interest backed loans mainly provide equity financing services for SMEs and individuals. Business risks are comprehensively assessed based on the enterprise operation, financial conditions, industry development and debt repayment ability, etc. The loan amount does not exceed 50% of the total equity evaluation price. The interest rates range from 6% to 34.4% per annum and the loan term is within 1 year. The operation area is mainly in Suzhou. The target customers are mainly distributed in manufacturing, construction, investment and other industries. As of 31 December 2025, the total number of customers was 23, among which, the total number of individual customers was 17 and the total number of corporate customers was 6. The five largest customers contributed, in aggregate, 91.20% of the balance of other equity interest backed loans at the end of the Reporting Year (principal).

As of 31 December 2025, the balance at the end of the Reporting Year (principal) and the interest income of other equity interest backed loans were RMB240 million and RMB12,519 thousand, representing a decrease as compared with the corresponding period of last year. The main reason was that the Company reduced the scale of other equity interest backed loans and that some customers became overdue on their payments or defaulted due to the economic downturn.

The main risks and uncertainties faced by the other equity interest backed loans include regulatory policy change risk, credit policy change risk, credit risk and liquidity risk, etc.

In 2025, the Company strictly controlled the access for new business and adhered to prudent and compliant business operations. The development direction of the other equity interest backed loans in the future is to steadily reduce the balance of existing business, continuously optimize the business structure, and promote the continuous improvement of asset quality.

For the pawnshop business, the Company adopts comprehensive internal control measures. The pre-loan measures are mainly to implement the policy of separating the process of checking and actual lending and the policy of graded examination and approval. These measures require that the responsibilities of each approval function be clarified, and ensures implementation of the operational risk and non-performing loan accountability mechanism. The post-loan measures are mainly to implement post-loan management, post-event supervision, and compliance monitoring and management systems. These measures require real-time monitoring and management of business processes and risks, quarterly post-loan inspections for each product, and special inspections from time to time. The measures for overdue business are mainly to implement procedures in strict accordance with the post-loan management measures. The management system will give an early warning notice before the expiration of each business, and the operating unit will report to the risk control department in a timely manner and report the disposal plan at the same time to ensure asset quality.

(b) *Technology Micro-finance business*

The following table sets out the details of total new loans secured by real estate, guaranteed loans and credit loans as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total number of new loans granted	88	104
Total amount of new loan granted (RMB million)	498	635
Balance at the end of the Reporting Year (principal) (RMB million)	558	512
Interest income (RMB thousand)	51,800	60,104

The technology micro-finance business mainly relies on Dongshan Micro-finance as the entity to carry out its business. Dongshan Micro-finance, established in 2012 with a registered capital of RMB300 million, is an indirect non-wholly owned subsidiary of the Company and is jointly established by the Company and Suzhou Wuzhong District Dongshan Town Collective Assets Management Co., Ltd.* (蘇州市吳中區東山鎮集體資產經營公司) and other entities. The Company holds 70% of the equity interests of Dongshan Micro-finance. Dongshan Micro-finance is also one of the few micro-finance companies rated “A” in Jiangsu Province, PRC.

Dongshan Micro-finance primarily engages in providing small loans and financial services such as finance guarantee for SMEs and individuals. Loans mainly include secured loans, guaranteed loans and credit loans.

Business risks of secured loans are comprehensively assessed based on the Company’s credit status, collateral value, industry analysis and cash flow, etc. The loan amount does not exceed 75% of the total evaluation price. The interest rates range from 10% to 18% per annum and the loan term is within 1 year. The operation area is mainly in Suzhou. The target customers are mainly distributed in manufacturing, beverage, service and other industries. As of 31 December 2025, the balance at the end of the Reporting Year (principal) of the secured loans is RMB213 million. As of 31 December 2025, the total number of customers was 52, among which, the total number of individual customers was 45 and the total number of corporate customers was 7. The five largest customers contributed, in aggregate, 62.8% of the balance of secured loans at the end of the Reporting Year (principal).

Business risks of guaranteed loans are comprehensively assessed based on the company's operating conditions, financial situation and industry development, etc. The interest rates range from 10% to 18% per annum and the loan term is within 1 year. The operation area is mainly in Suzhou. The target customers are mainly distributed in manufacturing, trade, investment and other industries. As of 31 December 2025, the balance at the end of the Reporting Year (principal) of the guaranteed loans was RMB104 million. As of 31 December 2025, the total number of customers was 24, among which, the total number of individual customers was 13 and the total number of corporate customers was 11. The five largest customers contributed, in aggregate, 67.09% of the balance of guaranteed loans at the end of the Reporting Year (principal).

Business risks of credit loans are comprehensively assessed based on the individual's or company's credit status, enterprise operation, asset conditions and solvency, etc. The interest rates range from 8% to 10% per annum and the loan term is within 1 year. The operation area is mainly in Suzhou. The target customers are mainly distributed in trade, gardening, investment and other industries. As of 31 December 2025, the balance at the end of the Reporting Year (principal) of the credit loans was RMB240 million. As of 31 December 2025, the total number of customers was 10, among which, the total number of individual customers was 1 and the total number of corporate customers was 9. The five largest customers contributed, in aggregate, 62.54% of the balance of credit loans at the end of the Reporting Year (principal).

As of 31 December 2025, the balance at the end of the Reporting Year (principal) of technology micro-finance business was RMB558 million, representing an increase as compared with the corresponding period of last year. The main reason was that the real estate backed loans were in a transition period, with an increase in overdue existing business and continuous new loan granting, leading to a rise in the overall balance. As of 31 December 2025, the interest income of technology micro-finance business was RMB51,800 thousand, representing a decrease as compared with the corresponding period of last year. The main reason was the decrease in the average interest rate of loans and the suspension of interest on certain overdue loans.

The main risks and uncertainties faced by the technology micro-finance business include real estate valuation risk, credit risk, regulatory policy change risk, credit policy change risk and liquidity risk, etc.

In 2025, the technology micro-finance business adjusted its business strategy, focusing on providing liquidity support for large-sums and stable assets, flexibly utilizing the funds of state-owned micro-finance companies, and improving capital utilization efficiency. The development direction of technology micro-finance business in the future to accelerate the revitalization of existing assets, achieve new loan granting, seize the opportunity of bank-enterprise cooperation to rationally develop operating loan businesses, and fulfill the social responsibility of inclusive finance to promote regional economic development on the basis of bringing stable dividends to shareholders.

For the technology micro-finance business, the Company adopts comprehensive internal control measures. The pre-loan measures are mainly to implement the policy of separating the process of checking and actual lending and the policy of graded examination and approval. These measures require that the responsibilities of each approval function be clarified, and the operational risk and non-performing loan accountability mechanism be implemented. The post-loan measures are mainly to implement post-loan management, post-event supervision, and compliance monitoring and management systems. These measures require real-time monitoring and management of business processes and risks, quarterly post-loan inspections for each product, and special inspections from time to time. The measures for overdue business are mainly to implement procedures in strict accordance with the post-loan management measures. The management system will give an early warning notice before the expiration of each business, and the operating unit will report to the risk control department in a timely manner and report the disposal plan at the same time to ensure asset quality.

(c) *Turnover Loan Fund Business*

The following table sets out the details of total new loans granted to SMEs and individuals under our turnover loan fund business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total number of new loans granted	417	1,143
Total new loan amount granted (RMB million)	1,748	4,337
Balance at the end of the Reporting Year (principal) (RMB million)	1	32
Interest income (RMB thousand)	2,134	5,093

The turnover loan fund business mainly relies on Huifang Rongtong as the entity to carry out its business. Huifang Rongtong, established in 2017 with a registered capital of RMB25 million, is an indirect non-wholly owned subsidiary of the Company and is jointly established by the Company and Suzhou Wuzhong Financial Investment Service Co., Ltd* (蘇州市吳中金融招商服務有限公司), a company owned by the Wuzhong District Government in Suzhou of Jiangsu Province, PRC. The Company holds 80% of the equity interests of Huifang Rongtong. Such government-enterprise cooperation fund is scarce in Suzhou and even Jiangsu Province, PRC.

The turnover loan fund business serves as a bridge between banking institutions and SMEs. It focuses on serving SMEs and local government platforms with the needs of turnover loans. Business risks are comprehensively assessed based on the company's credit status, enterprise operation, financial conditions and bank credit conditions, etc. The interest rates range from 10.8% to 13.4% per annum and the loan terms range from 1 day to 30 days. The operation area is mainly in Suzhou. The target customers are mainly distributed in manufacturing, construction, trade and other industries. As of 31 December 2025, the total number of new loan customers granted was 421, and the five largest customers contributed, in aggregate, 20.93% of the total new loan amount granted.

As of 31 December 2025, the total amount of new loans granted and the interest income of turnover loan fund business were RMB417 million and RMB2,134 thousand, respectively, representing a decrease as compared with the corresponding period of last year. The main reason was the establishment of the Suzhou municipal state-owned turnover loan center and the introduction of banks' principal-free rollover loan services, which led to decreased demand for turnover loan funds and low capital utilization efficiency.

The main risks and uncertainties faced by the turnover loan fund business include regulatory policy change risk and credit risk, etc.

In 2025, Huifang Rongtong reduced its capital twice to scale down its operation and improve capital utilization efficiency. The development direction of turnover loan fund business in the future is to strengthen bank-enterprise cooperation and attract high-quality customers.

For the turnover loan fund business, the Company adopts comprehensive internal control measures. The pre-loan measures are mainly to implement the policy of separating the process of checking and actual lending and the policy of graded examination and approval. These measures require that the responsibilities of each approval function be clarified, and the operational risk and non-performing loan accountability mechanism be implemented. The post-loan measures are mainly to implement post-loan management, post-event supervision, and compliance monitoring and management systems. These measures require real-time monitoring and management of business processes and risks, quarterly post-loan inspections for each product, and special inspections from time to time. The measures for overdue business are mainly to implement procedures in strict accordance with the post-loan management measures. The management system will give an early warning notice before the expiration of each business, and the operating unit will report to the risk control department in a timely manner and report the disposal plan at the same time to ensure asset quality.

(d) *Art Investment Business*

The following table sets out the operating information of the art investment business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total number of artworks trading stock at the end of the Reporting Year	10	10
Total amount of artworks trading stock at the end of the Reporting Year (principal) (RMB million)	99	114
Artworks business income (RMB thousand)	15,062	17,523

The art investment business mainly relies on Nanjing Yiling as the entity to carry out its business. Nanjing Yiling, established in 2021 with a registered capital of RMB55 million, is an indirect non-wholly owned subsidiary of the Company and is jointly established by the Company and Nanjing Yili Culture Development Co., Ltd.* (南京藝力文化發展有限公司). The Company holds 55% of the equity interests of Nanjing Yiling. Nanjing Yiling conducts artwork investment, artwork custody, artwork disposal and other businesses.

The art investment business covers all categories of artworks, including Chinese modern painting and calligraphy, international contemporary painting and calligraphy, ancient antiques and sculptures. Its business covers the whole of Mainland China. The target customers are mainly major auction companies and well-known domestic collectors.

As of 31 December 2025, the total amount of artworks trading stock at the end of the Reporting Year and the artworks business income of art investment business were RMB99 million and RMB15,062 thousand, respectively, representing a decrease as compared with the corresponding period of last year. The main reason was that the Company proactively reduced the total amount of artworks trading stock in response to the downward trend in transaction volume and prices in the art market.

The main risks and uncertainties faced by art investment business include regulatory policy change risk, artworks valuation risk, artworks transportation and storage risk, credit risk, liquidity risk, art market systemic risk, etc.

In 2025, the art investment business focused on industry trends, concentrated on serving and maintaining existing customers, and continuously strengthened risk prevention and control. The development direction of art investment business in the future is to strive to build a comprehensive system that serves the entire art industry, and develop Nanjing Yiling into a well-known comprehensive art service organization in the Mainland China, covering art investment, art appraisal and storage, art auction agency, art exhibition and other services.

(e) *Overseas Finance Business*

The following table sets out the operating information of the overseas finance business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total number of new loans granted	1	1
Total new loan amount granted (HK\$ million)	20	20
Balance at the end of the Reporting Year (principal) (HK\$ million)	20	20
Interest income (HK\$ thousand)	1,200	1,403

The overseas finance business mainly relies on Huifang Investment as the entity to carry out its business. Huifang Investment, established in 2011, is an indirect wholly-owned subsidiary of the Company and obtained a money lender's license with license No. MLR5279 in Hong Kong in January 2019 to develop diversified financial services.

The overseas finance business mainly involves guaranteed loans. Business risks of guaranteed loans are comprehensively assessed based on enterprise operation, financial conditions and industry development, etc. The interest rate is 6% per annum and the loan term is 12 months. The operation area is mainly in Hong Kong. The target customers are mainly local companies in Hong Kong. It mainly conducts business in cooperation with local licensed money lenders at present.

As of 31 December 2025, the balance at the end of the Reporting Year (principal) of overseas finance business was HK\$20 million, which was the same as the corresponding period of last year. As of 31 December 2025, the interest income of overseas finance business was HK\$1,200 thousand, representing a decrease as compared with the corresponding period of last year. The main reason was that a loan principal was fully repaid in mid-last year, and no new loan was granted thereafter.

The main risks and uncertainties faced by overseas finance business include the risk of changes in the international political and economic situation and the risk of exchange rate fluctuations, etc.

In 2025, the overseas finance business adopted a prudent operating strategy, maintained its existing business scale and exercised strict control over operational risks. The development direction of overseas finance business in the future is to seek for development opportunities in the fields of pawnshops and consumer finance in more overseas countries and regions such as Southeast Asia.

1.2 Ecology Finance Business Division

The Ecology Finance Business Division conducts its business through platforms such as Suzhou Huida Commercial Factoring Company Limited* (蘇州匯達商業保理有限公司) (“**Huida Factoring**”), Huifang Financial Leasing, Suzhou Huifang Financial Leasing Co., Ltd.* (蘇州匯方融資租賃有限公司) (“**Huifang Financial Leasing**”), Suzhou Huifang Supply Chain Management Co., Ltd.* (蘇州市匯方供應鏈管理有限公司) (“**Huifang Supply Chain**”), Suzhou Huifang Rongcui Management Consulting Co., Ltd.* (蘇州匯方融萃企業管理諮詢有限公司) (“**Huifang Rongcui**”), Qingdao Wanchen Buliang Property Company Limited* (青島萬宸不良資產處置有限公司) (“**Qingdao Wanchen**”) and Suzhou Huifang Anda Insurance Agency Company Limited* (蘇州匯方安達保險代理有限公司) (“**Huifang Anda**”, formerly named as Nanjing Shun’an Insurance Agency Company Limited* (南京舜安保險代理有限公司)), adhering to the innovation of finance concept. It attaches great importance to the internal and external resources to develop commercial factoring business, financial leasing business, supply chain management business, equity investment business, special assets investment business and insurance brokerage business.

(a) Commercial Factoring Business

The following table sets out the operating information of the commercial factoring business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total number of new transaction relating to account receivables assignment	17	21
Total amount of new transaction relating to account receivables assignment (RMB million)	195	254
Balance at the end of the Reporting Year (principal) (RMB million)	494	446
Interest income (RMB thousand)	35,281	36,945
Service fee income (RMB thousand)	<u>3,227</u>	<u>3,408</u>

The commercial factoring business mainly relies on Huida Factoring as the entity to carry out its business. Huida Factoring, established in 2016 with a registered capital of RMB170 million, is an indirect non-wholly owned subsidiary of the Company and is jointly established by the Company and three other state-owned and collective capital companies: Suzhou Wuzhong Gaoxin Entrepreneurship Service Co., Ltd.* (蘇州吳中高新創業服務有限公司), Suzhou Dongfang Venture Investment Co., Ltd.* (蘇州東方創業投資有限公司) and Suzhou Wuzhong City Construction Investment Development Co., Ltd.* (蘇州市吳中城市建設投資發展有限公司). The Company holds 52.94% of the equity interests in Huida Factoring.

Huida Factoring is principally engaged in accepting assignment of account receivable from SMEs and installment of account receivables. Commercial factoring business evaluates business risks by comprehensively analyzing enterprise operation, financial conditions, receivables and industry development factors based on customers' credit status. The loan amount does not exceed 80% of the total amount of receivables. The interest rates range from 5% to 12% per annum and the loan term is within 4 years. The operation area is mainly in Suzhou. The target customers are mainly distributed in construction, manufacturing and other industries. As of 31 December 2025, the total number of customers was 17, and the five largest customers contributed, in aggregate, 54.97% of the balance at the end of the Reporting Year (principal).

As of 31 December 2025, the balance at the end of the Reporting Year (principal) of Huida Factoring was RMB494 million, representing an increase as compared with the corresponding period of last year. The main reason was that the prolonged settlement cycle of government project funds increased liquidity pressure on construction enterprises and led to a rise in overdue ratio. The team actively adjusted its risk control strategy and continued to grant new loans to high-quality customers, resulting in an increase in the overall balance. As of 31 December 2025, the interest income of Huida Factoring was RMB35,281 thousand, representing a decrease as compared with the corresponding period of last year. The main reason was that macro interest rates declined and competitors generally lowered their interest rates, so the Company adjusted accordingly.

The main risks and uncertainties faced by commercial factoring business include debtor credit risk, receivable risk, trade fraud risk and regulatory policy change risk, etc.

In 2025, against the backdrop of declining interest rates, reduced number of new construction projects, and intensified industry competition, the commercial factoring business achieved a dynamic balance between business scale and profitability by adhering to government engineering factoring business and emphasizing the tracking of existing customers and the development of new customers. The development direction of commercial factoring business in the future is to reasonably reduce the factoring exposure to government projects, conduct in-depth research on factoring opportunities in high-prosperity industries such as high-end manufacturing and new energy, and strengthen the full-process risk management.

For the commercial factoring business, the Company adopts comprehensive internal control measures. The pre-loan measures are mainly to implement the policy of separating the process of checking and actual lending and the policy of graded examination and approval. These measures require that the responsibilities of each approval function be clarified, and the operational risk and non-performing loan accountability mechanism be implemented. The post-loan measures are mainly to implement post-loan management, post-event supervision, and compliance monitoring and management systems. These measures require real-time monitoring and management of business processes and risks, quarterly post-loan inspections for each product, and special inspections from time to time. The measures for overdue business are mainly to implement procedures in strict accordance with the post-loan

management measures. The management system will give an early warning notice before the expiration of each business, and the operating unit will report to the risk control department in a timely manner and report the disposal plan at the same time to ensure asset quality.

(b) *Financial Leasing Business*

The following table sets out the operating information of the financial leasing business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total number of new transaction relating to financial leasing	11	11
Total amount of new transaction relating to account receivables assignment (RMB million)	111	84
Balance at the end of the Reporting Year (principal) (RMB million)	134	104
Interest income (RMB thousand)	11,485	9,629
Service fee income (RMB thousand)	594	712

The financial leasing business mainly relies on Huifang Financial Leasing as the entity to carry out its business. Huifang Financial Leasing, established in 2023 with a registered capital of RMB170 million, is an indirect non-wholly owned subsidiary of the Company and is jointly established by the Company, Suzhou Shengzhuang Food Co., Ltd.* (蘇州聖莊食品有限公司) (“**Shengzhuang Food**”) and Suzhou Tianyi Knitwear Co., Ltd.* (蘇州天衣針織品有限公司) (“**Tianyi Knitwear**”). The Company holds 70% of the equity interests in Huifang Financial Leasing.

Huifang Financial Leasing primarily offers two types of finance leasing services, namely, direct finance leasing and sale-leaseback, to the customers. Financial leasing business evaluates business risks by comprehensively analyzing customer’s industry and reputation, existing debt position, operating cash flows and the projected cash flows generated from the lease asset. The interest rates range from 7% to 13% per annum and the finance lease term is within 3 years. The operation area is mainly in Suzhou. The target customers are mainly distributed in advanced manufacturing and other industries. As of 31 December 2025, the total number of customers was 25, and the five largest customers contributed, in aggregate, 58% of the balance at the end of the Reporting Year (principal).

As of 31 December 2025, the balance at the end of the Reporting Year (principal) and the interest income of Huifang Financial Leasing were RMB134 million and RMB11,485 thousand, respectively, representing an increase in the balance as compared with the corresponding period of last year. The main reason was that Huifang Financial Leasing adjusted its operating strategy and drove an increase in business scale through cooperative bank channels and internal business referrals.

The main risks and uncertainties faced by financial leasing business include lease asset risk, customer operation risk, customer high asset liability ratio risk and regulatory policy change risk, etc.

In 2025, the Company made every effort to resolve existing risk projects and steadily expanded controllable new business. The development direction of financial leasing business in the future is to focus on advanced manufacturing, healthcare and public utilities, with high technology and strong guarantees as key factors, and to explore opportunities for direct finance leasing business to support industrial transformation and upgrading.

For the financial leasing business, the Company adopts comprehensive internal control measures. The pre-loan measures are mainly to implement the policy of separating the process of checking and actual lending and the policy of graded examination and approval. These measures require that the responsibilities of each approval function be clarified, and the operational risk and non-performing loan accountability mechanism be implemented. The post-loan measures are mainly to implement post-loan management, post-event supervision, and compliance monitoring and management systems. These measures require real-time monitoring and management of business processes and risks, quarterly post-loan inspections for each product, and special inspections from time to time. The measures for overdue business are mainly to implement procedures in strict accordance with the post-loan management measures. The management system will give an early warning notice before the expiration of each business, and the operating unit will report to the risk control department in a timely manner and report the disposal plan at the same time to ensure asset quality.

(c) *Supply Chain Management Business*

The following table sets out the operating information of the supply chain management business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total transaction number	1,113	1,318
Total transaction number of grain and oil	222	240
Total transaction number of fresh products	492	773
Total transaction number of other goods	399	305
Sales income (RMB thousand)	399,949	328,380
Sales income of grain and oil	289,572	301,935
Sales income of fresh products	108,103	17,292
Sales income of other goods	2,274	9,153

The supply chain management business mainly relies on Huifang Supply Chain, Jiangsu Zhongli Communication Technology Co., Ltd.* (江蘇仲利通信科技有限公司) (“**Zhongli Communication**”, formerly named as Suzhou Huifang Rongda Internet Technology Company Limited* (蘇州匯方融達網路科技有限公司)) and Sichuan Huida Dingchen Technology Co., Ltd* (四川匯達鼎宸科技有限公司) (“**Huida Dingchen**”, formerly named as Sichuan Aomeishu Technology Co., Ltd* (四川奧美殊科技有限公司)) as entities to carry out its business. Huifang Supply Chain, established in 2018 with a registered capital of RMB400 million, is an indirect wholly-owned subsidiary of the Company. Zhongli Communication, established in 2015 with a registered capital of RMB50 million, is an indirect wholly-owned subsidiary of the Company. Huida Dingchen, established in 2015 with a registered capital of RMB20 million, is an indirect wholly-owned subsidiary of the Company. The supply chain management business was committed to focus supply chain scenarios of livelihood consumer products mainly for grain and oil, fresh products and other fields. Currently, the supply chain management business has cooperated with COFCO Corporation* (中糧集團有限公司), Yihai Kerry Arawana Holdings Co., Ltd* (益海嘉里金龍魚糧油食品股份有限公司) and many other well-known enterprises. For the year ended 31 December 2025, the five largest suppliers accounted for approximately 98.80% of the supply chain management business’s total purchases while the largest supplier accounted for approximately 72.31% of the supply chain management business’s total purchases.

As of 31 December 2025, the total transaction number of supply chain management business and the sales income were 1,113 and RMB399,949 thousand, respectively, representing a decrease in the transaction number and an increase in the sales income as compared with the corresponding period of last year. The main reason was that the Company attached importance to the risk management of accounts receivable, and at this stage, the Company mainly retained

core high-quality customers for cooperation, resulting in a decrease in the transaction number and an increase in the amount per transaction, which drove the growth of the overall sales income.

As of 31 December 2025, there was no billed trade payable from the supply chain management business based on invoice date.

The main risks and uncertainties faced by supply chain management business include inventory depreciation risk, compliance and operational risk, cargo transportation risk, cargo custody risk and customer default risk, etc.

In 2025, grain and oil, fresh products and other livelihood consumer products became the major business categories of the supply chain management business and contributed stable revenue. The development direction of supply chain management business in the future is to continuously deepen the field of livelihood consumer products, actively expand partnerships with high-quality partners, establish long-term and large-volume supply chain cooperation, and play a role in contributing to revenue.

(d) *Equity Investment Business*

The following table sets out the operating information of the equity investment business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total transaction number of new investment	1	1
Total transaction principal amount of new investment (principal) (RMB million)	5	2
Balance of investment at the end of the Reporting Year (principal) (RMB million)	83	83
Investment income (RMB thousand)	8,075	7,289

The equity investment business mainly relies on Huifang Rongcui and Suzhou Huifang Tongcui Business Management Consulting Partnership (Limited Partnership)* (蘇州匯方同萃企業管理諮詢合夥企業(有限合夥)) (“**Huifang Tongcui**”) and Suzhou Huifang Jiada Information Technology Company Limited* (蘇州匯方嘉達信息科技有限公司) (“**Huifang Jiada**”) as entities to carry out its business. Huifang Rongcui, established in 2021 with a registered capital of RMB100 million, is an indirect non-wholly owned subsidiary of the Company. The Company holds 90% of the equity interests in Huifang Rongcui. Huifang Tongcui, established in 2022 with a registered capital of RMB20 million, is an indirect non-wholly owned subsidiary of the Company. The Company holds 60% of the equity interests in Huifang Tongcui. Huifang Jiada, established in 2016 with a registered capital of RMB50

million, is an indirect wholly-owned subsidiary of the Company. Aiming at creating a business pattern of coordinated development of creditor's rights and equity, the equity investment business cooperates with senior equity investment institutions based on national policy guidance. Investment areas mainly cover advanced manufacturing, semiconductor, new energy, biomedicine and other strategic emerging industries.

The main risks and uncertainties faced by equity investment business include the risk of business deterioration of the invested enterprise, the risk of regulatory policy changes, the systematic risk of financial market and contract risk, etc.

As of 31 December 2025, Huifang Rongcui and Huifang Jiada made investments in seven funds. The balance of investment at the end of the Reporting Year (principal) was RMB70 million. In addition, in order to develop the financial advisory business in the primary or secondary markets and form a linkage with existing equity investment business, Huifang Rongcui invested in Ningbo Gaoliu Xiyu Management Consulting Co., Ltd.* (寧波高流熙域管理諮詢有限公司) (“**Gaoliu Xiyu**”). The balance of investment in Gaoliu Xiyu at the end of the Reporting Year (principal) was RMB 3 million, representing 15% of the equity interest.

In 2022, Huifang Tongcui has reached a cooperation intention with Suzhou Qianhui Zhitou Investment Management Co., Ltd* (蘇州乾匯智投資本管理有限公司) (“**Qianhui Investment**”), and set up Suzhou Qianhui Tongcui Venture Capital Partnership (LP)* (蘇州乾匯同萃創業投資合夥企業(有限合夥)) (“**Qianhui Tongcui**”) in a double general partners (“**Double GP**”) cooperation model. Huifang Tongcui and Qianhui Investment act as executive partners to Qianhui Tongcui, and Qianhui Investment acts as a manager to Qianhui Tongcui. The planned assets under management of Qianhui Tongcui is approximately RMB200 million and the subscribed assets under management of Qianhui Tongcui is RMB42 million. The investment period is 7 years. As of 31 December 2025, the balance of investment of Huifang Tongcui (principal) was RMB10 million.

As of 31 December 2025, the balance of investment at the end of the Reporting Year (principal) was RMB83 million, which was the same as the corresponding period of last year. The main reason was that while the actual investment scale increased, some projects achieved exits. The investment income was RMB8,075 thousand, representing an increase as compared with the corresponding period of last year. The main reason was that some underlying investment projects were listed or completed a new round of financing.

In 2025, with the tightening of initial public offerings regulations by the government since the beginning of 2024, the exit channels for primary market investments were restricted and the equity investment encountered a cold market. Under this context, the Company adhered to a prudent and stable investment strategy, with an increased focus on the safety of assets. The development direction of equity investment business in the future is to pay attention to the policy trends in the equity investment market, prudently invest in new projects, attach

importance to post investment management, and urge managers to accelerate project exits through means such as the transfer of existing shares, negotiated repurchases, and mergers and acquisitions.

(e) *Special Asset Investment Business*

The following table sets out the operating information of the special asset investment business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total transaction number of new investment	0	2
Total transaction amount of new investment (RMB million)	0	145
Balance of investment at the end of the		
Reporting Year (RMB million)	0	220
Consultancy fee income (RMB thousand)	3,000	—
Interest income (RMB thousand)	3,373	23,245

The special asset investment business mainly relies on Qingdao Wanchen as entities to carry out its business. Qingdao Wanchen, established in 2019 with a registered capital of RMB10 million, is an indirect wholly-owned subsidiary of the Company.

Special asset investment business makes full use of the Company's industry position and resources of licensed asset management companies and banks to carry out special asset acquisition, disposal and operation. Special asset investment business mainly targets potential special assets such as commercial real estate, industrial real estate and residential real estate, as well as unsecured credit debts attached to the above-mentioned assets.

On 17 August 2023, the Group entered into the agreements with Suzhou Qingdong Hotel Management Limited* (蘇州慶東酒店管理有限公司) (“**Suzhou Qingdong**”) in relation to the acquisition and the disposal of Suzhou Guangda Education Technology Development Company Limited* (蘇州市廣大教育科技發展有限公司) (“**Guangda Education**”). During the Reporting Year, the Company successfully disposed of Guangda Education.

On 11 October 2024, the Group acquired the property which comprises two buildings and the corresponding parcel of land located at No. 100 and Building 1, No. 100 Nanhu Road, Wuzhong District, Suzhou, the PRC (“**Hongzhuang Commercial Property**”) by way of the auction. On 16 December 2024, the Group entered into a pre-acquisition agreement with Suzhou Xinwei Enterprise Management Company Limited* (蘇州新威企業管理有限公司) (“**Suzhou Xinwei**”) in relation to the disposal of the Hongzhuang Commercial Property. During the Reporting Year, the Company successfully disposed of the Hongzhuang Commercial Property.

As of 31 December 2025, the balance of investment at the end of the Reporting Year was RMB nil, representing a decrease as compared with the corresponding period of last year. The main reason was that no new investment was made after the disposal of Guangda Education and the Hongzhuang Commercial Property. As of 31 December 2025, the consultancy fee income and the interest income were RMB3,000 thousand and RMB3,373 thousand, respectively, representing an increase in investment income and a decrease in interest income as compared with the corresponding period of last year. This was mainly due to the increase in the consultancy fee income generated from Guangda Education and the decrease in the interest income generated from the Hongzhuang Commercial Property.

The main risks and uncertainties faced by special asset investment business include asset valuation risk, liquidity risk, operational risk, real estate value fluctuation risk and credit risk, etc.

In 2025, the special asset investment business saw the two key projects, Guangda Education and the Hongzhuang Commercial Project, safely exit one after another, contributing significantly to profits. The development direction of special asset investment business in the future is to ensure the timely exit of the Hongzhuang Commercial Property project and to vigorously seek out new high-potential projects.

(f) *Insurance Brokerage Business*

The following table sets out the operating information of the insurance brokerage business as of 31 December 2025:

	For the year ended	
	31 December	
	2025	2024
Total transaction number	1,118	370
Sales income (RMB thousand)	311	309

The insurance brokerage business mainly relies on Huifang Anda as the entity to carry out its business. Huifang Anda, established in 2004 with a registered capital of RMB2.4 million, is an indirect non-wholly owned subsidiary of the Company and is jointly established by the Company and state-owned capital Suzhou Wuzhong Financial Investment Service Co., Ltd* (蘇州市吳中金融招商服務有限公司) and other institutions. The Company holds 65% of the equity interests of Huifang Anda.

The insurance brokerage business actively integrates the resources of the government and insurance companies, with the aim of providing credit, responsibility, professionalism and compliance with regulations, and align with the business development direction of large

private enterprises, governments, state-funded platforms and foreign-funded enterprises. The scope of insurance agency covers property insurance, credit guarantee insurance, liability insurance and life insurance, etc.

As of 31 December 2025, the total transaction number and commission fee income of insurance brokerage business transactions were 1,118 and RMB311 thousand, respectively, representing an increase as compared with the corresponding period of last year. The main reason was that the Company made every effort to expand new business, and various types of insurance brokerage business, including personal accident insurance, home property insurance, and liability insurance, all achieved growth to varying degrees.

The main risks and uncertainties faced by insurance brokerage business include the risk of government policy changes and contract risks, etc.

In 2025, the insurance brokerage business strengthened external cooperation and actively developed innovative insurance products. The development direction of insurance brokerage business in the future is to explore opportunities in sectors such as healthcare and education, and introduce competitive agent teams.

2. FINANCIAL REVIEW

2.1 Overall Financial Data

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Operating Results		
Operating income	708,581	658,798
Net operating income	152,899	179,773
Net assets	2,220,621	2,202,689
General and administrative expenses	79,023	82,752
Income tax expenses	28,258	24,987
Profit attributable to equity holders	52,582	50,485
Basic earnings per share (expressed in RMB)	<u>0.048</u>	<u>0.046</u>

As of 31 December 2025, the operating income amounted to RMB708,581 thousand, representing an increase as compared with 2024. The main reason was the increase in sales of goods from the supply chain management business. As of 31 December 2025, the profit attributable to equity holders amounted to RMB52,582 thousand, representing an increase as compared with 2024. The main reason was the improved efficiency of internal capital

operation between the Company's holding subsidiary and wholly-owned subsidiary, which resulted in a decrease in profit attributable to non-controlling interests and thereby drove an increase in profit attributable to equity holders.

2.2 Financial Analysis on two Principal Business Divisions

2.2.1 Inclusive Finance Business Division

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Operating income	237,480	240,951
Operating cost	21,969	23,364
Other non-operating losses	(150,375)	(140,639)
Profit before tax	<u>65,136</u>	<u>76,948</u>

As of 31 December 2025, the operating income amounted to RMB237,480 thousand, representing a decrease as compared with 2024. The main reason was that the loan market environment became increasingly severe, leading to overall pressure on the income of all business segments under the Inclusive Finance Business Division, with interest income from real estate backed loans declining significantly. As of 31 December 2025, the profit before tax amounted to RMB65,136 thousand, representing a decrease as compared with 2024. The main reason was the increase in general and administrative expenses arising from the overall allocation and lending of internal funds within the Group.

2.2.2 Ecology Finance Business Division

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Operating income	458,881	404,820
Operating cost	418,097	350,153
Other non-operating (losses)/gains	(11,831)	7,427
Profit before tax	<u>28,953</u>	<u>62,094</u>

As of 31 December 2025, the operating income amounted to RMB458,881 thousand, representing an increase as compared with 2024. The main reason was the increase in sales of goods from the supply chain management business. As of 31 December 2025, the profit before tax amounted to RMB28,953 thousand, representing a decrease as compared

with 2024. The main reason was that the increase in general and administrative expenses resulting from the centralized settlement of internal management services within the Group.

2.2.3 Headquarters and Others

	For the year ended	
	31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Operating income	86,130	24,269
Operating cost	20,978	19,970
Other non-operating losses	(60,167)	(47,328)
Profit before tax	<u>4,985</u>	<u>(43,029)</u>

As the core of the Group's progress and development, the headquarters has undertaken the service functions of investment management, risk prevention and control, scientific and technological support, logistics support, etc. In recent years, it has been committed to lowering costs and increasing efficiency. In the future, it will continue to promote refined management to increase income and reduce expenditure.

As of 31 December 2025, the operating income amounted to RMB86,130 thousand, representing an increase as compared with 2024. The main reason was the increase in internal operating income driven by the centralized operation of internal services and funds within the Group. As of 31 December 2025, the profit before tax amounted to RMB4,985 thousand, representing an increase in profit before tax as compared with 2024. The main reason was the increase in revenue attributed to the factors set out above.

3. CREDIT RISK

3.1 Loan Classification and Impairment Allowances

The following table contains an analysis of the credit risk exposure of financial assets for which an ECL allowance is recognized. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	As at 31 December				
	2025			2024	
	ECL staging			Total RMB'000	Total RMB'000
Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000			
Loans to customers					
Secured loans to customers (<i>note (a)</i>)	525,663	6,983	1,021,097	1,553,743	1,874,525
Unsecured loans to customers (<i>note (b)</i>)	1,194,480	2,078	351,303	1,547,861	1,469,214
Gross carrying amount	1,720,143	9,061	1,372,400	3,101,604	3,343,739
ECL allowances	(36,073)	(3,159)	(592,197)	(631,429)	(825,753)
Carrying amount	1,684,070	5,902	780,203	2,470,175	2,517,986
Term deposits with banks					
Credit grade					
AAA	56,722	—	—	56,722	11,986
Gross carrying amount	56,722	—	—	56,722	11,986
ECL allowances	—	—	—	—	(164)
Carrying amount	56,722	—	—	56,722	11,822
Other current assets (excluding repossessed assets)					
Gross carrying amount	45,217	—	—	45,217	29,893
ECL allowances	(1,029)	—	—	(1,029)	(1,141)
Carrying amount	44,188	—	—	44,188	28,752
Financial assets held under resale agreement					
Gross carrying amount	—	—	—	—	221,390
ECL allowances	—	—	—	—	(3,527)
Carrying amount	—	—	—	—	217,863
Finance lease receivables					
Gross carrying amount	134,672	—	—	134,672	104,650
ECL allowances	(5,627)	—	—	(5,627)	(5,515)
Carrying amount	129,045	—	—	129,045	99,135

Notes:

- (a) Secured loans to customers comprise real estate backed loans and movable property backed loans.
- (b) Unsecured loans to customers comprise equity interest backed loans (including listed shares backed loans and other equity interest backed loans), guaranteed loans and other unsecured loans.

The Group may suffer credit losses if its customers default on contractual obligations. As at 31 December 2025, the impairment allowance (including the provision of loss allowance and the write-off) for loans to customers granted by the Group was as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Secured loans to customers ^{(note (a))}		
Stage 1 & 2	6,019	15,345
Stage 3	433,251	476,814
Subtotal	439,270	492,159
Unsecured loans to customers ^{(note (b))}		
Stage 1 & 2	33,213	32,264
Stage 3	158,946	301,330
Subtotal	192,159	333,594
ECL allowances, total	631,429	825,753
Stage 1 & 2	39,232	47,609
Stage 3	592,197	778,144

Notes:

- (a) Secured loans to customers comprise real estate backed loans and movable property backed loans.
- (b) Unsecured loans to customers comprise equity interest backed loans (including listed shares backed loans and other equity interest backed loans), guaranteed loans and other unsecured loans.

The impairment allowance is measured based on the ECL model. Please refer to the consolidated financial statements for the major parameters, assumptions and judgments used in the model.

As at 31 December 2025, the aggregate impairment allowance for secured loans to customers and unsecured loans to customers amounted to RMB631,429 thousand, representing approximately 20.36% of the total outstanding loans granted to customers (before provision); the overall impairment allowance of the Company decreased by RMB194,504 thousand as compared with the end of last year.

For loans to customers in Stage 1 & 2, the impairment allowance was determined by projecting the Probability of Default, Loss Given Default and Exposure at Default for every six months and for each individual exposure or collective segment, based on historical data. The main reason of the decrease of the impairment allowance in Stages 1 & 2 during the Reporting Year was the transfers of certain secured loans from Stage 2 to Stage 3.

For impaired loans to customers in Stage 3, the impairment allowance is assessed by estimating the discounted future cash flows from the loans, and such assessment is re-performed for at least every six months.

For secured loans, the discounted cash flow is primarily dependant on the type of collaterals, their appraised value and estimated time for disposal. The main reason of the decrease of the impairment allowance for secured loans in 2025 was that the Company wrote off certain secured loans for which it has concluded there is no reasonable expectation of recovery.

For unsecured loans, the discounted cash flow depend on the customer's financial and operating conditions, as well as their own properties preserved by the Group. The main reason of the decrease of the impairment allowance for unsecured loans in 2025 was that the Company wrote off certain unsecured loans for which it has concluded there is no reasonable expectation of recovery.

The Group also entered into supplementary repayment agreements with certain secured or unsecured loan customers in order to maximise its interests. The Group adjusted the impairment allowance according to implementation of such agreements.

During the year ended 31 December 2025, financial assets written off amounted to RMB246.7 million. The Group aims to recover amounts to which it is legally entitled. However, when the Group has exhausted all practical recovery efforts and has concluded no reasonable expectation of recovery, it writes off financial assets, in whole or in part. Indicators include: (i) the Group ceases enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that no reasonable expectation of recovering in full exists.

3.2 New Loans under Legal Proceedings

	For the year ended 31 December	
	2025	2024
New Secured Loans		
Number of clients	93	99
Outstanding loans (RMB' thousand)	219,401	160,066
New Unsecured Loans		
Number of clients	2	2
Outstanding loans (RMB' thousand)	<u>20,000</u>	<u>60,000</u>

As at 31 December 2025, the balance of new secured loans under legal proceedings was RMB219,401 thousand and the balance of new unsecured loans under legal proceedings was RMB20,000 thousand. There is an increase of the balance of new loans under legal proceedings from the end of the previous year. The main reason was the continuous decline in property prices, which weakened the debt-servicing capacity of some borrowers and led to an increase in overdue secured loans..

4. BORROWINGS

	2025	2024
Non-current		
Bank borrowings (<i>note (a)</i>)	189,000	334,000
Current		
Bank borrowings (<i>note (a) and (b)</i>)	467,688	425,020
Borrowings from other companies (<i>note (c)</i>)	85,473	115,520
Borrowings from micro-finance companies (<i>note (d)</i>)	67,500	95,000
Borrowings from the Group's former and existing employees (<i>note (e)</i>)	113,254	128,043
Borrowings from the Ultimate Shareholders (<i>note (f)</i>)	<u>10,000</u>	<u>10,000</u>
	<u>743,915</u>	<u>773,583</u>
	<u>932,915</u>	<u>1,107,583</u>

The Group's borrowings are all denominated in RMB.

Notes:

- (a) As at 31 December 2025, bank borrowing with principal amount of RMB169.5 million (2024: RMB180.0 million) bears a floating interest rate of the 5-year Loan Prime Rate minus 35 bps (2024: same), with Zhonghui Financial Building as the pledge. It is repaid in a scheduled instalments within 10 to 13 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

As at 31 December 2025, bank borrowing with principal amount of RMB nil million (2024: RMB60.0 million) bears a fixed interest rate of nil per annum (2024: 4.2% per annum). It is secured by all shares of a subsidiary of the Group and guaranteed by two subsidiaries of the Group. It is repaid in a scheduled instalments within 4 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

As at 31 December 2025, bank borrowing with principal amount of RMB nil million (2024: RMB32.0 million) bears a fixed interest rate of nil per annum (2024: 4.0%). It is secured by a subsidiary of the Group. It is repaid in a scheduled instalments within 7 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

As at 31 December 2025, bank borrowings with total principal amount of RMB159.5 million (2024: RMB85.0 million) bear fixed interest rate ranging from 3.0% to 4.05% per annum (2024: 3.5% to 4.5% per annum). They are guaranteed by a subsidiary of the Group/secured by loans to a customer amounting RMB171.0 million (2024: RMB42.0 million)/guaranteed by Wuzhong Group. They are repaid in a scheduled instalments within 1 to 3 years. As at 31 December 2025 and 2024, there are no undrawn bank borrowing facilities.

- (b) Current bank borrowings are all with maturity within one year and bear fixed interest rates ranging from 0.4% to 6.0% per annum (2024: 2.6% to 6.5% per annum) as at 31 December 2025.

As at 31 December 2025, bank borrowings with principal amount of RMB8.0 million (2024: RMB nil) are pledged by the ROU asset and guaranteed by Group subsidiaries.

As at 31 December 2025, bank borrowings with principal amount of RMB30 million (2024: RMB nil) are pledged by the investment property and guaranteed by Group subsidiaries.

As at 31 December 2025, bank borrowings with principal amount of RMB19.0 million (2024: RMB19.0 million) are secured by structured deposits of RMB20.0 million (2024: RMB20.0 million).

As at 31 December 2025, bank borrowings with principal amount of RMB85.0 million (2024: RMB86.0 million) are guaranteed by Wuzhong Group and Wuzhong Jiaye.

As at 31 December 2025, bank borrowings with principal amount of RMB30.0 million (2024: RMB70.0 million) are guaranteed by Wuzhong Group).

As at 31 December 2025, bank borrowings with principal amount of RMB10.0 million (2024: RMB10.0 million) are guaranteed by Suzhou Guofa Financing Guarantee Co., Ltd.

As at 31 December 2025, bank borrowing with principal amount of RMB40.0 million (2024: RMB10.0 million) is guaranteed by Jiangsu Jinchuang Financing Re-guarantee Co., Ltd.

- (c) As at 31 December 2025, borrowings from other companies bear fixed interest rates ranging from 6.5% to 9.0% per annum (2024: same).
- (d) As at 31 December 2025, borrowings from micro-finance companies with principal amount of RMB48.0 million (2024: RMB40.0 million) are guaranteed by Wuzhong Jiaye.
- (e) As at 31 December 2025, borrowings from the Group's employees bear a fixed interest rates of 7.5% per annum (2024: 7.5% per annum).
- (f) As at 31 December 2025, borrowings from one of the Ultimate Shareholders bear a fixed interest rate of 7.5% per annum (2024: 7.5% per annum).

The primary objectives of the Group's treasury management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value. The Group has continued to adopt a conservative treasury policy. The Board and the management have been closely monitoring the Group's liquidity position, performing ongoing credit evaluations and monitoring the financial conditions of its customers in order to ensure the Group's healthy cash position. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase the Company's shares or raise/repay debts.

As at 31 December 2025, the gearing ratio of the Group was 25.82%. The Group monitors capital risk on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings net of cash and cash equivalents. Total capital is calculated as "total equity" as shown in the condensed consolidated statement of financial position plus net debt. The Group's strategy is to maintain a gearing ratio below 50% and to meet the compliance requirements of Wuzhong Pawnshop on aggregate amount of loans to customers at all times.

For the year ended 31 December 2025, the Group did not use any financial instruments for hedging purposes.

5. CAPITAL EXPENDITURE

Our capital expenditure primarily consists of purchases of property, plant and equipment, intangible assets and investment properties. Our capital expenditure was RMB6,386 thousand for the year ended 31 December 2025, as compared with RMB74,583 thousand for 2024.

6. EXPOSURE TO FOREIGN EXCHANGE RISK

For the year ended 31 December 2025, the net foreign currency losses of the Group were RMB773 thousand, representing a decrease as compared to the net foreign currency gains of RMB19 thousand for the corresponding period of last year. The Group is free from material foreign exchange risk and does not conduct any related hedging as it concludes deals in RMB.

7. PLEDGE OF ASSETS

As at 31 December 2025, land-use rights and investment properties were pledged with banks to secure non-current bank borrowings with principal amount of RMB169.5 million (2024: RMB189.0 million).

As at 31 December 2025, a property is pledged with bank to secure current bank borrowings with principal amount of RMB 8.0 million (2024: RMB nil)

As at 31 December 2025, structured deposits with principal amount of RMB20.0 million (2024: RMB20.0 million) of the Group were pledged with banks to secure the Group's borrowings with principal amount of RMB19.0 million (2024: RMB19.0 million).

As at 31 December 2025, term deposits with a bank of RMB77.8 million (2024: RMB11.7 million) of the Group have been pledged for notes payable of RMB97.8 million (2024: RMB31.7 million).

Save as disclosed above, for the year ended 31 December 2025, the Group did not have any pledge of assets.

8. SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSAL

8.1 Acquisition and Disposal of Guangda Education

The Group participated in the restructuring of Guangda Education, a company incorporated in the PRC and principally engaged in hotel operations, through its cooperation with Suzhou Qingdong. On 17 August 2023, Suzhou Huifang Dinghe Business Management Company Limited* (蘇州匯方鼎合商業管理有限公司) (“**Huifang Dinghe**”), an indirect wholly-owned subsidiary of the Company, entered into a tripartite agreement with Guangda Education and Suzhou Qingdong to agree that Huifang Dinghe shall act as the restructuring investor in place of Suzhou Qingdong to acquire the entire interest in Guangda Education from the administrator at a restructuring investment amount of RMB196.0 million and a nominal acquisition consideration of RMB1.

On the same date, Huifang Supply Chain, another indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement with Suzhou Qingdong to agree that (1) Suzhou Qingdong shall pay a cooperation deposit in the amount of RMB50.0 million to Huifang Supply Chain; and (2) within twelve months of the acquisition of Guangda Education, Suzhou Qingdong shall acquire the entire equity interest in Huifang Dinghe from Huifang Supply Chain at a disposal consideration (which includes the settlement of all debts and liabilities incurred by Huifang Dinghe and Huifang Supply Chain as a result of the acquisition of Guangda Education) of approximately more than RMB200 million, in accordance with the cooperation agreement.

In addition, on the same date, Qingdao Wanchen, another indirect wholly-owned subsidiary of the Company, entered into a consultation services agreement with Suzhou Qingdong in relation to the provision of consultation services by Qingdao Wanchen to Suzhou Qingdong in respect of the bankruptcy restructuring of Guangda Education at a consultation fee of RMB1.5 million.

For further details of the above-mentioned transactions, please refer to the announcement of the Company dated 17 August 2023 and the supplemental announcement of the Company dated 30 August 2023.

The commercial substance of the aforementioned series of transactions is to provide Suzhou Qingdong with the necessary financing for its acquisition of Guangda Education. Following the completion of the acquisition of Guangda Education, the acquisition consideration of Guangda Education is accounted for as financial assets held under resale agreement, and the difference between the acquisition consideration and the disposal consideration of Guangda Education upon the completion of disposal of the entire equity interest in Huifang Dinghe is recognised as interest income during the term of the cooperation agreement using the effective interest method.

As at 31 December 2025, the acquisition and disposal of Guangda Education have been completed. For the year ended 31 December 2025, the Group achieved consulting service income of RMB3 million and interest income of RMB3.3 million through this investment. The strategy of the Group is to actively seek opportunities in relation to provision of financing solutions to customers in the areas of restructuring of companies and judicial auction of assets. The Board considers that the income from the acquisition and the disposal represents an opportunity for the Group to generate an investment return while providing services to its customers within its ordinary and usual course of business, thereby creating a win-win situation. The Board has discussed and approved the transaction mentioned above and is of the view that such transactions will bring benefits and create value to the Company and its shareholders as a whole.

8.2 Acquisition and Disposal of the Hongzhuang Commercial Property

Suzhou Huifang Hezhong Enterprise Management Consulting Co., Ltd.* (蘇州匯方合眾企業管理諮詢有限公司) (“**Huifang Hezhong**”), an indirect wholly-owned subsidiary of the Company, participated in the auction and successfully won the auction in respect of the Hongzhuang Commercial Property for a consideration of RMB70,833,420 on 11 October 2024.

On 16 December 2024, Huifang Supply Chain, an indirect wholly-owned subsidiary of the Company, and Suzhou Xinwei entered into the pre-acquisition agreement, pursuant to which, Huifang Supply Chain shall dispose and Suzhou Xinwei shall acquire 100% equity interest in Suzhou Huifang Dingqian Information Technology Services Co., Ltd.* (蘇州匯方鼎乾信息科技服務有限公司) (“**Huifang Dingqian**”) for the disposal consideration in the amount of RMB76,988,420 (subject to adjustment). Upon completion of the disposal, the Group will no longer have any interest in Huifang Dingqian and its subsidiary, Huifang Hezhong, each of which will cease to be a subsidiary of the Company. Huifang Hezhong is the registered owner of the Hongzhuang Commercial Property.

For further details of the above-mentioned transactions, please refer to the announcement of the Company dated 13 October 2024 and the announcement of the Company dated 16 December 2024 in relation to the acquisition and disposal of the Hongzhuang Commercial Property.

The commercial substance of the aforementioned series of transactions is to provide Suzhou Xinwei with the necessary financing for its acquisition of the Hongzhuang Commercial Property. Following the completion of the acquisition, the acquisition consideration will be accounted for as loans to customers, and the difference between the acquisition consideration and the disposal consideration is recognised as interest income during the term of the pre-acquisition agreement using the effective interest method.

As of 31 December 2025, the acquisition and disposal of the Hongzhuang Commercial Property have been completed. The strategy of the Group is to actively seek opportunities in relation to provision of financing solutions to customers in the areas of restructuring of companies and judicial auction of assets. The Board considers that the income from the acquisition and the disposal represents an opportunity for the Group to generate an investment return while providing services to its customers within its ordinary and usual course of business, thereby creating a win-win situation. The Board has discussed and approved the transaction mentioned above and is of the view that such transactions will bring benefits and create value to the Company and its shareholders as a whole.

As at 31 December 2025, the fair value of each of the above investments of the Group was less than 5% of the total assets of the Group. As at 31 December 2025, the Group did not hold significant investments in the equity interests of any companies. Save as disclosed above, the Group did not have any other material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Year.

9. CONTINGENCIES, CONTRACTUAL OBLIGATIONS AND CASH USAGE ANALYSIS

9.1 Contingencies

As at 31 December 2025, the Group did not have any significant contingent liabilities (31 December 2024: the Group did not have any significant contingent liabilities).

9.2 Commitments

(a) Capital commitments

	2025	2024
Suzhou Cibe Management Consulting Partnership (LP) (“Suzhou Cibe”) (note (a))	6,868	42,868
Suzhou Qianhui Tongcui Venture Capital Partnership (LP) (“Qianhui Tongcui”) (note (b))	10,000	10,000
Suzhou Kangli Junzhuo Digital Economy Industry Investment Fund Partnership (LP) (“Kangli Junzhuo”) (note (c))	5,210	5,000
Suzhou Zhongxin Hengyuan Venture Investment Partnership (LP) (“Zhongxin Hengyuan”) (note (d))	675	—
Suzhou Qianrong Yuanfeng Venture Investment Partnership (LP) (“Qianrong Yuanfeng”) (note (e))	615	—
Suzhou Wuzhong Tiankai Huirui Venture Investment Partnership (LP) (“Wuzhong Tiankai”) (note (f))	<u>3,000</u>	<u>—</u>
	<u><u>26,368</u></u>	<u><u>57,868</u></u>

Notes:

- (a) The committed capital injection to Suzhou Cibe is RMB45.0 million, of which RMB6.87 million (2024: RMB42.9 million) has not been paid by the Group as at 31 December 2025 following a capital reduction of RMB36.0 million on 17 April 2025.
- (b) The committed investment injection to Qianhui Tongcui is RMB20.0 million, of which RMB10.0 million (2024: RMB10.0 million) has not been paid by the Group as at 31 December 2025.
- (c) The committed investment injection to Kangli Junzhuo is RMB10.0 million, of which RMB5.2 million (2024: RMB5.0 million) has not been paid by the Group as at 31 December 2025 following a capital reduction of RMB0.2 million in 2025.
- (d) The committed investment injection to Zhongxin Hengyuan is RMB10.0 million, of which RMB0.6 million (2024: RMB Nil) has not been paid by the Group as at 31 December 2025.
- (e) The committed investment injection to Qianrong Yuanfeng is RMB20.0 million, of which RMB0.6 million (2024: RMB Nil) has not been paid by the Group as at 31 December 2025.
- (f) The committed investment injection to Wuzhong Tiankai is RMB20.0 million, of which RMB3.0 million (2024: RMB Nil) has not been paid by the Group as at 31 December 2025.

9.3 Cash Usage Analysis

As at 31 December 2025, the Group's cash and cash equivalents amounted to RMB159,949 thousand, representing an increase of RMB23,878 thousand as compared with that of 2024. The Group's cash and cash equivalents were denominated in RMB, USD and HKD. The following table sets forth a summary of our cash flows for the indicated periods:

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Net cash inflow/(outflow) from operating activities	272,273	(77,774)
Net cash outflow from investing activities	(13,689)	(59,049)
Net cash (outflow)/inflow from financing activities	(231,460)	136,048
Net increase/(decrease) in cash and cash equivalents	27,124	(775)
Cash and cash equivalents at the end of year	159,949	136,071

Net Cash Flow from Operating Activities

During the Reporting Year, net cash inflow from operating activities amounted to RMB272,273 thousand, representing an increase as compared with 2024. The main reason was the cash inflow arising from the disposal of Guangda Education and Hongzhuang Commercial Property.

Net Cash Flow from Investing Activities

During the Reporting Year, net cash outflow from investing activities amounted to RMB13,689 thousand, representing a decrease as compared with 2024. The main reason was the decrease in expenditure on investment property.

Net Cash Flow from Financing Activities

During the Reporting Year, net cash outflow from financing activities amounted to RMB231,460 thousand, representing an increase as compared with 2024. This was due to the decrease in the proceeds from borrowings.

10. HUMAN RESOURCE AND EMPLOYEE BENEFITS

As at 31 December 2025, the Group had a total of 151 full-time employees, with a decrease of 5 person from 156 people as at 31 December 2024. The Company carried out human resource optimization and adjusted the number of our employees and our remuneration policy based on the development of our business and review of our employees' performance.

For the year ended 31 December 2025, the expenses for employee remuneration and benefits were approximately RMB44,677 thousand, representing an increase of approximately RMB588 thousand compared with the same period of last year.

The Group reviews its remuneration policy on an annual basis and discretionary bonus is paid on an annual basis with reference to the Group's performance and individual performance. We adhere to fostering a working environment with opportunities for learning and career development for our employees, and the Group provides employees with a comprehensive range of staff training scheme, including financial knowledge, compliance and leadership management, so as to help them achieve both their personal and professional development goals.

Pursuant to the applicable PRC regulations, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. We have been in compliance with all statutory social insurance and housing fund obligations applicable to us under the PRC laws in all material respects. We are not subject to any collective bargaining agreements.

The PRC employees of the Group are covered by various PRC government-sponsored defined-contribution pension plans under which the employees become entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made and cannot use the forfeited contributions.

Contributions to these plans are expensed as incurred and contributions paid to the defined-contribution pension plans for an employee are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the employee leaves the Group.

11. FUTURE PLANS RELATING TO MATERIAL INVESTMENTS

Save as the capital commitments disclosed in paragraph 9.2 to this announcement, the Group has no other plans for material investments or acquisition of capital assets. However, the Group will continue to seek new business development opportunities. The investment amount will be funded by the internal resources and bank financing of the Group.

12. EVENTS AFTER REPORTING YEAR

12.1 Proposed final dividend

A final dividend in respect of the year ended 31 December 2025 of HK\$0.03 per share, amounting to a total dividend of HK\$32.7 million (equivalent to RMB29.5 million), is to be proposed at the annual general meeting on 28 May 2026. These consolidated financial statements do not reflect this dividend payable.

Save as disclosed above, there is no important event affecting the Group which have occurred subsequent to 31 December 2025 and up to the date of this announcement.

PROSPECTS

Inclusive Finance Business Division: The Company will actively revitalize existing assets to ensure the smooth grant of new loan businesses. The Company will prioritize the development of small-sum credit loan businesses for street-front shops, selectively carry out listed shares backed loans businesses, reasonably develop operating loan businesses relying on bank-enterprise cooperation, and proactively explore innovative models of credit loans for major shareholders of listed companies. Pawnshops outside Jiangsu Province will explore movable property backed loan businesses, and the Company will optimize the personnel structure of the marketing team in Suzhou to improve operational efficiency.

Ecology Finance Business Division: The commercial factoring business will deepen in the Suzhou market to stabilize the balance between scale and efficiency. The financial leasing business will resolve existing risk projects and focus on incremental businesses with high safety margins. The equity investment business will strengthen post-investment management to improve profit contribution. The supply chain management business will rely on core advantages to achieve steady revenue growth. The special asset management business will build a pattern of parallel development of phased holding projects and short-term, quick-return and high-return businesses, focus on high-quality assets, and ensure stable cash flow through multiple channels.

Headquarters: The Company will adhere to the bottom line of liquidity safety, fully advance the collection and disposal of existing assets, reduce the overdue ratio and increase the interest collection rate. It will actively secure additional bank credit facilities and strictly control financing costs. The Company will ensure the operation and management of the headquarters building, continuously optimize human resources and the performance appraisal system, strengthen brand communication and internal identity, and enhance internal audit.

FINAL DIVIDEND

The Board has proposed to declare a final dividend of HK\$0.03 per share in respect of the year ended 31 December 2025 (the “**2025 Final Dividend**”) (2024: HK\$0.03). The 2025 Final Dividend will be paid to the shareholders of the Company (“**Shareholders**”) whose names appear on the register of members of the Company at the close of business on Friday, 5 June 2026. Based on the 1,090,335,000 shares of the Company in issue as at 31 December 2025, the payment of the 2025 Final Dividend is

expected to amount to approximately HK\$32.7 million, which will be paid on or before Tuesday, 30 June 2026. The retained profit will be primarily used for the Group's business developments and/or acquisitions in the PRC.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Year, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules), if any).

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

Following the resignation of Ms. Zhang Shu as a non-executive director on 28 May 2024, the Company had a single gender board which did not meet the requirement under Rule 13.92 of the Listing Rules. With the appointment of Ms. Deng Linyan as non-executive Director on 7 March 2025, the Board has achieved gender diversity and thus has fulfilled the requirement under Rule 13.92 of the Listing Rules.

Save as disclosed above, in the opinion of the Board, the Company has complied with the applicable principles and code provisions as set out in the CG Code throughout the Reporting Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Year.

ANNUAL RESULTS AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company has held a meeting with the auditors of the Company to review the annual results of the Group for the year ended 31 December 2025.

The figures in respect of the results announcement of the Group for the year ended 31 December 2025 have been compared and agreed by the Group's auditors, RSM Hong Kong, with the amounts set out in the Group's audited consolidated financial statements for the Reporting Year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Hong Kong on this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, 28 May 2026. A notice convening the annual general meeting of the Company will be issued to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both dates inclusive) and from Thursday, 4 June 2026 to Friday, 5 June 2026 (both dates inclusive), during which periods no transfer of shares will be registered. The record date shall be Thursday, 28 May 2026 and in order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by 4:30 p.m. on Thursday, 21 May 2026. The record date shall be Friday, 5 June 2026 and in order to qualify for the proposed final dividend (subject to the approval by Shareholders at the forthcoming annual general meeting), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at the abovementioned address for registration by 4:30 p.m. on Wednesday, 3 June 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.cnhuirong.com). The annual report of the Company for the year ended 31 December 2025 will be issued to the Shareholders and available on the above websites in due course.

DEFINITIONS

Unless otherwise required by the context, terms used in this announcement shall have the same meanings as those defined in the interim report 2025.

By Order of the Board
China Huirong Financial Holdings Limited
WU Min
Chairman

Suzhou, China, 27 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Wu Min, Mr. Qiu Wei, Mr. Zhang Changsong and Mr. Yao Wenjun, the non-executive directors of the Company are Mr. Mao Zhuchun and Ms. Deng Linyan and the independent non-executive directors of the Company are Mr. Tse Yat Hong, Mr. Feng Ke and Mr. Liang Jianhong.

* *For identification purpose only*